

CITY OF HAGERSTOWN



MAYOR & CITY COUNCIL'S ADOPTED BUDGET

Fiscal Year 2015 - 2016

July 1, 2015 - June 30, 2016

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Hagerstown
Maryland**

For the Fiscal Year Beginning

July 1, 2014

Jeffrey R. Enos

Executive Director

ORDINANCE No.

ESTABLISHING THE TAX RATES
FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016
CITY OF HAGERSTOWN, MARYLAND

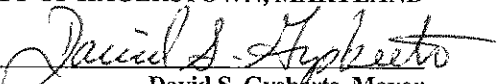
Pursuant to the Charter of the City of Hagerstown and the general public laws of the State of Maryland, the legislative body of the City of Hagerstown is charged with establishing tax rates; and the Mayor and Council, as the duly constituted legislative body for the City of Hagerstown has complied with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

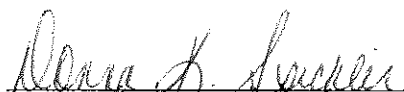
NOW, THEREFORE, BE IT RESOLVED, ENACTED and ORDAINED by the Mayor and Council of the City of Hagerstown, that the tax rates for the City for the taxable levy year from July 1, 2015 through June 30, 2016, is hereby established as follows:

- A. All real property is hereby levied and chargeable on the basis of \$0.913 per \$100 based on the assessed value of said properties as required by the Charter of the City of Hagerstown, the Maryland Constitution, and the Annotated Code of Maryland.
- B. All business personal property, except as otherwise provided for by Ordinance 98-04 entitled *ORDINANCE ESTABLISHING THE ASSESSMENT LEVY FOR THE PERSONAL PROPERTY CATEGORIES OF MANUFACTURING MACHINERY & EQUIPMENT, COMMERCIAL INVENTORY AND MANUFACTURING INVENTORY* for the CITY OF HAGERSTOWN, MARYLAND for the FISCAL YEAR JULY 1, 1998 and *Thereafter*, is hereby levied and chargeable on the basis of \$2.283 per \$100 based on the assessed value of said properties as required by the Charter of the City of Hagerstown, the Maryland Constitution, and the Annotated Code of Maryland.
- C. Taxpayers who pay the taxes referred to herein, between the period of July 1, 2015 up to and including July 31, 2015, shall be entitled and are hereby granted a one quarter of one percent (1/4%) discount on the amount of said tax. Any property tax levy assessed and invoiced after September 30, 2015 shall be and is hereby granted a period of thirty (30) days from the invoice date to pay without additional interest or penalty.
- D. A semiannual payment plan for all real property is established in accordance with state law. Any taxpayer who makes an election to pay taxes on a semi-annual payment plan shall pay a service charge on and with the second installment based on the amount deferred.

BE IT FURTHER ORDAINED that the effective date of the tax rate established herein is July 1, 2015 and shall govern for the period set forth.

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND


David S. Gysberts, Mayor


Donna Spickler, City Clerk

Date of Introduction: May 19, 2015
Date of Passage: May 26, 2015
Effective Date: July 1, 2015

0-15-11

ORDINANCE No.

ESTABLISHING THE BUDGET FOR
FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016
CITY OF HAGERSTOWN, MARYLAND

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

In accordance with the provisions of the City Charter, Article VII, Finance, the City Administrator submitted a proposed budget to the Mayor and Council not less than ninety days before the beginning of the fiscal year, and a public hearing was held on May 12, 2015 after eighteen days' notice in a newspaper of general circulation.

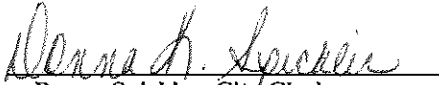
NOW, THEREFORE BE IT RESOLVED, ENACTED and ORDAINED by the Mayor and Council of the City of Hagerstown, that the budget for the City for the fiscal year beginning July 1, 2015 and ending June 30, 2016, is hereby established as follows:

Category	Proposed City Amount	As Revised by Mayor and Council
General Fund	\$ 42,516,390	\$ 41,788,390
Community Development Block Grant Fund	1,347,738	1,347,738
Other Special Revenue Funds	1,904,549	1,830,549
General/Capital Improvement Projects	13,118,451	12,903,451
Total Government Funds	58,887,128	57,870,128
Electric Fund	25,654,447	25,654,447
Water Fund	15,298,262	15,298,262
Wastewater Fund	15,298,714	15,298,714
Parking Fund	967,374	967,374
Golf Fund	446,770	446,770
Property Management Fund	1,109,013	1,109,013
Total Enterprise Funds	58,774,580	58,774,580
Service & Trust Funds	9,277,965	9,277,965
Total Combined Uses of Funds	\$ 126,939,673	\$ 125,922,673

BE IT FURTHER ORDAINED that the effective date of the budget established herein is July 1, 2015 and shall govern for the period set forth.

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND

(SEAL)


Donna Spickler, City Clerk


David S. Gysberts, Mayor

Date of Introduction: May 19, 2015
Date of Passage: May 26, 2015
Effective Date: July 1, 2015

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

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.

FY2016 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 August 2014 through February 2015 and provided opportunities and guidance for the creation of the FY16 budget document. A listing of discussion topics and dates are located in the budget message in Section 1.

During the months of November and December 2014, departmental management and staff conducted departmental reviews of the Capital Improvement Program (CIP) projects. Discussions and/or meetings were held with Department Managers to review the compiled CIP projects for prioritization of timing and funding within department and City goals. 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 CDBG funding needs was held on December 9, 2014.

Budget review meetings began in January 2015 between Department Managers and the Budget Committee to consider departmental operating budget requests. From January 2015 through March 2015, 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 FY16 City Administrator's Proposed Operating Budget and the Capital Improvements Program for FY16 - FY20 for presentation to Mayor and Council.

On March 31, 2015, the City Administrator and Budget staff, in conjunction with City Management, will present the Mayor and Council with the FY16 City Administrator's Proposed Budget for review. The Mayor and Council and the City's senior management will work together from April 14, 2015 to May 27, 2015 to review and discuss the proposed budget and CIP projects. A public hearing will be scheduled for May 13, 2015 to discuss the Operating Budget, Capital Improvement Program (CIP), and property tax rates. This meeting will also act as a second public hearing on Community Development funding needs.

THE BUDGET DEVELOPMENT PROCESS
FISCAL YEAR 2015/2016

Mayor and Council are scheduled to introduce the ordinance for the approval of the budget and CIP projects on May 20, 2015. 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 27, 2015. To conclude the Budget Development Process, Budget staff will implement the FY16 Mayor and Council's Adopted Budget and the FY16 - FY20 approved CIP budget during June and July 2015. The FY16 adopted budget will become effective on July 1, 2015. The adopted operating and CIP budget is available on the City's website at www.hagerstownmd.org

The City of Hagerstown operates under a council-manager form of municipal government. A charter granted by the General Assembly of Maryland formed the governing authority for the City. The Mayor and Council are the governing body of the City, 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. All City employees are supported through the Human Resources department to promote efficient operations.

The City helps expand, retain and attract businesses, oversees planning and permitting functions, and provides community events programming. The community enjoys 19 parks and additional recreation facilities throughout Hagerstown, to include a municipal golf course, a public swimming pool, and an indoor ice and sports complex. The City provides a clean, safe and well-maintained environment in our neighborhoods and community gathering places. The community receives public safety protection through the operation of the City's career fire and police departments.

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 of Hagerstown was founded 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 city's railroading history is preserved at the Hagerstown Railroad Museum, also located at City Park, and features period tools of the trade as well as a restored steam engine built in 1912. The City's rich history also includes stories from the Civil War, when the community managed to spare themselves from ransom and destruction by the Confederate troops.

Hagerstown was named the "Hub City" back when railroading was a primary source of transportation; 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. Retail opportunities are expanding in the community among both big-box and small businesses throughout area shopping centers. In downtown Hagerstown, over 20 distinctive, locally-owned and operated dining options can be found within a two-block radius in each direction from the Public Square.

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 historic

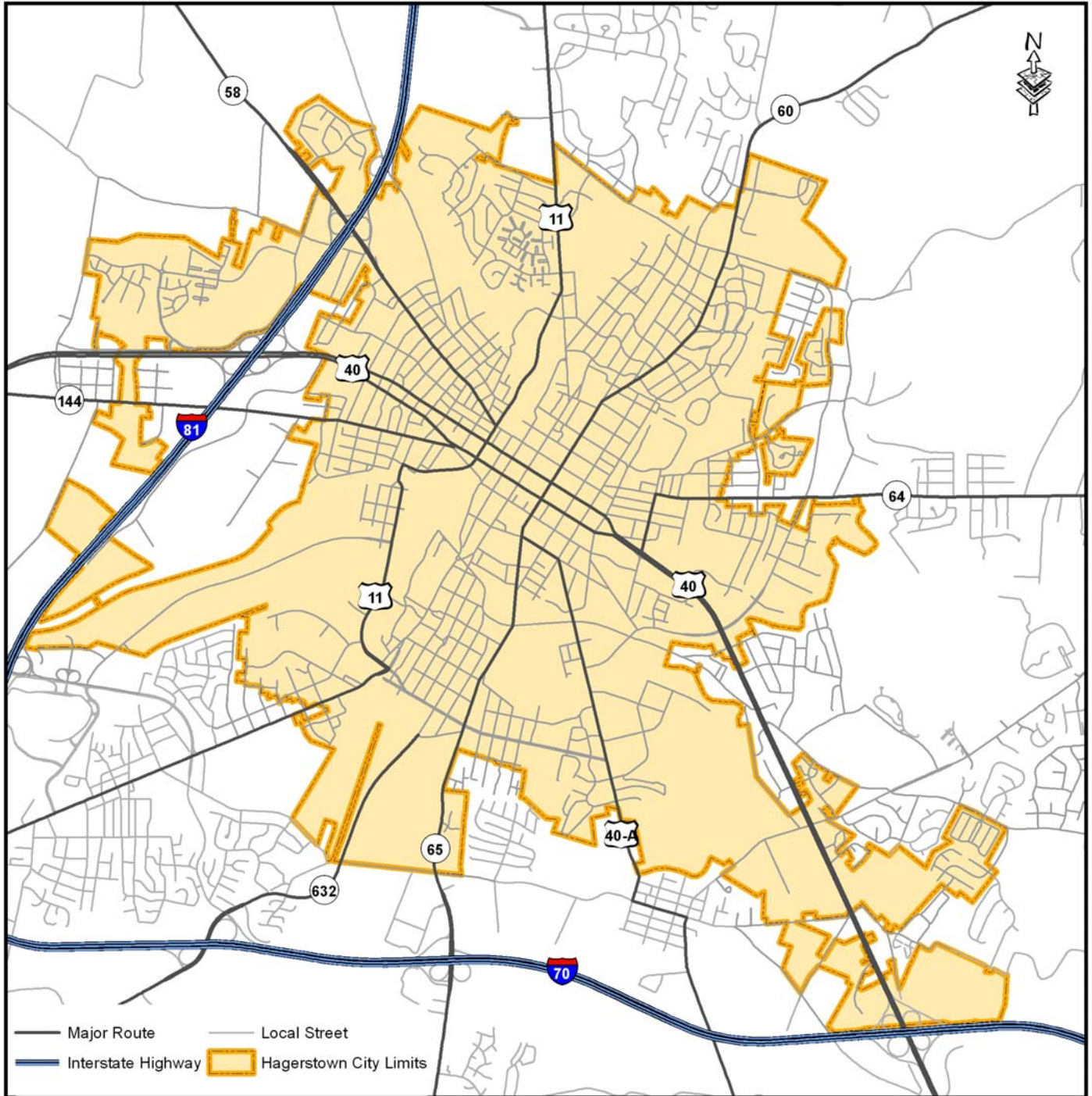
Maryland Theatre, which hosts the Maryland Symphony Orchestra and other popular performing groups and acts. Area artists proudly display their work at the Washington County Arts Council and other local art galleries. The Washington County Museum of Fine Arts is one of four designated fine arts museums 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. City Park is one of 19 parks throughout the park system, which also includes the community's first Dog Park. All parks and recreation facilities owned and managed by the City are smoke-free, with the exception of Municipal Stadium and The Greens at Hamilton Run, a nine-hole golf course overlooking a mountain view. The Hagerstown Ice & Sports Complex hosts hockey games, figure skating competitions, and public skate for amateurs on the ice. The University System of Maryland Education Center opened in the heart of downtown in January 2005; and, currently there are five universities offering 13 undergraduate and eight graduate programs.

The population of the City of Hagerstown and its surrounding suburbs grew by approximately 11% between 2000 and 2010. More recently the trend has leveled and decreased slightly between 2010 and 2013. The 2013 population estimate for the City of Hagerstown is 40,563 with the suburban fringe containing approximately another 61,866. In the City of Hagerstown, there are currently 1,338 housing units in various stages of development and construction. 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.

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. The annual Western Maryland Blues Fest has grown in popularity for nearly 20 years, attracting blues music fans to the three-day festival from all around the Mid-Atlantic coast area. The annual Augustoberfest is a weekend festival that celebrates the city's German heritage with Bavarian food, entertainment, and merriment. A newer event, the Krump's New Year's Eve Donut Drop, is hosted by local entertainment guide, What's NXT, and creates a mock midnight celebration for families who count down as a giant paper-mache donut descends from the clock tower in Public Square.

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.

MAP – CITY OF HAGERSTOWN
FISCAL YEAR 2015/2016



MISCELLANEOUS STATISTICS – JUNE 30, 2014
FISCAL YEAR 2015/2016

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)	12.1

Fire Department

Number of Stations (4 volunteer, 2 City owned)	6
Number of Fire Hydrants (within City limits)	825
Responses to Fire alarms	2,978
Average response time (in minutes)	3:01
Malicious False alarms (included in above number)	30
Public fire education programs	1,288
Persons in attendance at public education programs	9,629

Parks and Recreation

Parks and Playgrounds (297.077 acres)	19
Minor League Baseball Stadium (9.94 Acres)	1
Outdoor Swimming Pool (Claude M Potterfield Pool 1.5 acres)	1
Total attendance at swimming pool	15,027
Average daily attendance at pool	185
Municipal Golf Course (The Greens at Hamilton Run 61.9 acre)	1
Total attendance at golf course	9,759
Average daily attendance at golf course	40

Electric Department

Number of active accounts	16,900
Number of meters (in use)	17,375
Kilowatt hours purchased	318,885,469
Kilowatt hours sold	307,256,238
System peak demand-kilowatts	68,144
Number of substations – 34.5KV to 13.8KV	7

Water Department

Number of active accounts-City	13,082
Number of active accounts-County	15,387
Total number of active accounts	28,469
Daily average productions in million gallons	
R.C. Willson Plant (365 days)	11.423
Wm. M. Breichner Plant (365 days)	0
Greatest consumption for a single day	14.3
Plant pumping capacity per day	20
Average daily metered consumption	8.129
Miles of water mains (estimate)	425

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
2014 (Estimate)	39,662

Police Department

Parking ticket violations issued	8,427
Net parking fines	\$ 107,135
Safe Speed Program citations issued	33,908
Calls for service	61,329
Alarm calls (included in above number)	470

Public Works

Miles of paved streets and alleys	152.33
Number of traffic signals maintained	131

Parking Facilities Department

Number of lots	7
Number of Parking Spaces (metered or rented)	
Lots	709
Streets	363
Parking Decks:	2
Number of Parking Spaces	625
Number of Permit Parkers	560

Wastewater Department

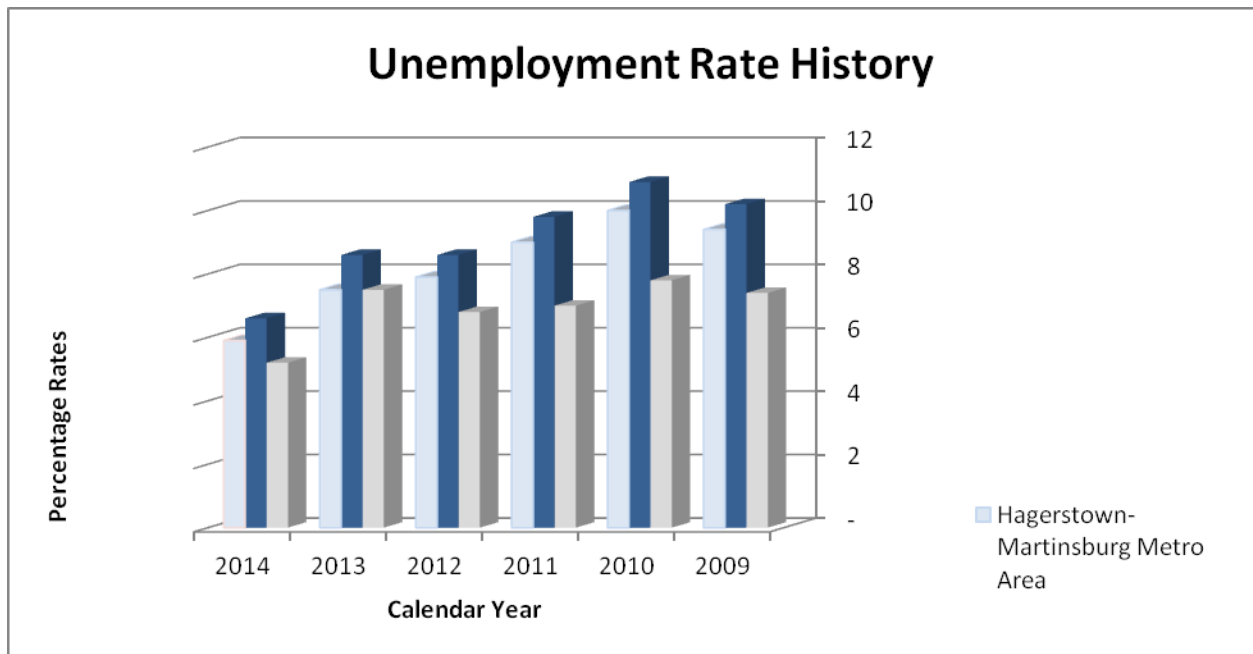
Number of active accounts-City	12,764
Number of active accounts-County	2,889
Number of active accounts-District (JSA)	3,516
Number of active accounts-Total	19,169
Daily average of sewage treated (in million gallons)	7.08
Daily average plant capacity (in million gallons)	10.5
Number of City owned pumping stations	25
Miles of collection system – City owned	157

MISCELLANEOUS STATISTICS – JUNE 30, 2014
FISCAL YEAR 2015/2016

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

Employer	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Washington County Public Schools	2,970	1	4.45%	2,666	3	4.05%
Meritus Health, Inc. (Washington County Health System, Inc.)	2,730	2	4.09%	2,908	1	4.42%
Citicorp Credit Services, Inc	2,700	3	4.05%	2,640	4	4.01%
State of Maryland	2,568	4	3.85%	2,774	2	4.21%
First Data Merchant Services	2,322	5	3.48%	2,230	5	3.39%
Volvo Powertrain NA (Mack Trucks, Inc.)	1,350	6	2.02%	1,264	6	1.92%
Washington County Government	1,159	7	1.74%	941	7	1.43%
Hagerstown Community College	931	8	1.40%			0.00%
The Bowman Group, LLC	718	9	1.08%			0.00%
Federal Government	705	10	1.06%	602	9	0.91%
GST AutoLeather			0.00%	601	10	0.91%
Staples Distribution Center			0.00%	603	8	0.92%
Total	18,153		27.22%	17,229		26.17%

Source: Principal Employers for Washington County MD provided by Hagerstown/Washington County EDC
Total County employment for 2014 was 66,728 and 2005 was 65,865, supplied by Bureau of Labor Statistics.



MISCELLANEOUS STATISTICS – JUNE 30, 2014
FISCAL YEAR 2015/2016

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

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Washington Real Estate	\$ 59,999,000	1	2.27%	\$ 40,410,850	1	2.46%
Lowe's Home Centers, Inc.	23,061,390	2	0.87%	19,327,080	3	1.18%
Walmart Real Estate Business Trust	20,591,200	3	0.78%	16,363,280	4	1.00%
OEKOS Stone House LLC	19,600,000	4	0.74%			0.00%
I-81 Hollyhock LLC	18,900,000	5	0.71%			0.00%
Verizon - Maryland	18,405,450	6	0.70%	29,853,200	2	1.82%
Hagerstown Apartments (Limited) Partnership	17,999,700	7	0.68%	11,784,300	5	0.72%
Sams Real Estate Business Trust	15,313,400	8	0.58%			0.00%
FB Hagerstown LLC	14,601,400	9	0.55%			0.00%
Hagerstown Plaza LLC	14,516,600	10	0.55%			0.00%
Ahold Real Estate Company			0.00%	10,057,200	8	0.61%
Columbia Gas of Maryland, Inc.			0.00%	11,752,100	6	0.72%
Conpco, Inc.			0.00%	6,022,280	10	0.37%
Inland Southeast Valley Park LLC			0.00%	9,929,800	9	0.61%
Washco Centre at Antietam Creek			0.00%	10,284,400	7	0.63%
Totals	\$ 222,988,140		8.42%	\$ 165,784,490		10.11%

Source: City of Hagerstown FY14 CAFR (Comprehensive Annual Financial Report)

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CITY OF HAGERSTOWN, MARYLAND

City Administrator's Department

March 31, 2015

To: Mayor and Council

This is the last budget message and proposed budget that I will present to the Mayor and Council. As in past years, you will find this proposed budget reflects the hard work of our department heads and staff to provide a well prepared, comprehensive, and balanced budget for your consideration. It includes financial and program information that will assist the Mayor and Council over the remaining two years of your term. While there are really no surprises in the financial challenges we face or the information being presented, this budget clearly shows there is more work to be done in strengthening the annual General Fund Budget in FY16 and beyond. My hope is that this proposed budget will reduce the financial challenges for the Mayor and Council and next City Administrator by increasing Hagerstown's financial resources.

Throughout this budget, staff has attempted to reflect the projects and initiatives included in the Mayor and Council Goals and Priorities adopted in December, 2014. These goals and priorities are included for your reference in Section 1 Page 37.

The Proposed FY16 Budget continues the multi-fiscal year focus that we used in preparing the current year's budget. We need to continue looking beyond next year as the City finalizes its annual budget for FY16. Likewise, the concerns expressed in last year's budget message over the strength of our financial resources and the sustainability of our operations remain before us. Hagerstown continues to face tough decisions as we work to position our annual budget within the availability of our financial resources, the cost of our operations, and the needs of the community.

The critical year in this multi-fiscal year approach appears to be FY17. This fiscal year represents the fourth and final budget in this Mayor and Council's term in office. Three if not four of our union collective bargaining contracts will be open in FY17. This year also represents the third year of the current Triennial, which has given us declining property values in the first two years of this assessment cycle. There is little reason to suggest there will be any significant recovery in property values in FY17. The strength of our assessable base in FY18, the start of the next Triennial, is also in question based on our experience over the past five years.

This is the primary reason this Proposed Budget does not rely on the use of General Fund Reserves to balance our annual operating budget, as was done in the current year. The concern is that it is unrealistic to depend on reserves to fund operations next year in the hope that substantial growth in our assessable base in FY17 and FY18 will eliminate the need to utilize reserve funds. If our intention is to continue employee wage increases beyond next year, without the City beginning the process of making significant reductions in service levels and the expenditures associated with them, then we should not utilize reserves. Using General Fund Reserves to balance the FY16 Budget will likely make the challenges of FY17 and FY18 more difficult.

The condition we are experiencing in preparing next year's budget is not the result of failings on the part of the City. We have taken numerous and successful steps to manage our finances and maintain our current service levels throughout the past six years. The negative impact of the economic recession and the continuing decline in Hagerstown's property values, combined with the increasing cost of our operations create the work before us. I give a lot of credit to our Department Heads and staff who have shown dedication and professionalism as they have developed approaches to sustain our services and commitments to serving the community through difficult times which extend back to 2009.

CITY ADMINISTRATOR'S BUDGET MESSAGE
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We have made numerous adjustments over the past six years as we wrestled with these challenges. Hagerstown has frozen wage adjustments, lowered employee benefit levels, reduced staffing, eliminated funding for positions we hope to one day restore, deferred capital projects and equipment purchases, restructured operations and utilized General Fund reserves. This was all done to manage our finances and operations through the loss of operating revenue we have experienced. For the current year we continued many of these approaches, but we also reached the point of restoring pay adjustments for our employees and for the first time since FY05 increased our property tax rate by \$0.11 cents. Our approach to financial management has been recognized by Standard & Poor's who upgraded our bond rating to AA in 2014. Our annual budget and financial report continues to be recognized by the Government Officers Financial Association.

There are other options available to us. The Mayor and Council can consider whether it is time to reduce operating levels or eliminate programming and facilities. Another option is to shift some of our current operations to other service providers. We have not utilized either of these approaches in the decisions we have taken since 2009, but our projections for FY16 and beyond raise the need to at least consider both. This would require extensive time and significant adjustments on the City's part to implement if Mayor and Council choose this course to avoid future tax rate increases.

Based on our current direction and recent experience, this proposed budget includes a 5 cent tax rate increase. Our General Fund needs stronger annual operating revenue to sustain current services and operations. This rate increase generates \$1,205,000 in revenue. It helps us to fund the collective bargaining agreements and FY16 employee pay adjustments approved by Mayor and Council last spring and to diminish our reliance on the unsustainable use of General Fund Reserves. This tax rate increase provides the Mayor and Council additional annual revenue for FY17 and future years, but clearly does not entirely resolve our General Fund challenges in FY17 and beyond.

There is an alternative the Mayor and Council may choose rather than implementing a tax rate increase for the second year in a row. The General Fund budget can be balanced with a combination of a large re-appropriation of Fund Balance in FY16, further reductions in capital expenditures, and additional reductions in General Fund expenditures. The staff considered this approach in preparing this proposed budget for your consideration. It might prove desirable if our sole purpose is to get through next year without a tax increase. The unfortunate impact of this approach is that it does not provide a solution to our need to strengthen resources and will therefore likely make FY17 and future years more difficult.

This combination of utilizing reserves and capital expenditure reductions offers an alternative to Mayor and Council for balancing the budget in the third fiscal year of your term without a tax rate increase. However, our projections show that, absent ongoing expenditure reductions, this approach only defers further budget balancing decisions to FY17. That will be a challenging year when at least three of our collective bargaining contracts are open, property values will most likely remain flat, the available use of General Fund Reserves will most likely be more limited, and the Mayor and Council are wrapping up your current term in office. Using short term or one-time fixes for FY16 will create additional hurdles for the Mayor and Council and the next City Administrator.

The condition of Hagerstown's budget comes with a cost. Our property owners face the additional cost of potential tax rate increases. Hagerstown residents and property owners are negatively impacted by lower property values, a soft job market, and the daily cost of living and doing business. Private sector developers and prospective business owners face a difficult economic and job creation environment. All of our employees face uncertainty and concerns, as partially reflected in the Fire and Police Unions lawsuit against the City over binding contract arbitration and stronger language for recognizing these unions. City departments are operating with older vehicles and equipment. Some of our departments are operating with lower staffing than historical levels. More than 20% of our residents live at or below the poverty level. The median family income level in Hagerstown is very low, drawing into question the ability of the community to support the current cost of our operations. There is much we would like to do for the community but we lack the resources, not the desire or ability. Meanwhile increasing service demands place ongoing stress on City government operations.

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It is important for us to recognize this overall environment we are experiencing as we finalize this budget for next year and position our finances for future years.

Likewise, it is good for us to acknowledge that these circumstances have not held our departments back from achieving a great deal in 2014 and charting a course for many accomplishments in 2015. The good news in all of this is that we are not standing still. We are moving forward in our work to serve the community and improve Hagerstown. Later in Section 1 we have included the Mayor and Council Goals and Priorities along with summaries of our department accomplishments for 2014 and goals for the current calendar year.

As the Mayor and Council work on this budget and proceed toward adoption of the FY16 Budget in May, there are several key issues to consider. Two of the most important involve reaching a decision on our use of General Fund Reserves and the other is arriving at an understanding of a realistic expectation of Hagerstown's property values moving forward.

GENERAL FUND RESERVES

The FY16 Proposed Budget does not include the re-appropriation of surplus or reserve funds to create a balanced General Fund budget, as was done in the current fiscal year. It does include the use of \$500,000 in General Fund Reserves to replenish funding for the First Third Grant economic development incentive that has been a very popular component of our Invest Hagerstown Program.

The City's present policy for the General Fund Balance appears in Section 10 Page 12, and was approved by Mayor and Council many years ago. Based on the current financial conditions the City is experiencing and our use of General Fund Balance in recent years to support the annual operating budget and City operations, staff recommends that this policy be reviewed in 2015 and updated to reflect the City's current financial condition and priorities.

One of the key provisions of the policy states: "The City will maintain a minimum undesignated fund balance (to be used for unanticipated emergencies) of 10% of the General Operating Budget (excluding Capital Outlay). These funds will be used to avoid cash flow interruptions, generate interest income, reduce the need for short-term borrowing and assist in maintaining an investment grade bond rating."

The Government Finance Officers Association recommends that municipal governments such as Hagerstown maintain a balance of 16.7%.

Our current fiscal year budget reflects our General Fund Balance at 19.6% of the General Operating Budget, excluding capital outlay, nearly a 10% decrease from the 21.6% level of FY13. During the past two years we have made three substantial withdrawals from our General Fund Reserve. In November and December of 2013 the Mayor and Council authorized staff to utilize \$841,360 in General Fund surplus from FY13 to fund a number of items. These FY13 surplus funds were used to purchase the police patrol cars scheduled for acquisition in FY14 in the amount of \$210,000, to fund the FY13 Golf Course deficit of \$97,000; and to provide \$24,360 for the CDBG HUD Repayment for the 2011 Audit. In addition these surplus funds provided for the acquisition of the Fire Department's Engine 1 and a Fire Battalion Chief vehicle in the amount of \$346,000, and \$164,000 was used for the HUD repayment on the Massey Property. These expenditures supported by FY13 General Fund surplus totaled \$841,360.

In addition Mayor and Council re-appropriated \$1,500,000 for the Invest Hagerstown Program, to provide funding support for the First Third Grants for commercial building renovation and the residential property incentives that make up the Invest Hagerstown Program.

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The Approved FY15 Budget included \$588,500 in General Fund Reserve to fund vehicle purchases and other capital improvements. As mentioned, this Proposed Budget does not include the re-appropriation of General Fund Reserves to balance the General Fund. The proposed use of \$500,000 in General Fund Reserves to replenish funding for the First Third Grants will result in our reserves being 18.9% of the operating budget at the end of FY16. For the purposes of illustration, if the Mayor and Council choose to use an additional \$750,000 to balance the General Fund, this percentage would decrease to 17.1% as reflected in the chart below:

City of Hagerstown General Fund - Fund Balance Reserve Trends					<i>Optional \$750K Impact if use GF FB in FY16</i>
	Actual FY13	Actual FY14	Estimated Proj FY15	Proposed Bud FY16	
General Fund Unassigned Fund Balance	7,668,912	8,053,185	7,836,637	7,666,619	6,942,619
Unassigned FB % of GF Operating Expenditures	21.6%	21.9%	19.6%	18.9%	17.1%
City Policy % Requirement	10.0%	10.0%	10.0%	10.0%	10.0%
GFOA Best Practices %	16.7%	16.7%	16.7%	16.7%	16.7%

The City has made good use of its General Fund Reserve, appropriating these funds for significant expenditures that supported the Mayor and Council's goals for the community and to provide short term relief for the General Fund annual budget in FY14 and FY15.

Looking forward, there are several important financial and policy considerations for the Mayor and Council, which include:

1. Should the City continue to utilize the re-appropriation of reserves to balance the General Fund budget in FY16 and beyond?
2. If Reserve Funds are used to balance the FY16 and/or FY17 General Fund, what plan should the City create to replace or offset the use of these funds once they are no longer available?
3. Is the City willing to lower its General Fund Reserves below the 16.7% level recommended as a minimum by the Government Finance Officers Association?
4. Should the Mayor and Council wish to continue the Invest Hagerstown Program after the initial funding of \$1.5M from reserves is exhausted, what will be the funding source for the program's extension?
5. As the City proceeds on the Massey Project, which presently is not funded in the Proposed Budget, Mayor & Council may wish to consider the use of General Fund reserves for these expenditures.

It is clear in the General Fund Projections in Section 7; the use of reserves to balance the General Fund is neither a wise nor sustainable approach to balancing the City's largest operating fund. Our projections do not provide any confidence there will be future growth in revenue from existing sources to replace the use of reserves, which then adds to the City's challenges in balancing budgets in the future. Instead of using reserves, I have proposed the 5 cent tax rate increase to provide ongoing revenue that will strengthen the General Fund.

The City's decisions related to the use of General Fund Reserves to fund ongoing operational and capital expense is an important element of the Mayor and Council's budget balancing for FY16 and beyond.

CITY ADMINISTRATOR'S BUDGET MESSAGE
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MAYOR AND COUNCIL BUDGET WORK SESSIONS AND DISCUSSIONS

During the past two years, we have devoted significant time during Mayor and Council work sessions to review and consider budget and financial related issues throughout the year rather than concentrating all of these discussions into your budget meetings in April and May. In that spirit, the following is a schedule of Mayor and Council meeting dates and topics related to our finances over the past year.

Hopefully, these discussions have served to make your April and May budget deliberations more productive as you work toward budget adoption for FY16.

July 15, 2014	Ladder Truck Schedule Maryland Theatre seating project
July 22, 2014	Code Admin - Rental facilities license program Code Admin - Rental License positions – 3 new
August 12, 2014	Worker's compensation program and staffing
August 19, 2014	Discussion of 3 rd Parking Deck
August 26, 2014	Discussion of Crime Cameras – Police Department
September 9, 2014	Deferred Compensation Plan Updates Vacant structures program
September 16, 2014	Standard & Poor's Ratings Upgrade
September 23, 2014	City Center Residency Initiative
September 30, 2014	Code Admin – Vacant structures program positions – 2 new MELP settlement agreement
October 17, 2014	Approval of the General Fund Agency Contribution Policy
October 21, 2014	Consultant for CDBG 5-year plan
October 28, 2014	Position in Human Resources for worker's compensation
November 18, 2014	Benefits Review Speed Camera program
December 2, 2014	Pavement Preservation and Highway User Revenue
December 9, 2014	CAFR Presentation
December 16, 2014	Approval of Debt Management Policy
January 6, 2015	Bond Issue calendar
February 10, 2015	Police/Fire Retirement Review

HAGERSTOWN'S ASSESSABLE BASE

The health of Hagerstown's assessable base both now and in the future is directly linked to the above discussion of the sustainability of the City's operations, the use of reserves and the City's property tax rate. The table in Section 3 Page 6 shows the history of changes in the assessable base for Hagerstown.

Our total assessable base dropped 11.4% from \$2,830,000,000 in FY10 to an estimated \$2,508,000,000 in FY15. As Mayor and Council know, Hagerstown has experienced declines in property values due to the impact of the recession. In FY12 our assessable base declined 11.2% followed by two years of small increases, and then a 5.9% drop in FY15, the first year of the current triennial. Unfortunately, the State Constant Yield Tax Rate Notice we received in February indicates a very slight decline in property values of .47% for next year rather than the 2.6% increase we had projected a year ago.

FY16 represents the second year of the current triennial assessment and indicates our property values are continuing to struggle to recover from the recession. FY17 represents the final year of the current triennial. Somewhat optimistically, we are projecting a 2.5% increase in our assessable base for FY17 followed by a 5% increase in FY18, the first year of the next Triennial.

I would encourage Mayor and Council to compare these assumptions to the history of changes in assessable base we have experienced over the years, as shown on Page 6 of Section 3. We are using optimistic assumptions in our projections for FY17 and FY18. These assumptions should be considered as Mayor and Council deliberate on whether General Fund Reserves should be used to balance the FY16 Budget. It is doubtful that the current tax rate and projected assessable base can generate sufficient growth in revenue to fund increasing operational costs and supplant the City's use of reserves in FY16 or FY17.

EMPLOYEE WAGE ADJUSTMENTS HISTORY AND NEXT YEAR

Since 2007, the City has relied heavily on limiting the cost of employee wages to help balance our annual budget and to avoid property tax rate increases. The current year represented the first time in four years that the City has funded COLA and Step increases for employee pay. For our operations to be sustainable we need to continue to fund such pay adjustments in future years.

This proposed budget reflects the wage adjustments authorized by Mayor and Council through your approval of the union collective bargaining contracts and the FY15 Budget. The following chart provides a good history of the City's employee pay adjustments along with the adjustments included for the coming year.

To recap some of this history the following summary of employee compensation and position funding is provided.

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CITY OF HAGERSTOWN WAGES SINCE JULY 2007

FY07/08	3% COLA 2 nd year of Springsted increase, steps granted
FY08/09	3% COLA Last year of Springsted increase, steps granted
FY09/10	No COLA Steps granted June 2010 – Three positions eliminated
FY10/11	No COLA No steps Frozen career paths Furloughs (3.8 salary reduction/ 10 days off without pay) Service Reduction Days – City Hall closed 3 days 16 positions eliminated \$20,000 incentive to 19 employees to voluntary retire by 1/1/11
FY11/12	No COLA No steps Frozen career paths \$1,000 gross one-time pay on 12/2/11 to all regular full-time employees (all groups)
FY12/13	No COLA No steps Frozen career paths \$1,000 gross one-time pay on 6/7/13 to all regular full-time employees (all groups) \$200 gross one-time pay on 6/7/13 to part-time employees
FY13/14	<u>Non-union:</u> 2% COLA effective 7/1/13; No steps <u>AFSCME 1540:</u> 2% COLA effective 8/1/13; Steps for employees at years 1 & 2 of the pay scale. Remainder continues to be frozen. Career-paths unfrozen. <u>IBEW:</u> 4% COLA effective November 4, 2013 <u>AFSCME 3373:</u> 1% COLA effective January 2014, Year 1 salary increased to \$38,549.47 effective 1/1/14. One-time payout \$1,000 gross, paid to 3373 only on April 11, 2014. <u>IAFF:</u> 2% COLA effective 1/1/14. Scale revised from 24 to 23 steps.
FY14/15	<u>Non-union:</u> 2%COLA and 1 step effective 7/1/14. <u>AFSCME 1540:</u> 1% COLA and 1 pay step effective 7/1/14. <u>IBEW:</u> Zero increase per contract <u>AFSCME 3373:</u> 1 pay step 7/1/14; 1 pay step effective 7/1/15, Year 1 salary increased to \$39,320.46 effective 7/1/14 and \$40,106.87 effective 1/1/15 <u>IAFF:</u> 2% COLA effective 7/1/14 and 1 longevity step
FY15/16	<u>Non-union:</u> 1% COLA and 1 step effective 7/1/15. <u>AFSCME 1540:</u> 1% COLA effective 7/1/15 and 1 longevity step effective on Monday following anniversary date. <u>IBEW:</u> Negotiations began in March 2015 and continue. <u>AFSCME 3373:</u> 1 longevity step effective 7/1/15. <u>IAFF:</u> 2% COLA effective 7/1/15 and 1 longevity step effective 7/1/15

STAFFING

The proposed budget includes 473 full-time positions for next year, including 24 unfunded positions, for a total of 449 funded positions city-wide.

The 473 positions reflect an increase of eight positions from the current year. This reflects the addition of the five positions in our Code Enforcement operations previously approved by Mayor and Council to support our rental licensing and vacant structure programs. Also included is the position in Human Resources that Mayor and Council approved in 2014 related to our decision to implement a self-funded workers compensation program and also strengthen employee training and support. We have also converted a part-time position to a full-time position to better meet the community's interest in increased recreation programming. This new full-time position was created through offsetting expenditure reductions and enhanced revenues. The additional police officer position to provide support for the central library, as approved by the Mayor and Council on March 24th, is also reflected in this Proposed Budget.

In addition to these eight positions, we are proposing to utilize one of the existing unfunded Public Works positions in the existing budget to create a Public Works Operations Manager position. Public Works has been operating with reduced staffing levels for several years while at the same time undertaking new projects and meeting increasing demands on its operations. The addition of this position is viewed as an important step to strengthening these operations. This proposed position reduces our unfunded positions by one, and in combination with the above mentioned eight additional new positions increases our total funded positions from 440 to 449 in the Proposed Budget.

A schedule of City staffing for all of our operations along with a five year history appears on Page 75 of Section 1.

ECONOMIC DEVELOPMENT, DOWNTOWN REVITALIZATION AND COMMUNITY BASED PROJECT FUNDING

Economic Development, Downtown Revitalization, and Neighborhood support are major components of the Mayor and Council priorities and the City's work to implement the Community City Center Plan developed in partnership with Urban Partners. Much of this work is reflected in the Mayor and Council's Goals and Priorities appearing on Page 37 of Section 1.

Identifying City resources to fund these projects will be a significant element of the Mayor and Council's work in finalizing the FY16 Budget and the remaining two years of your term in office. This work will need to be merged into the decisions and plans the City formulates in relation to the use of General Fund Reserves, future funding of employee wage and benefit adjustments in FY17, the City's property tax rate, projections of growth in our assessable base, and Hagerstown's debt affordability.

In recent weeks the Mayor and Council has worked toward the creation of a public private partnership to provide downtown student housing in support of the University System of Maryland Hagerstown Center. With extensive community engagement the City is developing the Arts & Entertainment Trail to connect the downtown A&E District with the arts and culture resources located in City Park. Recently the Mayor and Council have taken steps to address the blighted structures located on the former Massey Property. Our work to create an artists' gallery in 36-40 North Potomac is nearing completion and additional work is underway to renovate 170 West Washington and 64 East Franklin. In addition the Mayor and Council have been addressing neighborhood housing concerns by undertaking home ownership projects on South Prospect Street.

As previously discussed our First Third Grant Program continues to be a very popular incentive program that is well used by developers. Our Partners in Economic Progress incentives are also frequently a component of the City's support of downtown revitalization projects.

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These projects have been funded through a variety of City funding sources such as the proceeds from the sale of the Army Reserve Center (\$625,000), the sale of a portion of the Elizabeth Hager Center to a private entity \$237,300, the use of General Fund Reserves (\$1,500,000), City Bond Funds, and the Economic Redevelopment Fund. The 2015 Bond Issue includes \$1,500,000 for the A&E Trail Project. The planned 2016 Bond Issue assumes \$1,500,000 for Downtown Revitalization. In addition we have used a variety of State and Federal Funds including State Community Legacy grants and Federal Community Development funds.

To continue these projects and further implement Mayor and Council goals and priorities will require funding beyond the existing monies that remain available. This budget includes the previously mentioned re-appropriation of \$500,000 in General Fund Reserves to replenish funding for our First Thirds Grant Program.

We will need to identify funding sources to implement the Mayor and Council's priorities for the Massey Property Project or other downtown revitalization efforts. Should the Mayor and Council at some future point in time wish to commit City funding toward further upgrades or expansion of the Maryland Theatre, or the Board of Education's Academic Hub, there will need to be further consideration of what funding sources can be identified for these projects. The same holds true in regard to any future decision to upgrade Municipal Stadium to retain minor league baseball, redevelop the former MELP property, or implement an indoor recreation center or other projects associated with the Mayor and Council's interest in the East End.

Mayor and Council are encouraged to consider these projects, your goals and priorities, and the related funding issues as you finalize the FY16 Budget.

HAGERSTOWN'S UTILITIES

Our water, wastewater, and electric rates for our customers remain some of the lowest in our region. FY16 marks the second year of the five year rate schedule previously approved by the Mayor and Council. This rate schedule included a 12% increase in our wastewater rates in the first year, followed by two years of annual 4% increases and then 2% increases in the final two years. On the water side, the five year rate schedule included a 2% annual adjustment each year.

In recent years Hagerstown has completed substantial capital upgrades to our treatment plants, water storage tanks, and wastewater collection lines and water distribution lines. The project to address the State's disinfectant by-product requirements at the RC Willson Water Treatment Plant is nearing completion. Over the next year we will continue to evaluate the water system's facilities and operations at Smithsburg/Edgemont, including the 100 year old earthen dam. Looking forward we will continue to further develop our plans and funding for the eventual replacement of the two 24 inch transmission mains that deliver water from RC Willson to our distribution system.

Hagerstown has always taken pride in the condition and operation of these utilities. Time and again our electric customers benefit from the excellent service provided through Hagerstown's Light Division. Both our water and wastewater operations not only provide low cost quality service to City residents, but also many properties located in the county outside of our corporate boundaries.

The finances and operations in our utilities remain healthy. They continue to provide substantial financial support of the General Fund through administrative allocations and payments in lieu of taxes. The financial projections provided in later sections of the budget will assist the Mayor and Council as you consider future decisions related to the water transmission main replacement project, the Edgemont Reservoir, and other capital improvement projects in our utilities. Electric Fund projections begin on page 15 of Section 7. For the Wastewater Fund, please refer to Section 7 page 22. The Water Fund can be located on page 18 of Section 7.

HIGHLIGHTS OF FY16 PROPOSED BUDGET

This proposed budget reflects many of our efforts to support the Vision and Mission Statements included in the Mayor and Council's adopted Goals and Priorities.

Vision: **A diverse, business-friendly, and sustainable community with clean, safe, and strong neighborhoods.**

Mission: **Providing the most efficient and highest quality services as the municipal location of choice for all customers.**

To further Hagerstown's Vision and Mission the following is included in the FY 16 Proposed Budget:

1. **Property Tax Rate Increase:** The proposed increase of 5 cents for Hagerstown's property tax rate represents a commitment to support our current level of operations as well as appropriate compensation for our employees. This increase helps us offset the ongoing negative impact of weakened property values on the City's finances and avoids an unsustainable reliance on the use of General Fund Reserves to balance the General Fund operating budget. This increase also strengthens our five year financial projections, but clearly does not fully solve the financial challenges Hagerstown faces in coming years. The 5 cent increase will generate \$1,205,000 in additional revenue for the City.
2. **Debt Service Expenditures and Bond Issues:** On March 17, 2015 the Mayor and Council approved a resolution authorizing two series of General Obligation bonds. One will be a tax-exempt issue in the principal amount of \$8,020,000 to finance 19 specific projects and the other a taxable issue to finance 3 projects. Among the General Fund supported projects are the purchase of a Fire Department Ladder Truck for \$1,000,000; the construction of the A&E/City Park Trail for \$1,500,000; Public Works Vehicles in the amount of \$276,743; and, \$100,000 each for Major Signal Intersection Upgrades, Storm Water Management Implementation, and March Run Walls Rehab. The total General Fund supported portion of the \$8,020,000 tax exempt issue is \$3,273,743. The remaining portion of \$4,746,257 includes \$650,000 from the Electric Fund for a roof replacement project; \$3,256,257 from the Water Fund primarily for replacement of Distribution Services Meters and Main Replacement; \$740,000 from the Wastewater Fund for Collection System Rehabilitation and Equipment; and \$100,000 from the Property Management Fund for the Roslyn Building Window Replacement Project. The \$1,850,000 taxable issue includes \$650,000 in General Fund support for the MELP Project and \$1,200,000 in Wastewater Fund financed improvements to the Solids Processing and Sludge Storage Systems.

Information on our Bonded Debt Outstanding and our Debt Levels and Affordability is presented starting on Page 22 of Section 1. The City remains well within our benchmarks as established in our Debt Policy, which was updated and approved by Mayor and Council in 2014. Our General Fund supported debt service projections appear in Section 7 Page 12. In our projections we have assumed a \$3,760,000 General Fund supported bond issue In 2016 to provide funding for Downtown Redevelopment, \$1,500,000; \$625,000 for the Redevelopment of the Former MELP Site; \$530,000 for Alley Reconstruction; \$400,000 for rehabilitation of the Marsh Run Walls, and a number of other projects. Debt service projections for other Funds appear in the individual Fund projections statements in Section 7.

On March 24, 2015 Hagerstown received an Aa3 bond rating from Moody's and a AA stable rating from Standard & Poor's.

Our General Fund Projections for Debt Service as shown on Page 12 of Section 7 anticipate General Fund supported bond issues in each of the next five years. At this time we are assuming 20 year terms on these issues, with an interest rate of 4%. The summary of General Fund Debt Service appearing on page 12 shows our annual expenditures increasing from \$2,203,000 in FY 16 to \$3,882,000 in FY 20. Of course this all depends on future decisions the City will make

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related to project funding and debt affordability. Projects such as the Municipal Stadium, Fairgrounds Grandstand, Professional Court Extension, Downtown Revitalization, the Northwest Connector that appear in the 5 year CIP will be the subject of future City decisions related to bond financing.

Staff's assumptions on the size and timing of the General Fund Supported Bond Issues and the projected projects to be included in these bond funds appear in the Five Year Capital Improvement Program on Page 14 of Section 9.

3. **General Fund Projections:** Using a multi-year focus on our Financial condition and projections has always been a part of our budget preparation, but this became especially important for us last year and this year as we consider property tax rate increases, debt affordability, the availability of resources to fund our wages and benefits, and the need to fund capital projects and equipment replacement. As mentioned earlier, at some point it appears the City will need to seriously consider its program and service levels in light of available revenues.

Section 7 of this document includes the financial projections for our various Funds. The General Fund Projections begin on Page 2. As you will see on Page 4, even with the 5 cent tax rate increase in FY16, the City still lacks sufficient resources to cover the projected cost of our wages, benefits, and other operational expenditures in FY17. Our current projections show a projected shortfall of \$1,199,000 that year, with growing deficits in subsequent years. Some of this deficit in future years relates to the assumptions included in the projections for growth in our assessable base. As you know we experienced a 5.9% decrease in the current year and a slight decrease in the State's projection for the coming year. We have taken an optimistic approach, including a 2.5% increase in the assessable base for FY17 and a 5% increase in FY18, as shown on Page 5 Section 7 of the General Fund Projections.

The projections in Section 7 are key to the budget balancing decisions the City makes for FY16 and our financial management and planning in subsequent years. Linking these projections to the Mayor and Council's goals and priorities for City operations and community projects will be a critical part of Hagerstown's budget deliberations.

4. **FY 16 General Fund Expenditure Increase:** The Proposed Budget reflects a 6% increase in General Fund Expenditures for a total of \$42,516,390. This 6% increase is a result of several factors, which include the following: Total Wages & Benefits reflect a 5.1% increase based on prior decisions related to employee compensation and the addition of new positions Mayor and Council have previously approved to support various operations. Debt Service expenditures are anticipated to increase 12.2% next year as a result of the 2015 General Fund supported bond issue scheduled for this April. In addition FY 16 expenditures for CIP related projects and equipment have increased 22%, reflecting the elimination of the use of \$588,500 in Reserves that was used to fund these costs in the current year. Likewise, our expenditures for Invest Hagerstown are projected to increase 60% as we anticipate more projects will be completed next year and draw down their grant funding from the City. General Fund Expenditures are summarized in subsequent locations in this budget message including pages 19, 20, 25 and 26.
5. **General Fund Reserves:** \$500,000 in General Fund Reserves is recommended for re-appropriation in the coming year to be used for the replenishment of the Invest Hagerstown First Third Grant Program. Unlike the current year, when \$588,000 in reserves was used to fund General Fund operating capital expenditures, the FY16 Budget does not assume the use of reserves to balance the General Fund. It is possible to further utilize reserves to reduce the proposed tax rate increase and balance the General Fund for next year, but that only introduces the use of unsustainable revenues into the City's largest operating fund, making the financial challenges for the future all the more difficult. I would recommend that the Mayor and Council devote time in 2015 to consideration of whether the City's policy pertaining to General Fund Reserves should be revised. Our current policy specifies the City will maintain a minimum undesignated fund balance of 10% of the General Operating Budget. GFOA recommends a level of 16.7%. Based on the proposed budget and current fiscal year assumptions, we will have a projected 19.6% entering the next fiscal year, a drop from the 21.6% level of FY13. We have

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utilized General Fund Reserves multiple times to fund Mayor and Council priorities and balance the General Fund over recent years, but this is not an approach that can be sustained.

6. **Employee Staffing:** The Proposed Budget includes 449 funded full-time positions reflecting an increase of nine positions. This reflects the addition of the five code enforcement positions approved by the Mayor and Council in 2014 along with the additional position in Human Resources approved this past October to support our transition to a self-funded Workers Compensation Program. In addition we have used existing funds and projected revenues to convert a position in our parks and recreation program from part-time to full-time, and have added one Police Officer position, as approved by Mayor and Council on March 24th, to serve as a Library Resource Officer. In Public Works we are recommending the use of an unfunded budgeted position vacancy to be funded in FY16 and filled as a Public Works Operations Manager position. We continue to operate with a significant number of budgeted positions that are not funded in the coming year. These unfunded positions total 24, bringing our total budgeted positions to 473, including the previously mentioned 449 funded positions. The 473 total budgeted positions include 122.65 in General City Operations, 206 in Public Safety, and 144.35 in our Enterprise Funds. A summary of staffing appears in Section 1 Page 75.
7. **Employee Compensation:** Three of our four union collective bargaining agreements are already in place for FY16. Negotiations with IBEW commenced in March, 2015. As provided for in the contracts approved by Mayor and Council, AFSCME 1540 will receive a 1% COLA effective July 1, 2015 and their eligible members will receive one longevity step effective on the Monday following their employment anniversary date. AFSCME 3373 members (Police Officers) will receive one longevity step effective on July 1. IAFF members (Firefighters) will receive a 2% COLA on July 1 and one longevity step on July 1. Non-union personnel receive a 1% COLA and one longevity step effective on July 1, 2015. These pay adjustments along with a history of wages since 2007 are included in the summary appearing in Section 1 Page 7.

In terms of General Fund employee and retiree benefits, information is included on Page 10 of Section 7. This budget assumes the City will absorb the increased costs both of our Health Insurance Program and the City Police and Fire Pension. As shown on the top of Page 10 the General Fund portion of employee and retiree health insurance pension costs total \$6,632,000, a 7% increase over the FY 15 Budget. Pension and Health Insurance costs for non-General Fund employees and retirees appear in the presentation of other Funds throughout the Budget. At the bottom of Page 10 you can see that the City's share of the cost for employees participating in the State of Maryland Retirement System is projected to be 8.53% next year. The City's share of the cost for our Police and Fire Pension Program is 13.71%. The five year history of the share of the City's cost appears in the table at the bottom of Page 10.

8. **Downtown Revitalization:** The development of Hagerstown's Community City Center Plan in partnership with Urban Partners was a major part of the City's work over the past twelve months. In support of this plan the Proposed Budget reflects the \$1,500,000 included in the 2015 General Fund supported bond issue for the A&E Trail Project. We are also recommending \$500,000 in General Fund Reserves be re-appropriated for the Invest Hagerstown First Third Grant Program, which is intended to provide support for the university student housing and office development projects included in the Community City Center Plan. In the course of the coming months we will need to develop a funding plan for the redevelopment of the Massey Property. This funding is not reflected in the Proposed Budget. Other downtown projects currently underway are the rehabilitation of 64 East Franklin, the renovations and repairs at 170 West Washington, the redesign and renovation of 43-53 West Washington, along with the completion of the projects at 36-40 North Potomac and 60 West Washington and the demolition of 19-21 West Antietam. The 2016 General Fund supported bond issue assumes \$1,500,000 for future downtown revitalization projects that Mayor and Council may choose to undertake or support. This is reflected in CIP 45-C0854 Downtown Redevelopment. This Proposed Budget does not reflect specific appropriations for the Board of Education's Academic Hub Project. While Mayor and Council have expressed a willingness to consider this project as reflected in your adopted Goals and Priorities, future decisions on any funding support will be considered as the project evolves. The same holds for the Maryland Theatre's consideration of future projects to upgrade and expand its

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facilities. While the City has previously provided significant funding support for recent Theatre projects, and may choose to fund future projects, this budget does not include a specific appropriation in FY16 for Maryland Theatre expansion and upgrades.

9. **Invest Hagerstown:** As previously mentioned, the First Third Grant Program has been a popular City incentive for Economic and Redevelopment projects. Mayor and Council approved \$1,500,000 from General Fund reserves to fully fund the entire Invest Hagerstown Initiative. Of that amount, \$1,200,000 was allocated for the First Third Grant Program which is almost fully committed. This FY16 Proposed Budget recommends the use of \$500,000 in General Fund reserves to replenish the First Third Grant if Mayor & Council wish to continue this program.
10. **Municipal Stadium:** CIP Project # 45-C0040 is identified as Municipal Stadium Improvements and appears on Page 50 of Section 9. The Hagerstown Suns minor league baseball team has an approved lease to play in Municipal Stadium during the 2015 and 2016 seasons. The Mayor and Council's Goals and Priorities adopted in December, 2014 include "Explore use options for Municipal Stadium to enhance the social and economic vitality of Hagerstown's East End. This CIP is included to provide for future decisions Mayor and Council may reach regarding this facility.
11. **Former MELP Site (Antietam Park):** Mayor and Council have discussed the possible redevelopment of this property for a park that would provide access to the Antietam Creek. CIP 45-C0856 Antietam Park at Former MELP Site appears on Page 114 of Section 9 and includes \$625,000 in bond funding from the planned 2016 issue. This funding does not include the relocation of the electric substation facilities located on the site and is in addition to the \$650,000 included in the 2015 Bond Issue to support demolition of the former MELP and acquisition of the property.
12. **Professional Court Extension:** Mayor and Council have not reached any decision regarding funding of this project. This County project involves the development of a new street network beyond the current corporate boundaries of Hagerstown along with the construction of a bridge over the Antietam Creek to connect Eastern Boulevard to Robinwood Drive. CIP 45-C0685 reflects \$1,000,000 in possible City funding from the 2017 bond issue to support this project, which is identified in the Mayor and Council priorities adopted in December, 2014. Based on future discussions with the County this project may prove to benefit Hagerstown, but the anticipated office development to be generated by the new street network is located outside of the City.
13. **City Park Lake Improvements:** It has become clear that the 7.1 acre lower lake in City Park needs to be dredged to remove 100+ years of sediment. CIP 45-C0047 provides \$60,000 in FY16 funding for design of the dredging project followed by \$1,100,000 in FY17 for the actual dredging.
14. **Trail Projects:** In recent years the City has undertaken a number of trail development projects to provide pathways for walkers, joggers, and bike riders as part of our Active Lifestyles Initiatives. CIP 45-C0140 continues this effort and includes \$2,065,000 in funding for the construction of the new A&E Trail that is included in the Community City Center Plan as Catalyst Project #5. This project involves a number of funding sources as outlined on Page 59 of Section 9. In addition CIP 45-C0717 Multi Use Trails focuses on the development of the Marsh Run Trail connecting Municipal Stadium to City Park. This project is complete or funded east of Potomac Street. A Bike Maryland MDOT Grant has been received to design the next phase west of Potomac in FY16, with construction scheduled for FY17 using Federal Grant support.
15. **Neighborhood Parks:** CIP 45-C0751 includes \$250,000 in CDBG funding for the development of neighborhood parks in collaboration with Neighborhoods 1st Groups, interested residents, and area businesses. The goal is to develop new urban parks and pocket parks in underserved areas to offer more recreation opportunities for neighborhood children and their families. The City is currently in the early stages of developing a new neighborhood park in the 800 block of West

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Washington Street. Neighborhood Parks is one of the initiatives included in the Mayor and Council's adopted Goals and Priorities.

16. **Police Department Capital and Equipment Projects:** The Proposed Budget includes a number of Police Department projects and equipment purchases in the Capital Improvement Program. These proposed expenditures for FY16 are summarized on Page 24 of Section 9 and include \$129,800 for Police Radios; \$169,000 for the purchase of Police Vehicles; \$150,000 for Street Crime Cameras as part of our Crime Prevention Through Environmental Design Program; \$160,000 for Crime Lab Equipment; \$25,000 for the Firing Range; and \$51,000 for Police Building Renovations.
17. **Public Works Projects:** \$489,000 in funding for Public Works projects and equipment are summarized on 24 and 25 of Section 9. These expenditures are described on their individual CIP project sheets in Section 9 and include \$127,000 for Public Works Vehicles; \$120,000 for roof improvements to the department's operations center, and \$100,000 for improvements to City Hall which involve painting the Clock Tower and installation of a separate Air Conditioning System for the Council Chambers.
18. **Storm Water Management Implementation:** CIP 45-C0637 reflects Hagerstown's efforts to address the Environmental Protection Agency and Maryland Department of the Environment mandates to reduce pollutants discharged into State waterways and the Chesapeake Bay. \$600,000 is included in this CIP for FY16 for the design and construction of a bioretention area and the reduction of impervious areas in our Industrial Park. Proposed funding would be \$500,000 from a State Grant and \$100,000 in Prior Bond Proceeds.
19. **Pavement Preservation/Highway User Revenue:** \$1,000,000 is included in FY16 for CIP 45-C0025 for Hagerstown's Pavement Preservation Program. This CIP includes the resurfacing of streets as well as overlays, crack filling, slurry seal projects, milling, and pavement markings. This work is funded with State of Maryland Highway User Revenue.
20. **Alley Reconstruction:** This project continues the City's efforts to replace deteriorated alleys as described in CIP 45-C0324. Staff are proposing the use of \$530,000 in bond proceeds to complete this work.
21. **State Highway Retrofit Sidewalk Program:** This is a 100% State Highway funded program for the retrofit of sidewalks along State routes within the City. In FY16 the priority is sidewalks along Route 11 from east of Sherman to Wesel Boulevard and Church Street north to TBH Concrete on Burhans Boulevard. A total of 3,105 linear feet of new sidewalk. \$250,000 in project expenditures is planned for the coming year, with \$500,000 projected in each of the subsequent two fiscal years.
22. **Fire Department Vehicles:** \$1,315,000 is included in CIP 45-C0010 in FY16. This will fund the purchase of a replacement ladder Truck 1 using \$1,000,000 from the 2015 Bond Issue and \$150,000 in contributions from the Pioneer Hook and Ladder Fire Company. FY16 also includes the purchase of Utility vehicle to respond to all fire incident calls to be funded from \$125,000 in proceeds from the 2016 General Fund Bond Issue. \$40,000 in General Fund support is also proposed in FY16 for the purchase of a replacement vehicle for the Department's 2005 Chevy Blazer. This CIP appears on Page 48 of Section 9.
23. **Utility Rates:** The FY16 Proposed Budget represents the second year of the five year rate adjustments approved by Mayor and Council on February 25, 2014. These adjustments take place annually on July 1 and include 2% annual increases for our Water customers. For our Wastewater Customers, this five year schedule included a 12% rate increase effective this past **July**, followed by 4% increases in FY16 and FY17, and then 2% increases in FY18 and FY19. These approved rate adjustments are included in the FY16 Proposed Budget and our five year financial projections. Our Hagerstown Light Division customers will receive a 4.5% decrease in their rates effective June 1, 2015. This rate decrease is a result of Hagerstown's purchase power agreement with our wholesale energy provider Allegheny Energy and will remain in effect over

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two years. For all three of our utilities, our customers enjoy some of the lowest service charges in our region.

24. **Wastewater Fund Capital Projects and Equipment:** There are numerous Wastewater Fund capital projects and purchases included in Section 9, the Capital Improvements Section of the Proposed Budget. These projects total \$2,198,000 in FY16 and are summarized on Pages 3 and 4 of Section 9. Among these projects are the following: CIP 54-C0299 Pump Station Improvements - \$144,000; CIP 54-C0327 \$400,000; CIP 54-C0712 Sludge Storage Phase I Improvements - \$1,000,000; CIP 54-C0767 Grinder Pump Replacement Program - \$162,000; and CIP 54-C0832 Eliminate Pump Stations - \$160,000. Wastewater Fund supported Bond Financing and Annual Operating Revenue will provide funding for these projects.
25. **Water Fund Capital Projects and Equipment:** \$3,114,500 is included in FY16 for Water Fund capital projects and equipment. These expenditures are summarized on Page 35 of Section 9. These include \$233,500 for the purchase of vehicles in CIP 52-C0117; \$210,000 for equipment replacements and upgrades at the RC Willson Treatment Plant in CIP52-C0166; \$500,000 for Willson Transmission Main Work in CIP 52-C0167; \$250,000 for Edgemont Reservoir Improvements in CIP 52-C0168; \$330,000 for our Water Distribution System Meter Program in CIP52-C0653; \$406,000 for Distribution System Main Replacements in CIP 52-C0709; and \$775,000 for the Replacement of Traveling Screens at RC Willson in CIP 52-C0863. A combination of MDE Loans, Water Fund Revenue, and Bond Financing will fund these projects.
26. **Electric Fund Projects and Equipment:** These expenditures are summarized in Section 9 Page 32 and total \$1,244,000 in FY16. The HLD Building Roof Replacement is included in CIP 50-C0542 for \$675,000; Replacement of Underground cable is included in CIP 50-C0540 for \$100,000; and Vehicle Purchases is included in CIP 50-C0090 for \$250,000. Bond Financing and Electric Fund Revenues will provide the funding for these projects.
27. **Parking Fund:** There are no proposed rate adjustments for the City's Parking System in FY16. The Proposed Budget does include a total of \$140,000 in Capital Projects and Equipment Purchases as outlined on Page 39 of Section 9. These include upgrades to the City's parking decks for \$30,000; Vehicle Purchases for \$25,000; Parking Lot Improvements for \$60,000; and Parking System Improvements for \$25,000. Assumptions related to the Parking Fund projections appear on page 26 of Section 7.
28. **Community Development Block Grant:** The proposed CDBG Budget is included in Section 5. Each year we utilize these Federal Grant funds to support downtown and neighborhood revitalization projects along with community agencies and other projects and priorities. In FY16 we anticipate our CDBG grant entitlement will be \$641,000, a slight decrease from the current year, and a significant drop from the \$1,004,945 grant we received in FY11. A history of the City's Entitlement Funding is shown on Page 6 of Section 5. Total CDBG expenditures are projected to be \$1,347,738 in FY16, funded by a combination of new and carry over entitlement funds of \$1,117,183 plus \$231,964 in program income. These projected expenditures include \$175,000 in Commercial/Industrial Improvement Projects; \$345,000 for Public Facilities and Improvements; \$105,000 to support Public Services; \$559,000 in Housing Projects; and \$163,738 for program administration. A summary of CDBG revenues and expenditures appears on Page 5 with more detailed information on Pages 6-9.
29. **General Fund Agency Contributions:** A summary of the proposed General Fund appropriations for agency funding appears on Page 54 of Section 3. In accordance with the General Fund Agency Funding Policy adopted by Mayor and Council in 2014, the Proposed Budget includes \$205,000 in funding for our support of community agencies from the General Fund. This includes the \$190,000 Mayor and Council set aside for certain agencies plus \$15,000 you approved for Unspecified Agency Contributions. To meet the \$205,000 expenditure cap in the new policy the funding for HNDP/HOME STORE has been lowered from \$50,000 to \$28,450. FY16 proposed funding levels are the same as FY15 approved funding for other agencies such as the Museum of Fine Arts, Community Rescue Service, Hagerstown Municipal Band, Maryland Symphony Orchestra, Maryland Theatre, and the Library. Mayor and

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Council may wish to choose a different approach to allocating the \$205,000 among these agencies rather than the \$21,550 reduction included in the Proposed Budget for HNDP/HOME STORE. It should be noted that the much larger funding level for the Maryland Theatre in FY15, as shown on Page 54, reflects the City's support for the Theatre's HVAC and Seating Upgrade Projects. FY16 reflects the \$9,000 base level of funding the City has provided the Theatre in the past.

30. **Property Management Fund:** Beginning in the current year FY15, the Property Management Fund is projected to end the year with a negative cash balance as shown on page 32 in Section 7. The primary factors leading to this projection are: consecutive years of properties sold at losses (Army Reserve Property Sale, Public Square Building, and 19-23 Antietam Street); annual operating expenses greater than current rental income; and using cash received from the sale of properties as a funding source for projects in other funds (Maryland Theatre HVAC Grant, Proposed A&E Trail contribution, and 43-53 W. Washington Street). No immediate action is necessary for this budget adoption. However, in FY15 and FY16 City staff will provide options to Mayor and Council.

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**COMBINED USES OF FUNDS
FY2015/16 BUDGET BY FUND**

The Proposed FY16 Budget includes \$126,939,673 in expenditures for all of the City's funds. The City's largest operating fund, the General Fund, is projected at \$42,516,390 for the coming year, a 6% increase over FY15. Our utility operations for next year include \$15,298,262 for the Water Fund, \$15,298,714 for Wastewater and \$25,654,447 for Electric. The City's General Capital Improvement Fund for next year is proposed at \$13,118,451. Our Parking Fund's Budget is \$967,374 and the Community Development Block Grant Fund totals \$1,347,738. These represent Hagerstown's major operating and capital funds. Other Special Revenue funds totaling \$1,904,549 along with Service and Trust Funds totaling \$9,277,965 are also included for next year. Details on the expenditure and revenue assumptions for each Fund, along with program information, is set forth in their individual budgets, which appear throughout the Proposed Budget.

2015/2016 BUDGET BY FUND

	Revised Budget 2014/2015	Proposed Budget 2015/2016	Increase / (Decrease)	Percent Change
General Fund	\$ 40,107,914	\$ 42,516,390	\$ 2,408,476	6.0%
Communiy Dev. Block Grant Fund	869,863	1,347,738	477,875	54.9%
Other Special Revenue Funds	1,085,664	1,904,549	818,885	75.4%
General/Capital Improvement Projects	9,329,306	13,118,451	3,789,145	40.6%
Total Government-type Funds	51,392,747	58,887,128	7,494,381	14.6%
Electric Fund	24,762,522	25,654,447	891,925	3.6%
Water Fund	17,215,747	15,298,262	(1,917,485)	-11.1%
Wastewater Fund	16,234,117	15,298,714	(935,403)	-5.8%
Parking Fund	875,269	967,374	92,105	10.5%
Golf Fund	468,300	446,770	(21,530)	-4.6%
Property Management Fund	1,158,405	1,109,013	(49,392)	-4.3%
Total Enterprise-type Funds	60,714,360	58,774,580	(1,939,780)	-3.2%
Service & Trust Funds	9,378,082	9,277,965	(100,117)	-1.1%
Total Combined Uses of Funds	\$ 121,485,189	\$ 126,939,673	\$ 5,454,484	4.5%

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SOURCES OF FY15/16 GENERAL FUND REVENUE

The Proposed General Fund revenue of \$42,516,871 for FY16 represents a 6% increase over the FY15 budget. The primary reasons for this increase in General Fund revenue are \$2,357,351 in Property Tax Revenue as a result of the proposed tax rate increase and \$480,200 in Licensing and Permits from the implementation of two newly approved Code Administration Programs for residential licensing and vacant structures.

The following table illustrates the change in the sources of General Fund Revenues from Revised Budget FY15 to Proposed Budget FY16.

Sources of General Fund Revenue Growth

FY 15/16 General Fund Budgeted Revenues	\$ 42,516,871	
FY 14/15 General Fund Budgeted Revenues	\$ 40,103,219	
Revenue Growth (Decrease)	2,413,652	6.0% Increase

Sources

Property Tax Revenue	2,357,351
State & County Shared Taxes	107,000
Licenses & Permits	480,200
Intergovernmental Revenues	(78,371)
Service Charges	31,876
Fine & Forfeitures	(40,766)
Unallocated Revenues	(33,514)
Transfers From Other Funds	(200,000)
Appropriated Use of Fund Balance	(210,124)
Total	\$ 2,413,652

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EXPENDITURES OF FY15/16 GENERAL FUND RESOURCES

The change in the Proposed General Fund Budget for expenditures in FY16 totals \$2,408,476 representing a 6% increase in expenditures from the revised FY15 Budget of \$40,107,914. The following table illustrates the changes in the use of General Fund resources by category of expenditure from FY15 to FY16. The total General Fund expenditure increase is primarily a result of the following: COLAs and salary enhancements for employees, the addition of five new positions for Code Enforcement and one position in Human Resources to support the transition to our self-funded workers' compensation plan, rising employer paid benefits costs for pension contributions, and rising debt service costs use of general fund annual operating revenue versus fund balance reserves to support capital expenditures.

Uses of General Fund Revenue Growth

FY 15/16 General Fund Budgeted Expenditures	\$ 42,516,390	
FY 14/15 General Fund Budgeted Expenditures	40,107,914	
Expenditure Growth (Decrease)	<u>2,408,476</u>	6.0% Increase

Uses		
Wage & Benefits	1,382,509	
Wage & Overhead Allocations	(82,218)	
Contracted Services	(115,991)	
Materials & Supplies	70,077	
Insurance	3,267	
Capital Expenditures	868,345	
Debt Service	239,084	
Transfers To Other Funds	129,222	
Other Expenditures	124,305	
Fund Balance Transfer	(210,124)	
Total	<u>\$ 2,408,476</u>	

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ALLOCATION OF FY15/16 GENERAL FUND EXPENDITURES BY FUNCTION

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

	<u>Allocation</u>	<u>Percent</u>
Public Safety		
Police	\$ 13,489,118	31.7%
Fire	7,359,099	17.3%
Engineering, Parks & Recreation	3,518,222	8.3%
Street, Alleys & Signal	3,131,894	7.4%
Community & Economic Development	3,683,214	8.7%
Debt Service	2,203,825	5.2%
Waste Collection & Disposal	2,033,630	4.8%
Retiree Benefits	1,477,592	3.5%
Technology & Support Services	1,268,567	3.0%
CIP Appropriations	999,800	2.4%
Unallocated Expenses/Transfers *	7,105	0.0%
Finance	721,096	1.7%
Human Resources	672,335	1.6%
City Hall	302,746	0.7%
Legal Counsel	240,000	0.6%
Contributions to Other Agencies	205,000	0.5%
City Administrator	249,043	0.6%
Mayor & Council	177,410	0.4%
City Clerk	163,318	0.4%
Fund Balance Transfers	613,376	1.4%
Total	\$ 42,516,390	100.0%

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

PROPERTY TAX

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

	<u>2005/2006</u>	<u>2015/2016</u>		
	Rate *	Rate	Change \$	Change %
City	\$ 0.798	\$ 0.948	\$ 0.150	18.8%
County *	0.948	0.823	(0.125)	-13.2%
State*	0.112	0.112	-	0.0%

* Assumes County rate remains stable from current year and reflects the \$0.125 cent rate reduction for County residents living in the City due to tax differential that began in FY10/11. Prior to FY10/11, the tax differential was given to the City in the form of a tax rebate.

As mentioned earlier in the message, the real estate tax rate is proposed to increase from FY15 at \$0.898 per \$100 of assessed value to \$0.948 per \$100 of assessed value in FY16. The table above compares City, County, and State tax rates over a ten year period.

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GENERAL FUND CAPITAL INVESTMENT

The following table summarizes our history of General Fund capital investment since FY1998/99.

Fiscal Year	Capital Outlay	Appropriation To CIP Fund	GF Fund Balance Transfer to CIP	Total
1998/1999	\$ 84,894	\$ 428,001		\$ 512,895
1999/2000	371,221	1,146,484		1,517,705
2000/2001	117,839	754,070		871,909
2001/2002	112,988	597,301		710,289
2002/2003	211,417	888,160		1,099,577
2003/2004	187,480	614,800		802,280
2004/2005	202,262	1,061,767		1,264,029
2005/2006	161,135	1,090,294		1,251,429
2006/2007	186,154	985,262		1,171,416
2007/2008	201,312	1,267,000		1,468,312
2008/2009	164,018	1,179,314		1,343,332
2009/2010	45,781	397,563		443,344
2010/2011	69,225	666,506		735,731
2011/2012	658,297	336,952		995,249
2012/2013	88,123	1,102,759		1,190,882
2013/2014	135,065	832,268		967,333
Estimated Actual:				
2014/15	188,167	370,636	556,639	1,115,442
Proposed Budget:				
2015/2016	267,900	999,800	-	1,267,700
2016/2017	283,000	1,215,212	-	1,498,212
2017/2018	298,000	1,191,060	-	1,489,060
2018/2019	313,000	1,216,560	-	1,529,560
2019/2020	200,000	1,077,420		1,277,420

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 FY16 budget above does not anticipate the use of General Fund Balance reserves as has been done in the past.

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BONDED DEBT OUTSTANDING

In current FY15, a bond issue is scheduled for April 2015 in two separate issues. The 2015A Tax-Exempt issue will total \$8,020,000 for various General Fund (\$3,273,743), Electric Fund (\$650,000), Water Fund (\$3,256,257), Wastewater Fund (\$740,000), and Property Management (\$100,000) projects. Additionally, the 2015B Taxable issue will total \$1,850,000 for the General Fund (\$650,000) MELP and Wastewater Fund (\$1,200,000) Synagro sludge storage projects. The costs of issuance for this bond issue will be paid from operations and not be added to the bonded debt. Last, the FY15 projections include final reimbursement draws on the MDE bond issue for the RC Willson Plant Improvement project.

In the FY/16 proposed budget, we have included a general fund supported bond issue that totals \$5,529,000 to General Fund (\$3,760,000), Water Fund (\$386,000), and Wastewater Fund (\$1,383,000). Also included in FY16 proposals is a new MDE issued debt for the Water Fund in the amount of \$1,500,000 for a variety of projects. These proposed capital expenditures are described in detail in the Capital Improvement Program (Section 9) and in the Enterprise Funds (Section 4).

The following table illustrates the balance of bonded debt outstanding at the end of each fiscal year over a 12-year period since FY05. It is separated into tax supported general bonded debt and self-supporting enterprise fund debt for the City's Electric, Water, Wastewater, Parking, and Property Management funds. As reflected in the table below, the largest growth in total outstanding debt over this 12-year period is in the self-supporting enterprise funds.

Fiscal Year	Total Bonded Debt	General Tax Supported	Self- Supporting Enterprise
2004/2005	31,011,741	11,642,712	19,369,029
2005/2006	31,842,647	9,836,534	22,006,113
2006/2007	40,078,392	16,120,194	23,958,198
2007/2008	39,691,668	14,835,434	24,856,234
2008/2009	39,336,794	13,342,801	25,993,993
2009/2010	62,314,151	20,457,426	41,856,725
2010/2011	63,755,733	18,695,138	45,060,595
2011/2012	66,363,883	17,459,565	48,904,318
2012/2013	62,885,398	16,013,064	46,872,334
2013/2014	66,322,847	15,168,166	51,154,681
2014/2015 Estimated Actual	71,867,717	17,813,670	54,054,047
2015/2016 Proposed Budget	73,643,568	20,052,420	53,591,148
12 Year Increase in Outstanding Debt	\$ 42,631,827	\$ 8,409,708	\$ 34,222,119

Finally, we may experience both direct and indirect impacts from federal spending cuts and continued uncertainty in the Municipal Bond Market. There are still discussions on the tax exempt status of municipal bonds and how changes to that status may increase our bond market interest rates and our cost of issuance with those bonds. As part of the national stimulus package, the City issued taxable Build America Bonds as part of its 2009 issuance. With this issue, the federal government was originally reimbursing 35% of our total interest paid. Starting with our reimbursement in December 2012, this reimbursement amount has been reduced. Additional reductions or total elimination of this interest reimbursement is still possible. For this reason, the FY16 proposed budget does not include any interest reimbursement. The chart below is a quick glance of the financial impact annually across all City funds.

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

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

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 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 debt as currently proposed is below the limits established in the City's debt policy.

TAX SUPPORTED GENERAL FUND OBLIGATION DEBT RATIOS

Fiscal Year	Total Taxable Assessed Value	Percent of Assessed Value	Debt Per Capita	General Fund Debt Service as % of General Fund Operating Revenue
2004/2005	1,639,741	0.71%	310	3.70%
2005/2006	1,843,026	0.53%	257	4.77%
2006/2007	2,103,113	0.77%	413	4.73%
2007/2008	2,297,063	0.65%	371	5.42%
2008/2009	2,552,030	0.53%	333	5.16%
2009/2010	2,830,482	0.74%	511	5.25%
2010/2011	2,880,838	0.65%	467	6.41%
2011/2012	2,559,162	0.68%	440	6.80%
2012/2013	2,633,731	0.61%	404	5.31%
2013/2014	2,665,127	0.57%	382	4.80%
2014/2015 Estimated Actual	2,507,684	0.71%	445	4.72%
2015/2016 Proposed Budget	2,533,333	0.79%	501	5.26%
City Debt Policy		10.00%	\$ 1,000	10.00%

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

GENERAL FUND

REVENUES

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

	Revised Budget 2014/15	Estimated Actual 2014/15	Proposed Budget 2015/16	Percent Change
Property Taxes	\$ 25,951,604	\$ 26,722,018	\$ 28,308,955	9.1%
State and County Shared Taxes	3,584,479	3,695,126	3,691,479	3.0%
Charges for Current Services	2,972,942	3,005,354	3,004,818	1.1%
Interdepartmental Charges	2,031,000	2,031,000	2,031,000	0.0%
Licenses & Permits	1,625,950	2,148,393	2,106,150	29.5%
Fines & Forfeitures	1,899,516	1,850,500	1,858,750	-2.1%
Transfers from Other Funds	285,000	425,105	85,000	-70.2%
Contributions & Donations	12,752	17,852	18,352	43.9%
Interest Income	35,000	5,400	5,500	-84.3%
Intergovernmental Revenues	537,858	630,858	459,487	-14.6%
Appropriated Use of Fund Balance	823,500	-	613,376	-25.5%
Other General Revenues	343,618	310,903	334,004	-2.8%
Total Current Revenue	\$ 40,103,219	\$ 40,842,509	\$ 42,516,871	6.0%

1. Overall Property Tax revenue is estimated to increase from FY15 budget to FY16 budget by \$2,357,351 as a result of a proposed property tax rate increase combined with increases in corporate personal property taxes.
2. The State and County Shared Taxes increase by \$107,000 over the FY15 budget as a result of growth in the expected local income tax distribution as well as increases in Hotel/I tax increases.
3. Overall Charges for Current Services are planned to increase slightly by 1.1% primarily due to the increase in revenue from recreation programs and pay-by-phone transaction fees and credit card convenience fees. These increases are nearly offset by decreases in Fire protection fees and Fire/EMS auto response fees.
4. Overall Licenses & Permits revenue are planned to increase by 29.5% or \$480,200 as a result of the implementation of the residential licensing and vacant structures programs. These two new programs combined are expected to increase revenues by \$375,000. Other increases are expected in street digging fees and building and electrical permits.
5. The 2.1% (\$40,766) decrease in Fines and Forfeitures reflects increases in revenue from municipal infractions, confiscated revenues and administration fees which are being offset by the inclusion of a reserve for uncollectible speed camera ticket revenue.
6. Transfers from Other Funds reflect a reduction of \$200,000. The FY15 budget included a one-time \$200,000 transfer from Property Management for the Maryland Theatre HVAC project which is not included in the FY16 budget.
7. Interest Income reflects a reduction of \$29,500 to align the budget with actual trends.
8. Intergovernmental Revenue is projected to decline by \$78,371 or 14.6% primarily due to declining federal reimbursement for two (COPS Hiring Grant) secured by Hagerstown Police Department. The grants are to cover a portion of officers' salaries on a declining scale over a three year period.
9. Appropriated Use of Fund Balance reflects a total request of \$613,376 to be utilized from prior years' General Fund balance. This request is to fund the Economic Redevelopment Fund for the Invest Hagerstown and First Third Grants.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

COST BY FUNCTION

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

	Revised Budget 2014/15	Estimated Actual 2014/15	Proposed Budget 2015/16	Percent Change
Police	\$ 13,040,900	\$ 13,090,381	\$ 13,489,118	3.4%
Fire	6,878,028	6,980,700	7,359,099	7.0%
Subtotal Public Safety	19,918,928	20,071,081	20,848,217	4.7%
Engineering, Parks & Recreation	3,190,666	3,451,219	3,518,222	10.3%
Street, Alleys & Signal	3,183,769	3,322,254	3,131,894	-1.6%
Community & Economic Development	3,309,508	3,401,645	3,683,214	11.3%
Debt Service	1,964,741	1,925,683	2,203,825	12.2%
Waste Collection & Disposal	2,014,746	1,987,112	2,033,630	0.9%
Technology & Support Services	1,249,720	1,261,920	1,268,567	1.5%
Retiree Benefits	1,308,542	1,409,432	1,477,592	12.9%
CIP Appropriations	230,370	370,636	999,800	334.0%
Finance	663,075	637,975	721,096	8.8%
Human Resources	633,250	649,871	672,335	6.2%
City Hall	122,080	301,394	302,746	148.0%
Contributions to Other Agencies	473,490	620,595	205,000	-56.7%
Legal Counsel	240,000	242,800	240,000	0.0%
Unallocated Expenses/Transfers*	164,662	230,816	7,105	-95.7%
City Administrator	283,668	285,184	249,043	-12.2%
Mayor & Council	177,710	177,711	177,410	-0.2%
City Clerk	155,490	155,090	163,318	5.0%
Fund Balance Transfers	823,500	963,713	613,376	-25.5%
Total General Fund	\$ 40,107,914	\$ 41,466,131	\$ 42,516,390	6.0%

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

The General Fund expenditures by function reflect the following:

1. The Police Department proposed FY16 budget reflects an increase of 3.4% and \$448,218. This increase is a result of step and COLA increases as well as the addition of \$142,325 to the overtime budget. Additionally, the police department is anticipating an increase in operating expenses of around \$184,000 due to ammunition, training, communication and equipment maintenance costs. Capital outlay will increase by nearly \$84,000 to purchase new mobile data terminals and computer equipment.
2. The Fire Department proposed FY16 budget reflects an increase of 7% and \$481,071. Primarily, this increase reflects salary enhancements, rising employer costs (insurance and pension), and an additional \$25,000 in overtime based on current trends. Maintenance expenses are expected to increase due to aging fleet and increased number of fire apparatus.
3. The \$373,706 (11.3%) increase in Community & Economic Development is primarily due to the addition of 5 neighborhood services staff.
4. CIP Appropriations are budgeted \$769,430 (334%) higher than FY15. The FY16 budget did not depend on the use of fund balance reserves to fund CIP projects.
5. The FY16 budget for City Hall includes \$181,000 for labor allocations for work done by other city departments for City Hall. This had not been budgeted in FY15.
6. Contributions to Other Agencies reflect an expected decrease of \$268,490 or 56.7% as a direct result of the approval of the Agency Contribution Policy approved by Mayor & Council on November 25, 2014. Additionally, FY15 included a one-time contribution to the Maryland Theatre capital project.
7. Fund Balance Transfers reflects a total request of \$613,376 to fund the Economic Redevelopment Fund for the Invest Hagerstown and First Third Grants.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

EXPENDITURES BY TYPE

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

	Revised Budget 2014/15	Estimated Actual 2014/15	Proposed Budget 2015/16	Percent Change
Salaries and Wages	\$ 18,052,482	\$ 18,370,375	\$ 19,204,813	6.4%
Employee Benefits	9,087,732	9,264,712	9,317,910	2.5%
Total Wages and Benefits	27,140,214	27,635,087	28,522,723	5.1%
Contracted Services	4,404,755	4,390,546	4,288,764	-2.6%
Advertising & Printing	287,010	270,318	264,370	-7.9%
Rentals	92,750	110,545	96,890	4.5%
Maintenance & Repairs	733,820	750,511	807,024	10.0%
Vehicle Expenses	914,448	1,013,568	1,013,548	10.8%
Materials, Supplies & Utilities	2,069,981	2,129,453	2,140,058	3.4%
Professional Development	113,872	158,211	136,707	20.1%
Communication Expenses	181,957	312,250	222,717	22.4%
Wage & Overhead Allocations	(983,423)	(848,931)	(1,065,641)	8.4%
Other Expenses	623,269	651,439	791,905	27.1%
Insurance	267,397	263,924	270,664	1.2%
Unallocated General Expenses	808,490	960,195	546,760	-32.4%
Capital Outlay - Non CIP	168,985	188,167	267,900	58.5%
Debt Service	1,964,741	1,925,683	2,203,825	12.2%
Operating Transfers to Other Funds	265,778	220,816	395,000	48.6%
Capital Transfers to CIP fund	230,370	370,636	999,800	334.0%
Fund Balance Transfer to CIP Fund	588,500	556,639	-	0.0%
Fund Balance Transfer for Invest Hag	235,000	407,074	613,376	161.0%
Total All Expenditures	\$ 40,107,914	\$ 41,466,131	\$ 42,516,390	6.0%

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

1. The \$1,382,509 (5.1%) increase in Total Wages & Benefits reflects COLA and/or step increases for employees based on union contracts or proposed increases for non-union groups. In addition, overtime budgets have been increased for both Fire and Police to more closely reflect actual spending trends.
2. Debt Service is projected to increase \$239,084 or 12.2% as a result of the 2015 Bond Issue as well as an anticipated issue in FY16 to fund various capital projects across the City.
3. Vehicle Operating Expenses are expected to increase 10.8% over FY15 budget. The primary reason for this increase is due to the age of the City's vehicle fleet as well as to the addition of apparatus and vehicles in the Fire and Police department respectively.
4. The 10% increase in Maintenance & Repairs reflects the rising costs anticipated with various maintenance contracts, especially computer and software maintenance.
5. Unallocated General Expense is projected to decrease \$261,730 (32.4%) as a result of the implementation of the new Agency Contribution Policy adopted by Mayor and Council on November 25, 2014.
6. It is anticipated that Other Expenses will increase by \$168,636 in FY16 budget. This is largely due to \$100,000 in contingency that is budgeted in FY16. The FY15 contingency has been allocated to various areas. Additional increases are expected in postage, property abatement work charges and in public functions
7. The \$613,376 increase in Fund Balance Transfer for Invest Hagerstown reflects funding to the Economic Redevelopment Fund.
8. Transfers to CIP Fund are projected to increase 269,430 (334.0%) and reflects the City's use of General Fund money to support capital purchases rather than use General Fund Balance Reserves.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

ENTERPRISE FUNDS

ELECTRIC FUND

	Revised Budget 2014/15	Estimated Actual 2014/15	Proposed Budget 2015/16	Percent Change
Operating Revenues	\$ 24,017,381	\$ 24,158,699	\$ 23,908,431	-0.5%
Operating Expenses	23,758,355	24,051,240	23,955,359	0.8%
Operating Income (Loss)	259,026	107,459	(46,928)	-118.1%
Non-Operating Revenues (Expenses)	107,841	125,446	108,796	0.9%
Capital Contributions & Grants	75,000	80,000	100,000	33.3%
Transfers In (Out)	(29,000)	(29,000)	-	-100.0%
Operating Income (Loss)	412,867	283,905	161,868	-60.8%
Add Back Depreciation	905,000	870,000	920,000	1.7%
Capital Outlay	(938,000)	(648,964)	(1,639,000)	74.7%
Bond Proceeds	-	650,000	-	
Repayment of Debt Principal	(23,234)	(23,234)	(57,621)	148.0%
Deduct Non-Cash Capital Contributions	(75,000)	(80,000)	(80,000)	6.7%
Net Surplus (Deficit)	\$ 281,633	\$ 1,051,707	\$ (694,753)	-346.7%

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

1. No electric rate increases have been projected for FY16. The proposed budget reflects the power supply contract extensions through May 31, 2017 with Allegheny Energy.
2. Electric revenue shows an overall 0.5% decrease as a result of the additional savings that will be recognized from the two year agreement with Allegheny Energy effective May 31, 2015. These savings are shared with the City's customers and are reflected in this overall revenue decrease as individual customer rates will be lower.

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

1. Purchased power costs are decreasing from FY15 budget by approximately \$128K as a result of a lower charge per megawatt hour (MWh) from \$53.90 per MWh to \$51.50 per MWh effective June 1, 2015, which is reflected by a reduction in expense when comparing FY15 budget to FY16 proposed budget.
2. Total personnel costs (salaries, overtime, and benefits) reflect a combined increase of 4.9% or \$144K which reflects a proposed 1% COLA and step increases for non-union employees and rising employer costs for health insurance. The current IBEW union contract is effective through June 2015 and it is not yet known the impact of this contract for FY16.
3. Depreciation expense reflects a increase of 1.7% or \$15,000 due to anticipated investments in new capital projects and assets.
4. Capital outlay totals are expected to increase by 74.7%. The Capital Improvement Program, Section 9, provides details on all the Electric Fund projects anticipated for FY16.
5. Annual debt service expenditures are expected to almost double which is reflected in the Repayment of Debt Principal line above. This is a result of the 2015A tax-exempt bond debt for a roof project (\$650,000).

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

WATER FUND

	Revised Budget 2014/2015	Estimated Actual 2014/15	Proposed Budget 2015/16	Percent Change
Operating Revenues	\$ 11,238,355	\$ 11,238,920	\$ 11,422,520	1.6%
Operating Expenses	11,425,941	11,484,408	11,602,862	1.5%
Operating Income (Loss)	(187,586)	(245,488)	(180,342)	-3.9%
Non-Operating Revenues (Expenses)	(562,305)	(527,517)	(568,799)	1.2%
Capital Contributions & Grants	850,000	850,000	850,000	0.0%
Gain (Loss) on Fixed Asset Disposal	10,000	10,000	1,500	-85.0%
Transfers In (Out)	(29,000)	(29,000)	-	-100.0%
Operating Income (Loss)	81,109	57,995	102,359	26.2%
Add Back Depreciation	3,160,000	2,900,000	3,300,000	4.4%
Capital Outlay	(5,182,900)	(4,855,000)	(3,114,500)	-39.9%
Repayment of Debt Principal	(1,394,638)	(1,268,638)	(1,778,718)	27.5%
Deduct Non-Cash Capital Contributions	(350,000)	(350,000)	(350,000)	0.0%
Bond Proceeds	4,135,000	7,795,804	1,886,000	-54.4%
Net Surplus (Deficit)	\$ 448,571	\$ 4,280,161	\$ 45,141	-89.9%

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

1. Annual rate increases have been approved through FY19. The increase effective July 1, 2015 is an average of 2% for inside customers and 2% for outside customers and is reflected in the total operating revenue increase of 1.6%. The service rate increase is part of a multi-year plan to offset increasing debt service costs, rising depreciation expense, and decreasing capital contributions.

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

1. The FY16 budget includes an increase of 1.2% or \$177K for total operating expenses. The primary reasons for this total increase are: a 4.4% or \$140K increase in depreciation and 1.5% or \$64K increase in total personnel costs for COLA and step increases for employees and rising employer costs for health insurance.
2. Capital outlay totals are expected to decrease by 39.9% as the completion of the RC Willson Plant Phase IV improvements reach completion. The Capital Improvement Program, Section 9, provides details on all the Water Fund projects anticipated for FY16.
3. Annual debt service expenditures are expected to increase by 27.5% as reflected in the Repayment of Debt Principal line above. This is a result of utilizing bonded debt for large capital and infrastructure projects especially the RC Willson Plant Phase IV improvements.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

WASTEWATER FUND

	Revised Budget 2014/15	Estimated Actual 2014/15	Proposed Budget 2015/16	Percent Change
Operating Revenues	\$ 12,016,265	\$ 12,050,330	\$ 12,463,137	3.7%
Operating Expenses	12,779,935	12,520,379	12,677,372	-0.8%
Operating Income (Loss)	(763,670)	(470,049)	(214,235)	-71.9%
Non-Operating Revenues (Expenses)	(430,229)	(378,921)	(411,389)	-4.4%
Capital Contributions & Grants	740,000	540,000	540,000	-27.0%
Transfers In (Out)	(29,000)	(29,000)	-	-100.0%
Operating Income (Loss)	(482,899)	(337,970)	(85,624)	-82.3%
Add Back Depreciation	3,020,000	3,020,000	3,120,000	3.3%
Capital Outlay	(2,983,000)	(2,504,626)	(2,198,000)	-26.3%
Repayment of Debt Principal	(1,613,133)	(1,583,310)	(1,707,220)	5.8%
Deduct Non-Cash Capital Contributions	(100,000)	-	-	-100.0%
Bond Proceeds	1,737,000	1,940,000	1,383,000	-20.4%
Net Surplus (Deficit)	\$ (422,032)	\$ 534,094	\$ 512,156	-221.4%

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

1. Annual rate increases have been approved through FY19. The increase effective July 1, 2015 is 4% for FY16; 4% for FY17; and 2% for FY18 and FY19. The 4% rate increase for FY16 is reflected in the total operating revenues increase of 3.7% above. The rate increases are part of a multi-year plan to ensure the fund continues to be self-supporting and to meet the Wastewater revenue requirements.

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

1. The FY16 budget includes an overall decrease of 0.8% or \$103K for total operating expenses. The primary reasons for this total decrease are: a 3.3% or \$100K increase in depreciation; 2.1% or \$78K increase in total personnel costs for COLA and step increases for employees and rising employer costs for health insurance; 81.3% or \$53K decrease in operating capital outlay; and 13.1% decrease or \$250K in contractual services for pelletizing charges.
2. Capital outlay totals are expected to decrease by 26.3% in an effort to defer expenditures and increase cash and fund balance reserves. The Capital Improvement Program, Section 9, provides details on all the Wastewater Fund projects anticipated for FY16.
3. The City is anticipating borrowing \$1,383M for Wastewater Fund projects in FY16. All of this borrowing is expected to be a City issued bond to cover various projects, which are outlined in detail in Wastewater charts beginning on Page 37 of Section 9 Capital Improvement Program. This amount decreased from current FY15 budget by 20.4% or \$354K.

CITY ADMINISTRATOR'S BUDGET MESSAGE
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PARKING FUND

	Revised Budget 2014/15	Estimated Actual 2014/15	Proposed Budget 2015/16	Percent Change
Operating Revenues	\$ 952,423	\$ 897,653	\$ 879,110	-7.7%
Operating Expenses	733,642	726,126	777,830	6.0%
Operating Income (Loss)	218,781	171,527	101,280	-53.7%
Non-Operating Revenues (Expenses)	(59,370)	(55,891)	(47,787)	-19.5%
Operating Income (Loss)	159,411	115,636	53,493	-66.4%
Add Back Depreciation	267,166	237,199	274,643	2.8%
Capital Outlay	(80,000)	(85,006)	(140,000)	75.0%
Repayment of Debt Principal	(155,138)	(155,740)	(162,527)	4.8%
Net Surplus (Deficit)	\$ 191,439	\$ 112,089	\$ 25,609	-86.6%

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

1. Operating revenues are anticipated to decrease by 7.7% from FY15 to FY16 budget. This is primarily due to lower volume of rentals in both A&E and University parking decks. Additionally, parking fines have decreased as a result of creating a reserve for uncollectible tickets.

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

1. The FY16 budget contemplates an increase of 6% or \$44,188 for operating expenses less depreciation. The increase reflects a 1% COLA received by all non-union staff in July and a 1% COLA received by AFSCME 1540 members in July 2015 and one longevity step on anniversary date.
2. Non-operating expenses reflect a decrease of 19.5% in FY16 as debt is being paid down and less interest is due.
3. Depreciation expense from FY15 to proposed FY16 budget includes a small increase of 2.8%, or \$7,477 as a result of new equipment investments and improvements made to an existing deck infrastructure.
4. Capital outlay totals are expected to increase by \$60,000 or 75% for planned deck upgrades and parking system improvements. The Capital Improvement Program, Section 9, provides details on all the Parking Fund projects anticipated for FY16.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

GOLF COURSE FUND

	Revised Budget 2014/15	Estimated Actual 2014/15	Proposed Budget 2015/16	Percent Change
Operating Revenues	\$ 186,300	\$ 214,028	\$ 215,850	15.9%
Operating Expenses	406,300	433,759	406,770	0.1%
Operating Income (Loss)	(220,000)	(219,731)	(190,920)	-13.2%
Non-Operating Revenues (Expenses)				
Interest Earned	-	10	10	0.0%
Capital Contributions & Grants	20,000	20,000	-	-100.0%
Transfers From General Fund	200,000	212,000	195,000	-2.5%
Operating Income (Loss)	-	12,279	4,090	0.0%
Add Back Depreciation	38,300	38,100	43,000	12.3%
Capital Outlay	(62,000)	(62,000)	(40,000)	-35.5%
Net Surplus (Deficit)	\$ (23,700)	\$ (11,621)	\$ 7,090	-129.9%

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 increase by 15.9% or \$29,550 for the FY16 budget. This increase is primarily due to increased advertising and marketing efforts as well as additional tournaments and specials that are planned for the next year.
2. The FY16 budget remains relatively flat when compared to FY15 budget. There is only a slight increase of \$470 or 0.1%. Increases in salaries, seasonal employees and advertising are offset by reductions in grounds supplies, chemicals and water and sewer expenses.
3. Depreciation expense is expected to increase 12.3 % from FY15 to FY16 proposed budget. This is as a result of investment in infrastructure and vehicles.
4. Capital outlay totals are expected to decrease by \$22,000 or 35.5% as only a mower and sand trap rake are anticipated to be replaced. The Capital Improvement Program, Section 9, provides detail on the Golf Fund project anticipated for FY16.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

PROPERTY MANAGEMENT FUND

	Revised Budget 2014/15	Estimated Actual 2014/15	Proposed Budget 2015/16	Percent Change
Operating Revenues	\$ 330,538	\$ 357,388	\$ 357,738	8.2%
Operating Expenses	508,405	648,306	606,736	19.3%
Operating Income (Loss)	(177,867)	(290,918)	(248,998)	40.0%
Non-Operating Revenues (Expenses)	-	(92,894)	7,723	100.0%
Capital Contributions & Grants	-	86,422	-	0.0%
Transfers to General Fund	(200,000)	(240,105)	-	-100.0%
Transfers to Capital Improvement Fund	(365,000)	-	(365,000)	0.0%
Transfers to Econ Redevelopment	-	(237,300)	-	0.0%
Transfers From CDBG Fund	-	75,000	-	0.0%
Transfers from Econ Redevelopment	22,000	47,248	-	-100.0%
Operating Income (Loss)	(720,867)	(652,547)	(606,275)	-15.9%
Add Back Depreciation	140,000	128,000	132,000	-5.7%
Capital Outlay	(85,000)	(312,052)	(135,000)	58.8%
Repayment of Debt Principal	-	-	(5,500)	100.0%
Bond Proceeds	-	100,000	-	
Net Surplus (Deficit)	\$ (665,867)	\$ (736,599)	\$ (614,775)	-7.7%

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 increase by 8.2% or \$27,200 from rental income. This increase is primarily due to the lease with Antietam Fire for 790-800 Potomac Avenue and for the lease with NIST for 14 N. Potomac Street.
2. The FY16 budget includes an increase of 28.9% or \$98,331 over the FY15 budget for operating expenses less depreciation. This increase is a result of wage allocations of an additional position, increases in contracted services costs for pest control and HVAC work, and increases in utility costs.
3. Depreciation expense from FY15 to proposed FY16 budget is estimated to decrease by 5.7% or \$8,000 due to timing and completion of improvements at various properties.
4. Capital outlay totals are expected to increase by 58.8% or \$50,000 as a result of the replacement of all of the windows in the Roslyn building and upgrades to the HVAC system at the Elizabeth Hager Center. The Capital Improvement Program, Section 9, provides details on the various Property Management Fund projects anticipated for FY16.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

SPECIAL REVENUE FUNDS

**COMMUNITY DEVELOPMENT BLOCK
GRANT FUND**

	Revised Budget 2014/15	Estimated Actual 2014/15	Proposed Budget 2015/16	Percent Change
CDBG Grant Revenues	\$ 846,135	\$ 936,490	\$ 1,117,183	32.0%
Program Income	185,476	405,833	231,964	25.1%
Other Revenues	-	1,500	1,500	0.0%
Total Revenues	1,031,611	1,343,823	1,350,647	30.9%
Commercial/Industrial Improvements	130,000	131,579	175,000	34.6%
Clearance & Demolition	-	1,000	-	0.0%
Public Facilities & Improvements	140,000	140,000	345,000	146.4%
Public Services	100,000	99,200	105,000	5.0%
Housing	348,000	654,737	559,000	60.6%
Administration	151,863	211,421	163,738	7.8%
Total Expenses	869,863	1,237,937	1,347,738	54.9%
Net Change in Fund Balance	\$ 161,748	\$ 105,886	\$ 2,909	-98.2%

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

1. Total Revenues reflect an overall increase of 30.9% or \$319K from FY15 budget. This increase results from spending \$476K of the current year federal entitlement revenue plus next year's federal entitlement revenue of \$641K. The FY16 Entitlement award is anticipated to be 0.8% less than the FY2014/15 Entitlement. There is chart that reflects the City's entitlement funding history in Section 5 on page 6.

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

1. Commercial/Industrial Improvements reflects an increase by 34.6% or \$45K for potential commercial rehab in downtown as well as funding a new cellar door program.
2. There are no anticipated new acquisitions or demolitions included in our FY15 proposed budget.
3. Public Facilities and Improvements are almost double in FY16 budget which includes a total of \$250K to spend for the creation of City Neighborhood Parks.
4. Public services expenditures are anticipated to increase by \$5K or 5.0% as a result of the Entitlement revenue and program income cap.
5. Total Housing expenses are estimated to increase of 60.6% or \$211K as a part of an on-going effort to concentrate on the homeownership program and residential rental rehab program.
6. Overall Administration costs are higher by \$12K or 7.8% to stay within the maximum 20% federal cap guidelines.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

THE BUDGET SCHEDULE

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

The budget schedule for this year is as follows:

November 1 – December 31, 2014	Review of Department CIP requests with Department Managers.
December 9, 2014	First Public Hearing on Community Development funding needs.
January 5 – January 31, 2015	Department budget requests and start of review meetings between Department Managers and Budget Committee.
February 19, 2015	Began prioritizing department requests and developing City Administrator adjustments.
February 25, 2015	Began balancing and adjustment process by discussing proposed adjustments, obtaining further input and agreement on adjustments with departments.
March 31, 2015	City Administrator's Proposed Budget submitted to Mayor and City Council.
April 1 – May 26, 2015	Mayor and City Council review of Proposed Budget and Capital Improvement Program.
May 12, 2015	Public Hearing on Budget and Capital Improvement Program; property tax rates; and second public hearing on Community Development funding needs.
May 19, 2015	Introduction of Ordinances
May 26, 2015	Adoption of budgets and CIP for all funds; set tax rate.

DISTINGUISHED BUDGET PRESENTATION AWARD

This was the eleventh consecutive year that the Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Hagerstown, Maryland for its annual budget for the fiscal year beginning July 1, 2014. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operating guide, as a financial plan, and as a communications device.

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

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2015/16

ACKNOWLEDGEMENTS

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

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

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

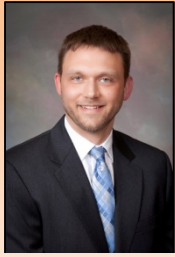
Respectfully submitted,



Bruce Zimmerman
City Administrator

Organizational Structure

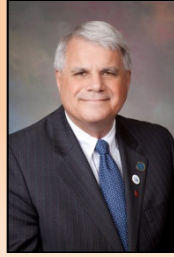
City of Hagerstown Elected Officials



Mayor
David S.
Gysberts



Councilmember
Kristin B.
Aleshire



Councilmember
Martin E.
Brubaker



Councilmember
Lewis C.
Metzner

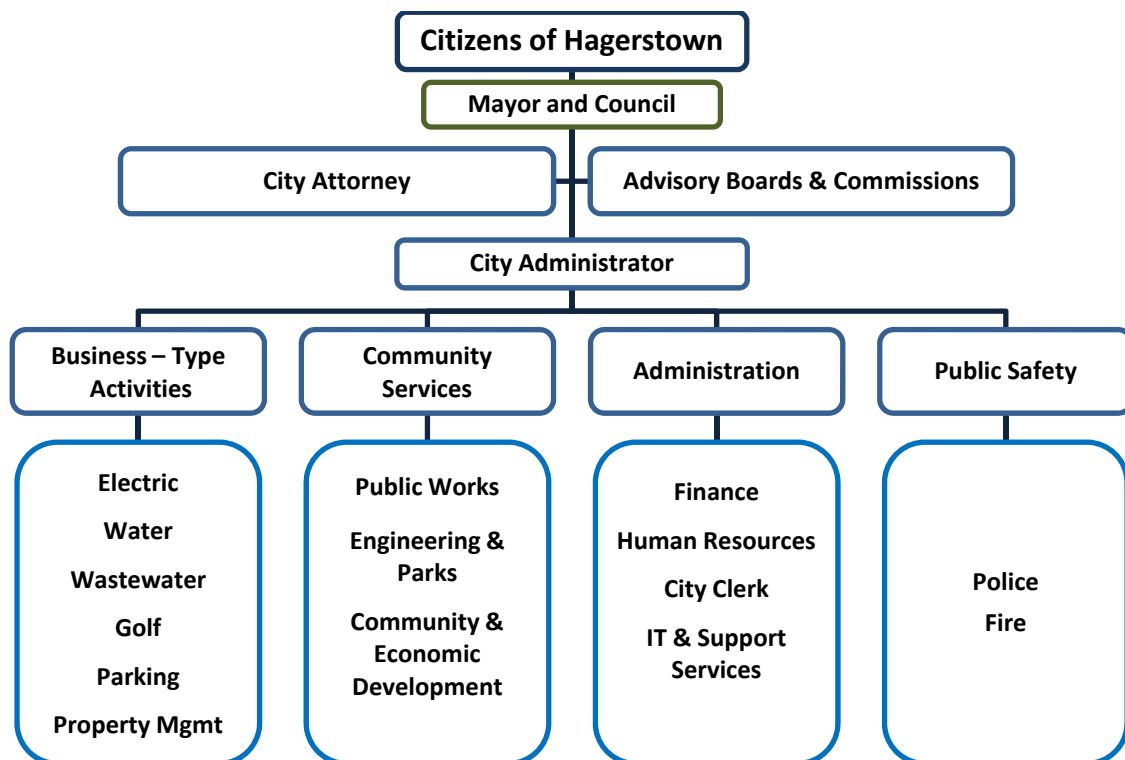


Councilmember
Donald F.
Munson



Councilmember
Penny M.
Nigh

City of Hagerstown Structure



SECTION 1 – MAYOR & COUNCIL GOALS & PRIORITIES 2015-2016

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 December 16, 2014, Mayor and Council adopted their new Goals & Priorities 2015 through 2016. As outlined below, these priorities are categorized under seven "pillar" goals which were derived from Mayor and Council's Mission and Vision Statement that was approved by the elected body in 2012.

Vision Statement: A diverse, business-friendly, and sustainable community with clean, safe and strong neighborhoods.

Mission Statement: Providing the most efficient and highest quality services as the municipal location of choice for all customers.

The City will emphasize the following Core Values through the implementation of the Mayor & Council's Goals & Priorities:

- Health, safety and welfare
- Positive character and transparency
- Turning liabilities into assets
- Creative, progressive action
- Neighborhoods, children and families
- Excellence and continuous improvement
- Diversity and inclusivity
- Partnerships and stakeholder feedback
- Sustainable growth

SECTION 1 – MAYOR & COUNCIL GOALS & PRIORITIES 2015-2016

ECONOMIC DEVELOPMENT

The City of Hagerstown has a diverse, business-friendly economy that supports the community's needs.

- Build a public-private partnership to provide **high-speed broadband** in excess of 1Gb to attract high-tech business to the City.
- Implement the **Main Street Maryland Program** to enhance collaboration among diverse partners who support the downtown.
- Implement the **Community's City Center Plan** to promote economic development and strong neighborhoods in our core.
 - o **Catalyst Project #1** - Select a developer to construct new Class-A offices on the Central Parking Lot.
 - o **Catalyst Project #2** - Work with public and private partners to support the expansion of Maryland Theatre programming and facilities.
 - o **Catalyst Project #3** - Work in support of USMH to expand academic program offerings and facilities, including student housing.
 - o **Catalyst Project #5** - Construct a multi-use trail linking the Arts & Entertainment District with City Park and the WCMFA.
 - o **Catalyst Project #7** - Expand operations of the City Farmers' Market to include additional hours and a greater variety of vendors.
- Implement the **business resource and creative work space area** to support small business start-ups and collaboration among entrepreneurs.
- Identify assets of the **Meritus properties** to cooperatively market for re-use and development in partnership with Meritus.
- Participate with the County and the private sector on the extension of **Professional Court across Antietam Creek** and the annexation/development of Mt. Aetna farms.
- Collaborate with Washington County Government and the private sector to re-develop the former **Massey property** in support of the library and the neighborhood.
- Partner with Washington County and the Board of Education on the proposed **Education Hub** to expand academic opportunities in City Center.



SECTION 1 – MAYOR & COUNCIL GOALS & PRIORITIES 2015-2016

PUBLIC FACILITIES AND INFRASTRUCTURE

The City of Hagerstown establishes and maintains quality services and infrastructure that support residents and business in a cost-effective manner.

- Create a plan for the revitalization and re-use of the **MELP property** to support the city's East end.
- Explore use options for **Municipal Stadium** to enhance the social and economic vitality of Hagerstown's East end.
- Further strengthen Fairgrounds Park with diverse recreation opportunities through use of the **Grandstand area**.
- Improve and **increase access to waterways** for recreational opportunities and economic development, to include Antietam Creek, Hamilton Run, Marsh Run, and Town Run.
- Enhance the benefit of the **Greens at Hamilton Run** golf course to the community and improve its long-term financial feasibility.
- Ensure future use of the **Winter Street Elementary School** supports Hagerstown's West end neighborhood.
- Develop a plan for the future need and use of the City's **Edgemont water facilities**, including the reservoir, watershed property, and the Breichner water treatment facility.
- Incorporate new technologies that provide and promote a more **customer-oriented parking experience**.
- Expand "**pocket park**" development in several areas, including Kiwanis Park, to provide neighborhood and recreational facilities.



SECTION 1 – MAYOR & COUNCIL GOALS & PRIORITIES 2015-2016

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.

- **Integrate technology** throughout City operations to enhance the customer experience and increase citizen access to City services and information.
- Evaluate the **future structure and delivery of City services** within the availability of our community's financial resources and in response to the needs of Hagerstown's residents.
- Promote awareness and **understanding of the City's finances** through accessible and easy-to-use data presentations.
- Grow the **Hagerstown Strong Program** - a volunteer outreach group pairing volunteers with government staff.
- Grow a foundation of **active and engaged residents** to serve on various City boards and commissions.
- Promote community engagement initiatives under the **"engageHagerstown"** brand to increase participation and actionable outcomes.
- Grow resident awareness of **x311** and explore a resident notification system to more effectively share information.
- Improve access to **City website** information for mobile device users.



SECTION 1 – MAYOR & COUNCIL GOALS & PRIORITIES 2015-2016

NEIGHBORHOODS

The citizens of Hagerstown experience a high quality of life in their neighborhood.

- Secure State funding and hire a consultant to develop a **housing and neighborhood plan** based on Mayor & Council's goals to strengthen Hagerstown as a residential community by addressing key issues such as concentration of poverty, non-profit/subsidized housing, concentration of social services providers and quality of housing stock in the older neighborhoods.
- Adopt a **"Complete Streets" policy** to incorporate multi-modal transportation in Hagerstown's future street re-construction.
- Incorporate pillars of the **Character Counts!** program through visible branding in the downtown and parks.
- Foster **adopt-a-block programs** throughout the City modeled after the adoption of E. Franklin St. and streetscape improvements.
- Promote neighborhood-based services and citizen engagement by **defining neighborhood boundaries and identities** and also by expanding Neighborhoods 1st programming.
- Improve conditions in neighborhoods by working with owners, tenants and investors utilizing the **Rental Facilities and Vacant Structures programs**.
- Expand efforts in **Problem-Solving Policing** through neighborhood patrol walks and direct engagement of citizens.
- Enact a **progressive Land Management Code** and related ordinance amendments to strengthen City neighborhoods.



SECTION 1 – MAYOR & COUNCIL GOALS & PRIORITIES 2015-2016

ACTIVE / HEALTHY LIVING

The City of Hagerstown supports a rich, social and culturally vibrant community.

- Establish **multi-use walking trails** in the Marsh Run area of the City (Antietam Creek to City Park).
- Develop a program to **add public art** throughout City neighborhoods, parks and public gathering places on an annual basis.
- Support **increased programming for multi-cultural events**, festivals and performances.
- Foster an **age-friendly community** to make city living attractive to people of all ages.
- Enhance **visitor attractions at Potterfield Pool**, including a "sprayground" area.
- Develop and **expand programs through the Parks & Recreation Division** to increase active, healthy living of citizens.
- Establish goals and initiatives supportive of the **HEAL Cities & Towns campaign** to promote healthy eating and active lifestyles.
- Establish a **community garden** for citizens to grow and cultivate foods and produce.
- Enhance the City's standing as a **"Bicycle Friendly Community"** through additions of bike lanes, bike racks and rider-friendly routes.
- Establish a **"Wireless Parks" initiative** to provide free Internet services in the major City parks.
- Provide **interactive opportunities for visitors** to trails / parks to increase their knowledge of City History.
- Pursue certification through the **Sustainable Maryland Certified Program** to incorporate eco-friendly practices at a cost savings while enhancing quality of life amenities.



SECTION 1 – MAYOR & COUNCIL GOALS & PRIORITIES 2015-2016

PUBLIC SAFETY

The City of Hagerstown ensures that all who live, work, and play in the City of Hagerstown are safe.

- Improve the **model of data/community driven public safety** enforcement through incorporation of National Safety Standards.
- Work with State delegation and community stakeholders to develop legislation and programs to **address gangs, violence, drug activity and juvenile crimes.**
- Purchase a **replacement ladder truck** for Pioneer Hook & Ladder.
- Partner with Washington County Volunteer Fire & Rescue's Recruitment & Training Coordinator to **strengthen the volunteer program** within HFD.
- Implement the **HFD Strategic Plan** to guide the future operations of the department.
- Strengthen an **Emergency Preparedness Program** to further coordinate emergency response between City departments.
- Integrate **GPS and calls for police service**, including enhanced field reporting and crime camera monitoring.
- Address **violent crime and gang activity** utilizing the latest in Predictive Policing technology.
- Enhance the **management of juvenile offenders** through the use of a Juvenile Officer Coordinator.



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.

- Use **data to guide decision-making** and program development throughout City operations.
- Adopt **continuous improvement strategies** throughout all City operations.
- Complete implementation of an **Electronic Time and Attendance Reporting** to enhance the tracking of employee time and leave.
- Incorporate a **Self-Funded Worker's Compensation Program** to reduce costs and enhance occupational health.
- Explore **alternate employee and retiree health plan options** to ensure the future sustainability of benefit offerings.



SECTION 1 – DEPARTMENTAL GOALS 2015

The following presents our 2015 work plan for each department reflecting our continued efforts to address important community projects, the Mayor and Council's Goals and Priorities adopted in December of 2014, Hagerstown's City Center Plan and organizational development initiatives. Hopefully this will be a useful reference for you throughout the year. As you will see, our departments are undertaking many goals and objectives in 2015 and will continue our commitment to the health and vitality of Hagerstown and strong governmental services for our citizens.

CITY CLERK

Update of the City's Record Retention Schedule. Staff continues to review provisions for electronic and paper documents and communications for an updated Record Retention Schedule. The existing retention schedule was implemented in 1999. Staff will participate in on-going training seminars from the Maryland State Archives. The document retention schedule will be updated during 2015.

Automation. Access to Mayor and City Council meeting information is available on the City's website, using the NOVUS meeting management system. Viewers are able to review the memos and packet information for meetings. The Mayor and City Council have the ability to use an electronic version of the packet. Using this version, they will be able to make notes directly on their electronic copy. Implementation will take place as elected officials request access.

City Ethics Commission. The City Clerk is the staff liaison for the City Ethics Commission. Training and educational sessions are being developed by the Commission for presentation to Mayor and Council members and staff. The Commission is planning to provide an annual review to the Mayor and Council in the Spring of 2015 including a presentation of the Commission's proposed code amendments developed in the past year.

Documents. Create an index of the documents retained in the City Clerk's office. This would include agreements, deeds, contracts, etc.

Access. Provide electronic access, in one location, to Mayor and Council actions, including the packet memos and the fully executed documents.

Review the City Code. Identify outdated and irrelevant language within the Code pertinent to the City Clerk's office and make recommendations for amendments, in particular the sections dealing with licenses for

Boards and Commissions. Assist in the City's efforts to grow a foundation of active and engaged residents to serve on various City boards and commissions.

SECTION 1 – DEPARTMENTAL GOALS 2015

DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

COMMUNITY/NEIGHBORHOOD SUPPORT

Housing and Neighborhood Plan. Secure State funding and hire a consultant to develop a housing and neighborhood plan based on Mayor & Council's goals to strengthen Hagerstown as a residential community by addressing key issues such as concentration of poverty, non-profit/subsidized housing, concentration of social services providers and quality of housing stock in the older neighborhoods.

Quality of Life in Our Neighborhoods. Initiatives in 2015 will include:

- Working with the County Treasurer's Office to continue efforts to implement a program for acquisition of nuisance vacant lots and structures through over-counter sales
- Continue implementation of the East Franklin Street Gateway Enhancement Plan and develop additional "adopt-a-block" efforts for areas throughout the City

Neighborhood-Based Projects and Events. Work with community partners to complete various neighborhood projects to create visible change and community pride in City neighborhoods. These projects include accessibility ramps city-wide, crosswalk enhancements on South Potomac Street, Downtown cellar door replacement, and property improvements through existing housing programs. Explore potential pocket park projects and begin development of a new park in cooperation with the Parks & Engineering Department. Continue partnership with Neighborhoods 1st groups on events such as Medal of Honor Day of Hope, Historic Heights Porchfest, and City Park Arts in the Park.

Rental Facilities and Vacant Structures. Improve conditions in neighborhoods by working with owners, tenants and investors under the guidelines of these programs.

Land Management Code. Enact a progressive Land Management Code and related ordinance amendments to strengthen City neighborhoods.

Alms House Redevelopment. Obtain community input to assist in developing a plan for the Alms House property and seek partnerships for the redevelopment of the property. Redevelopment of the Alms House will repurpose a historic property and have a positive impact on the surrounding neighborhood.

Youth Development. In collaboration with community partners, identify a potential site in the City Center for use as a youth development center.

Community Development Block Grant Consolidated Plan. Assist Urban Design Ventures consulting firm in the development of the City's Community Development Block Grant (CDBG) Five Year Consolidated Plan. In addition to meeting all regulatory requirements, the plan will provide meaningful data and identify needs of City neighborhoods.

Home Ownership - Catalyst Project #8. In order to support homeownership, multiple properties will be acquired for renovation and resale. Staff will focus on strategically selecting properties for acquisition and implementing new renovation standards to make CDBG homeownership properties more attractive to new homebuyers.

SECTION 1 – DEPARTMENTAL GOALS 2015

Housing Work Group. Continue meetings with the Housing Work Group in order to obtain diverse feedback from housing practitioners on the City's current and future housing programs. Work group discussions will enhance transparency and provide the potential to explore public/private partnerships that result in actionable projects that positively impact our neighborhoods.

Meritus Properties. Support Mayor and Council as the City considers any future role or actions in relation to the redevelopment or re-use of the former hospital site.

Multi-Cultural Events. Work with local community groups and other City departments to support increased programming for multi-cultural events festivals, and performances.

Neighborhood Identity and Pride. Staff have completed a preliminary review of possible neighborhood boundaries and will obtain input from residents to finalize a proposal of what will become established neighborhood boundaries. This will assist in developing a sense of ownership and pride for neighborhoods throughout the City.

Faith Community Engagement and Action Plan. Continue to expand engagement efforts and dialogue with the Faith Community and carry out action items that enhance our efforts to become a more sustainable and viable City with a vibrant core.

Growing Volunteerism. City staff will continue to grow the Hagerstown Strong Volunteer Program to foster understanding of local government operations among the community and to enhance operations without increasing costs.

Public Access Channel. As provided in the franchise agreement, create an RFP to solicit interest in creating a Public Access Channel for Hagerstown.

Complete Streets. Adopt a "Complete Streets" policy to incorporate multi-modal transportation in Hagerstown's future street re-construction.

Protection of Neighborhoods from Adverse Business Impacts. Develop a recommendation for a Code amendment protecting our neighborhoods that limits the hours of operation for certain commercial enterprises in residential districts.

Expansion of City Farmer's Market. After receiving community input, develop a plan for the re-invention and re-branding of the Farmer's Market.

Re-Use of Property. Develop a staff-level recommendation for potential re-use of the Winter Street School property in coordination with feedback from the community.

Neighborhood Relations. Re-position Code and Code Administration functions as community standards and neighborhood services to support improved communication and engagement with our residents.

SECTION 1 – DEPARTMENTAL GOALS 2015

MARKETING & COMMUNICATIONS

Community Engagement. Continue to promote the engageHagerstown website (<http://engagehagerstown.mindmixer.com/>) and provide additional engagement opportunities for citizens in order to obtain feedback on City needs, opportunities, and projects. Develop an enhanced City College curriculum to empower citizens and heighten transparency.

TV Production Studio. Staff is in the process of competitively bidding construction of a television production studio in the Elizabeth Hager Center. The studio will help staff produce presentations of a higher quality on a more efficient timeline.

We Love City Life! Campaign. Staff will promote the experiences of residents who are participating with the City Center Residency Initiative and the City's Homeownership Program. Testimonials will be gathered to develop video, audio and visual promotions that will be distributed in digital advertisements as well as the City's channels of communication.

Mobile-Responsive Website. Staff are exploring options for re-designing the City website to achieve a mobile-responsive site. This change would create a more visually appealing product while enhancing the ease of use experience for site visitors.

Character Counts! Incorporate pillars of the Character Counts! Program through visible branding in the City Center, neighborhoods, and parks.

Expansion of Resident x311 Feature. Staff will pursue opportunities for a resident notification system, whereby residents could be notified via email and/or text message alerts. Information distributed would include trash and recycling collection delays, power/utility outages, street closures, and follow-up messages in the wake of large public safety events.

ECONOMIC DEVELOPMENT

Main Street Approach/Committee Structure. In partnership with the business community and residents, implement the committee structure of Main Street. The Committees include:

- ☐ Marketing and Promotion
- ☐ Organizational Development
- ☐ Design
- ☐ Economic Restructuring
- ☐ Sustainability

Community's City Center Plan. Continue implementation of the 8 Catalyst Projects identified in the Community's City Center Plan.

- ☐ Office Development and Recruitment
- ☐ Maryland Theatre Expansion of Programming and Facilities
- ☐ USMH Expansion Support
- ☐ Hotel/Conference Center and Heritage Center/Commemorative Park
- ☐ Linking City Park/WCMFA and the A&E District with Trail & New Housing
- ☐ Expanded Downtown Arts/Events Programming

SECTION 1 – DEPARTMENTAL GOALS 2015

- Expanded Operations of the City Farmer's Market
- Expanded and Targeted Home Ownership Support

USMH Expansion Support - Catalyst Project #3. Staff will work with USMH representatives to assist in the development of student housing for USMH students. Property selection and renovations are scheduled to occur in 2015.

Hagerstown Revolving Loan Program. In order to improve the program's effectiveness and sustainability, suggested updates to the existing revolving loan program guidelines are currently being developed and will be presented to the Mayor & Council for adoption in 2015.

60 West Washington Street. Begin operation of the Hagerstown Business Resource Center at 60 West Washington Street to grow and assist small businesses in the City Center. The final phase of renovations is complete and the Business Resource Center is scheduled to begin operation in 2015.

Commercial Development. Be a catalyst for commercial development by enhancing properties at 43-53 West Washington Street and 170 West Washington Street. The first phase of renovations at 43-53 West Washington Street has been completed. Additional renovations at both structures will commence in 2015. Staff continue to market these structures to private investors. Staff will continue to seek other opportunities to carry out similar projects in the urban core.

Building Re-Use Study. Modeled on the recent Baltimore Report by the Partnership for Building Re-Use Project, work with the local development community on a similar assessment of challenges, opportunities and solutions to facilitate re-use of Hagerstown's vacant/under-utilized old commercial and industrial buildings.

Massey Property. Collaborate with Washington County and the private sector to redevelop this property in support of the library and the neighborhood.

Education Hub. Support Mayor and Council as the City considers partnership with Washington County and the Board of Education to expand academic opportunities in City Center.

Mt. Aetna Technology Park. As a means of enhancing the tax base of the City and facilitating provision of services, explore opportunities to facilitate annexation of the Mt. Aetna Technology Park in conjunction with exploration of Professional Court extension.

A&E Trail Project. Identify and build partnerships in furtherance of the housing goals in the area along the trail linking City Park with the Arts & Entertainment District.

DEVELOPMENT REVIEW & PERMITTING

Technology Enhancements for Customer Service. Develop and implement technology improvements to application and permit process to provide time savings to our customers. Improvements include submitting building plans electronically, online processing of additional applications and providing online access to information on residential rental and vacant structures. The information to be available on residential rental and vacant structures includes registration, inspection and violation records.

SECTION 1 – DEPARTMENTAL GOALS 2015

ARTS, EDUCATION & ENTERTAINMENT

Expanded Events - Catalyst Project #6. Grow variety and programs for events in City Center by collaborating with partners through the Main Street structure. In 2015, 53 events are currently planned and additional small events in partnership with area businesses are being planned.

36-40 North Potomac Street. Final renovations for the Cooperative Gallery space will be completed along with additional upgrades to the exterior property and surrounding area. The gallery is scheduled to be complete and open in March. Resident artists will work in partnership with the greater artist community to program exhibits and use of the gallery.

Public Art. Coordinate the installation of public art along the East Franklin Street corridor and identify additional locations for public art in neighborhoods throughout the City. A concentrated effort is being made in conjunction with the community for public art along the Trail project.

Arts and Entertainment State Meeting. The City will host the 2015 Arts and Entertainment District Annual Meeting for the State of Maryland on April 20, 2015. Staff will assist with the coordination.

Code Amendments for Arts and Entertainment Events. In an effort to expand attendance and interaction of event attendees, staff will explore amendments to the State Liquor Laws. These changes would permit alcoholic beverages to be taken out of an establishment provided the customer remained within the event area.

SECTION 1 – DEPARTMENTAL GOALS 2015

FINANCE DEPARTMENT

To help achieve Mayor and Council's goal of **Citizen-Based Government**, The Finance Department will address the following goals in 2015:

Financial Software Enhancements. Finance will begin to implement process improvements for fixed assets throughout the City in phases over the next two fiscal years. Currently, fixed assets are depreciated annually and monthly estimates are being calculated and entered manually. The first phase is education for departmental users. Now that the module is available in Munis and all departments have inquiry and reporting access, we will provide training and documentation to the departments. The second phase is providing reports to departments on a monthly basis to ensure asset additions and disposals can be recorded timely. In the future and final phase, Finance would like to streamline the process by depreciating assets monthly. This will improve accuracy and create efficiencies during our fiscal year end crunch for the audit.

Address City's Financial Reporting Needs. Finance will begin to implement quarterly review meetings with department Managers to ensure that the City's financial condition is adequately monitored. Additionally, Finance will meet the October 31 deadline for completion of the annual audit and Comprehensive Annual Financial Report. Finally, Finance will produce a Popular Annual Financial Report to present financial data in an easy-to-use format.

Issue Bond and Other Debt. In 2015, Finance will continue to monitor the capital projects included in the CIP fund. Projects that do not qualify for bond financing, are non-capitalizable, or are considered to be an operating expense will be transferred to their respective operating budgets within each fund. This process will continue for the next few fiscal years. Finance will continue to work with the City's financial advisor and bond counsel to issue general obligation bonds in April, 2015 for our approved FY14 and FY15 public improvements projects. Additionally, Finance anticipates that another future General Obligation bond issue for FY16 capital projects for all funds will be completed by the end of June 2016.

Update City Fund Balance Policy. The City's fund balance policy has not been updated since 1993. Staff will continue to review and recommend updates for this policy in 2015 to present to Mayor and Council for approval.

Audit Services. Finance will bid and award a new audit contract.

Staffing. As of November 2014, Finance is fully-staffed operationally. Throughout 2015, Finance will focus on internal departmental training to ensure compliance with important deadlines, improve productivity and efficiency.

Customer Service. Another focus, in the Finance Department, is to continue to provide enhanced customer service internally and externally. Throughout FY15, Finance will review the procurement process and policies to identify ways to make it more efficient. The Finance Department will also promote awareness and understanding of the City's finances through accessible and easy to use data presentations.

To help achieve Mayor and Council's goal of **Innovative/Progressive Government**, Finance department will focus on the following:

Software Implementation. In addition, Finance staff will continue to coordinate with our time and attendance software system vendor (Intellitime) and City departments to get all groups live in this system. The remaining departments to implement Intellitime are Public Works and CMG areas, Water, Wastewater, Police, and Fire departments.

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Workers Compensation Self-Insurance Initiative. Finance will work in collaboration with HR in the transition to become self-insured.

Deferred Compensation Enhancements and 401(a) Plan Addition. Through combined efforts of Deferred Compensation Committee, HR, and Finance will provide enhanced and new options to all employees in 457(b) plan and implement a 401(a) plan. The anticipated date available to all employees is April 2015.

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FIRE DEPARTMENT

Truck 1 Acquisition. Complete the purchasing process of replacing Truck 1, which will include factory preconstruction meetings, in process production inspections and final inspection and acceptance.

Utility 3 Replacement. Begin the specification process to replace Utility 3.

Fire Department Strategic Plan. Complete and implement the Hagerstown Fire Department Strategic Plan Initiative.

Volunteer Recruitment. Partner with the Washington County Fire & Rescue Association's Volunteer Recruitment & Retention Coordinator to strengthen the volunteer fire fighter program within the Hagerstown Fire Department.

Fire Prevention. Continue providing free 10 year smoke alarms to City of Hagerstown residents. Continue conducting our door-to-door campaign in three new census tracts to complete our goal of a complete City survey every five years.

Public Education. Continue to provide educational safety programs to all City public and private schools, daycares and nursery schools. Additionally we'll continue to support the safety programs at Children's Safety Village. Staff will also use the "Safety House" at community events to deliver our fire and life safety messages.

Vacant Structures Program. Continue working with both the Hagerstown Police Department and Code Enforcement to secure vacant, unsecured structures to prevent unlawful entry.

SECTION 1 – DEPARTMENTAL GOALS 2015

HUMAN RESOURCES

Negotiations of Collective Bargaining Agreement. Human Resources will engage in the negotiation process for the third year wage and benefit opener for the collective bargaining agreement between the City of Hagerstown and IBEW local 307.

Wellness Program. The City will apply for, and strive to achieve the bronze level Well Workplace Award from the Wellness Council of America (WELCOA). Health Risk Assessments will be offered to all employees this year. Required physicals for Police and Fire personnel will be streamlined through Health@Work, the City's occupational health provider in order to provide the opportunity to target wellness program activities to health trends in our employee population. Increased opportunities for employees to participate in more formalized wellness offerings, such as Weight Watchers, and recreational offerings sponsored by the City's Parks & Recreation Division are being developed. We will move to wellness focuses beyond nutrition and exercise by developing programs that focus on financial and emotional wellness.

Healthcare Initiatives. Affordable Care Act requirements include offering part time employees who work 30 hours or more each week the opportunity to enroll in Health Coverage. Staff will continue to work with Mayor and Council and the Health Care Committee to remain in compliance with the ACA's provisions. Alternate employee and retiree health care offerings will be explored in order to ensure the future sustainability of the City's benefit offerings. We will be changing providers for Vision, city sponsored life, and accidental death and disability coverage. The new vendor will offer comparable coverage at a savings to both the employee and the City.

Safety and Workers Compensation. Mayor and Council approved the transition to a self-funded Workers' Compensation program. Staff is working to ensure the program is established and operational on the transition date of July 1, 2015. We will be developing and implementing a communications campaign to ensure all employees and supervisors are aware of the change and how it impacts them.

We will be developing new safety initiatives to support the program.

Employee Training. Human Resources will continue to work towards the goal of having the Electronic Time and Attendance Reporting System 'live' by July 1, 2015. All employees will complete harassment awareness training later this spring. Similar to the Character Counts employee meetings in 2014, we will conduct employee workshops to provide employees the opportunity to interact with co-workers in all departments throughout the City to encourage thoughtful discussion on a variety of subjects relevant to the City. Such discussions increase employee engagement in the functions of the City that extends beyond their respective individual work departments.

Bond Service Delivery and Structure. Work with the City Administrator and City Department Heads to evaluate the future structure and delivery of City services within the availability of our community's financial resources and in response to the needs of Hagerstown's residents.

Deferred Compensation. There are exciting new changes coming to Deferred Compensation. The Deferred Compensation Committee has been working with Great West to modernize and streamline our deferred compensation offerings. These changes will result in better investment options for our employees. There is no additional expense to the City for these enhancements. In addition, Mayor and Council approved the creation of a 401(a) plan for eligible employees. This program will be finalized and offered in the upcoming months. This plan would be available only for employees who have previously retired from the Maryland State Retirement System and are therefore ineligible to enroll in that retirement benefit.

SECTION 1 – DEPARTMENTAL GOALS 2015

PARKS & ENGINEERING DEPARTMENT

PARKS & RECREATION DIVISION

New Park Development

- Kiwanis Park: We will complete the construction of all three phases of Kiwanis Park in 2015. Phase I work has started and includes the parking lot, entrance sign and lighting. Phase II will be the stream restoration/watercraft launch and will be done in conjunction with the Soil Conservation District. The final phase is construction of pathways, gazebo, parking lot paving, and minor park amenities.
- Terrapin Park: We will finalize the conversion of the park to a public park by adding standard signs, having the developer complete the punch list, and install a water service by the Water Division.
- Memorial Park: We plan to dedicate the park on May 16 and induct the first group into the “Circle of Achievement”.
- Community Garden: Construct the first community garden at 513 South Potomac Street and have a ribbon cutting during Earth Week on Saturday April 25.
- New Neighborhood Park: Convert the remnants of an old commercial building to a new park/green space at 806/808 West Washington Street using Block Grant funds.

Municipal Stadium Explore use options for Municipal Stadium to enhance the social and economic vitality of Hagerstown’s East End.

MELP Redevelopment Begin discussions about the redevelopment of the site of the former MELP plant including parking, access to the Antietam Creek, and green spaces.

Potterfield Pool: Secure a contract with a pool management company to increase safety and professionalism of the operation, and to develop new programs like water aerobics, Mommy & Me classes, expand the Dive in Movie series. We also plan to sell sponsorships on the fencing to help generate revenue. We plan to extend the concessionaire contract.

- Hire cashiers and implement new Point of Sale software.
- Construct new splash pad and replace the seldom used baby pool and make much-needed improvements to the treatment room
- Install additional shade structures on the deck and replace the main sign on Frederick Street.

202 Train Museum Develop a children’s ride called “Tommy 202” that will be used at events and birthday party rentals.

Hager House Staff will finalize the inventory the artifacts using software provided by the Historical Society and renovate the downstairs area of the museum to improve and modernize artifact displays.

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“Greens at Hamilton Run” Golf Course

- Increase the number of tournaments and leagues and partner with hotels and tourism to offer golf packages for out-of-town visitors. A part time golf programmer will be hired with an incentive-based contract to develop more revenue.
- Install new concrete bridges to replace the deteriorated wooden structures over Hamilton Run. Install net adjacent the Senior Center and develop an access trail between the course and the Senior Center.
- Develop a way to get input from golfers on ways to improve course operations and to improve the long-term feasibility of the course.

Grandstand Building Develop indoor recreation space in the former grandstand building at Fairgrounds to further strengthen diverse recreation opportunities for the community.

Recreation Initiatives

- **Survey:** Formulate and conduct a survey to determine the type of recreation programs the community is interested in and how we can fulfill that need.
- **Expand Active Lifestyle Rec Program:** Develop recreation program guide and add new recreation programs such as fitness programs, dance classes, cycling, and outdoor recreation such as adult wiffle ball, kickball, and dodgeball. One source of funds is a \$10,000 grant we received to partner with the Health Department to offer activities for better fitness.
- **HEAL Community:** Work with statewide HEAL program to implement initiatives approved by resolution of the Mayor and Council to enhance fitness and healthy eating in our community.

Miscellaneous Parks Projects

- **Pangborn Park:** Construct new wisteria-covered arbor at the garden in Pangborn Park that can be used for weddings, small events, and family reunions.
- **Emerald Ash Borer:** Address the emerald ash borer infestation by removing certain ash trees and develop a plan to treat the remaining ash trees.
- **City Park Lake Walls:** Concentrated effort to making repairs to the lower lake’s stone wall. This will be done in-house by our staff mason.
- **Seasonal Lighting in City Park:** Work with Public Works and the Light Department to improve our seasonal lighting in City Park to create a drive-thru display throughout the park.
- **Accessibility to Recreation Office:** Replace the trail in front of the Parks and Recreation office to make it handicap accessible from the parking lot.
- **BMX:** Assist the BMX administration to improve their track and develop a facility capable of hosting larger events.
- **Interactive Opportunities:** Provide interactive opportunities for visitors to trails/parks to increase their knowledge of City history.
- **Ice Rink:** Assist the HIAAA at the Ice Rink to replace the cooling tower and assist them with improving operations.

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Increase Access to Waterways

- Improve and increase access to waterways for recreation opportunities and economic development to include Antietam Creek, Hamilton Run, Marsh Run and Town Run.
- City Park Lake and Stormdrains: So that the lake is healthy, we will begin design of a dredging project of the lower lake and seek grant funds for construction. We will address the needs of the antiquated “scum drain” system and make needed repairs at the outfall at Marsh Run.

ENGINEERING DIVISION

Bridges

- Rehabilitation on Burhans Boulevard: Construct \$1,800,000 of rehabilitation to the three bridges over Norfolk-Southern Railroad. This is funded 80% by State Aid and 20% by the City of Hagerstown.
- Bridge Maintenance Contract: Issue a \$125,000 maintenance contract of rehabilitation work to other bridges in the City. This work includes expansion material replacement and concrete repair.

Pedestrian and Bike Projects

- A&E Trail: Construct Phase I of a trail that links the downtown district to City Park. Scope includes a small park area near the Herald Mail, art throughout the length of the trail, landscaping, benches, and lighting.
- Safe Routes to School (SRTS) Project at Bester: Construction will commence this spring using a \$233,000 grant we acquired from the SRTS program to install a new ADA-compliant path from Bester Elementary east towards Municipal Stadium, make the intersection of Frederick Street and East Memorial Boulevard fully ADA-complaint, and install a walkway in the undeveloped right-of-way on Mills Street near South Mulberry Street (based on input of the local Neighborhood’s 1st Group).
- Safe Routes to School (SRTS) Signal Project: Using a \$375,000 grant we acquired from the SRTS program, design the replacement of antiquated signals with ADA-compliant signals at Frederick Street/Mill Street (walk route to Bester Elementary) and Salem Avenue/Indiana Avenue (walk route to Western Heights and Salem Elementary). Construction will be in 2016.
- Marsh Run Trail: Working with KCI Technologies, use the \$75,000 grant from MDOT for the design of the 2000-foot missing link of trail adjacent the Marsh Run aqueduct. Determine the ability to install a tunnel under the CSXRR spur across from the Public Works building
- Complete Streets: As recommended by numerous plans and on priorities lists, adopt a complete streets (or livable streets) policy and practical implementation guidelines for addressing the needs of pedestrians, bicycles, and transit patrons.
- Sidewalks: Maryland State Highway Administration plans to install sidewalks on Burhans Boulevard in two locations. One is north of Church Street on the east side to the Thomas Bennett & Hunter concrete plant. The other location is on South Burhans Boulevard from Wesel Boulevard to Sherman Avenue on the east side.

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- *Pedestrian Signals:* Upgrade the safety of pedestrians by installing fully ADA-compliant pedestrian signals at Antietam Street & Cannon Avenue and also at Antietam Street and Walnut Street.
- *Dual Highway Pedestrian Study:* Staff will support an effort by State Highway and the MPO to determine what measures can be implemented to improve pedestrian safety from I70 to Canon Avenue.

Transportation Projects

- *Alley Reconstruction.* Reconstruct alleys based on the priorities from the 2014 condition survey. Staff will request a large amount of funds to allow us to begin to “catch up” on the condition of this important piece of our street infrastructure.
- *Professional Boulevard:* Working in conjunction with the county, staff will participate in the design of a new bridge that would span Antietam Creek and extend Professional Court to the hospital and HCC.
- *Pavement Preservation.* We anticipate receiving the data of an updated street Pavement Condition Survey and will use that to make future pavement maintenance decisions.

Stormwater Study and Regulations

- Continue to develop strategies to comply with the Chesapeake Bay Total Maximum Daily Load (TMDL) limits and the Watershed Implementation Plan (WIP) goals. The City anticipates that a new National Pollutant Discharge Elimination System (NPDES) General Permit for stormwater will be issued in 2015. This permit will likely include requirements to remove existing impervious surfaces, or to treat runoff from areas that are currently unmanaged.
- Staff will continue to seek grant funding to complete stormwater management projects that were identified in our 2013 “Stormwater Management Retrofit Study”. These projects will help the City to comply with the Watershed Implementation Plan (WIP) requirements, and anticipated NPDES regulations. Staff has submitted a “Letter of Intent” to apply for additional grant funding in FY 16 to complete additional stormwater management retrofit projects.

Surveying/GIS

- Complete survey and/or construction stakeout for projects and continue to update GIS system layers including: property corner layer, city real estate transaction data, master list of street acceptances, SHA plats layer, address layer, and update stormwater layer and City survey monumentation.
- Establish method to archive and spatially index every picture taken with a City smart phone. This could be a tremendous historical reference in the future. Searches could be done by date and/or location for progressive photos of a point of interest.

Miscellaneous Engineering Projects

- *Memorial Boulevard/Park Circle Improvements:* Using Chesapeake Bay Trust grant funds, install stormwater management facilities and decrease the amount of unneeded impervious areas while addressing the unusual traffic operation of the circle.

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- *Tree Boxes:* Install 26 metal tree boxes in the 000-block of East Franklin Street. Project includes replacing trees that are damaged or failing, tree boxes, brick work, and ground cover.
- *West Washington Street Properties:* Continue to make improvements to properties located at 170 and 43/53 to make these structures contribute to the downtown and protect adjacent investments.
- *Tourist Attraction Signs:* Work with the Convention and Visitors Bureau to take advantage of a new State Highway program to more effectively direct traffic to selected destinations in the downtown and the City Park.
- *Sustainable City Designation:* Develop a Green Team and work to be designated as a “Sustainable Maryland Community”.

RECYCLING & TRASH COLLECTION DIVISION

Refuse and Recycling Initiates

- *“Out of Sight” Campaign:* Working with Code Administration staff, continue efforts to have totes removed from the public right of way, prevent the storage of trash and containers in the right of way, and develop stronger punitive measures regarding early set outs of trash and totes.
- *Target Campaign:* In 2015 we want to do a targeted campaign by mailing letters to those in the City who are not currently recycling. The list of those citizens who do not currently recycle will be gathered from the City’s Tote Management System. The letters will recognize that they are not active in our recycling program and will encourage their participation.
- *Recyclebank:* Staff will continue to promote the Recyclebank Rewards Program with the goal of giving people the incentive of getting cash back rewards simply by putting their tote curbside each week.

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POLICE DEPARTMENT

During 2015, the Hagerstown Police Department will work to increase its Community Policing and Intelligence-Led Policing initiatives through a variety of new and expanded programs. The creation of a new patrol unit tasked with reducing violent crime will take hold this year along with added coordination in the enforcement of juvenile crime.

Significant infrastructure upgrades to the Department's downtown crime camera system will begin this year to enhance public safety and economic development along with continued implementation of new technologies and data driven initiatives to support public safety and law enforcement in Hagerstown. Programs aimed at engaging the public and improving our relationship and recruiting efforts within the community will also take place during the coming year.

Predictive-Policing. The department will continue the integration of Predictive Policing software in our daily operations by integrating the use of the software within the police cruisers. Predictive Policing software is used to identify areas in the city where crime is most likely to occur. Evaluation of the program will also take place during 2015 as we review our use of the software as a crime prevention tool.

Neighborhood Policing. Engaging our community through citizen contacts in each neighborhood is the key element of our Neighborhood Policing program. This year we will expand the community awareness of the program through the promotion of a series of success stories using the principle of Problem-Solving-Policing. Fixing what matters to a neighborhood builds trust between the police and the public we serve.

Directed Patrol Unit. Plans are being made to begin a Directed Patrol Unit in the Spring of 2015 with the primary function of crime suppression in the areas of violent crimes. The DPU will make use of criminal intelligence and predictive police software to reduce gun violence, drug and gang activity throughout the city.

Juvenile Officer. In an effort to reduce repeat juvenile offenders and juvenile related crime, the department will employ the use of a Juvenile Coordinator [police officer]. This officer will work closely with the Department of Juvenile Justice, the Court, the State's Attorney and the Board of Education to achieve this goal.

Crime Camera Replacement. Significant investments will be made in 2015 to replace the aging crime cameras throughout the City. The project will begin with replacements in the downtown to support economic development and student housing initiatives. Additional cameras will be added to the new city walk between the downtown and city park.

Continuity of Operations Plan (COOP). As a part of emergency planning, the department will complete a written Continuity of Operations Plan (COOP) to ensure uninterrupted police services to our community during natural or manmade disasters.

Crisis Intervention Training (CIT). In response to the rising number of crisis calls involving developmentally disabled persons or those with mental health issues, the department will continue to expand its CIT program to include Mental-Health First Aid to all officers. This program is designed to improve the safety to the officers and the individual in crisis through the use of specially trained CIT officers. In partnership with the Washington County Mental Health Authority, steps will be taken to develop a Mobile Crisis Team comprised of mental health professionals from the community who will serve in an aftercare role to reduce the number of repeat calls for service.

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Engaging the Community. Community engagement for the police department relies on information and the receiving of feedback through a variety of sources. The sharing of information will continue 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 and service needs.

City Ordinance and Legislative Improvements. The department will work throughout the year to improve upon local city ordinances using innovative and evidence-based programs to enhance public safety. Support will also be given to our state legislative delegation toward this same goal.

Quality of Work Life. Employee safety and career development will take shape this year through the creation of an employee driven safety committee and the build-out of specialized training programs. Officer safety improvements will take place through equipment purchases and training designed to prepare our officers to meet the changing demands of the job. Skills development in areas such as Crisis Intervention Training, Accident Reconstruction, Drug Interdiction coupled with higher education will promote career development.

Safe Streets Initiative. This is a grant funded program through the State of Maryland Governor's Office of Crime Control and Prevention (GOCCP) intended to reduce violent crime and repeated criminal behavior in Hagerstown. New this year will be an emphasis on repeat juvenile offenders. This will include adding new partners to the program from allied agencies and the expansion of 'community call-ins', specific for juveniles.

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PUBLIC WORKS

BUILDING MAINTENANCE

City Hall Clock Tower Painting. The main clock tower is in need of new paint. A contract will be executed for a contractor to paint this portion of City Hall in FY16. The location and height of the tower requires a different skill set and equipment to access the site. The project was delayed in FY15 due to budget constraints.

Elizabeth Hager Center Suite B. Suite B is on the second floor of the Elizabeth Hager Center. It contains a series of small offices for rent. Currently, two offices are occupied leaving several other offices vacant. These vacated spaces will be remodeled as necessary as tenants are found to occupy them.

Central Equipment Building. This property houses the offices of Public Works and the Water Division. Minor remodeling is scheduled for the offices of Public Works. Central air conditioning will also be installed in early 2015. The a/c project has already begun with the units placed on the roof and access holes cut into the ceiling. The remaining work includes duct work and electrical to complete the system.

City Hall Code Compliance. Work has already begun on remodeling approximately 1,100 square feet of space on the fourth floor of City Hall. The Code Compliance office is getting additional staff and additional office space is needed. The remaining work consists mainly of painting and trim work.

City Hall Council Chamber Video Installation. New video and audio equipment are scheduled to be installed to replace the existing equipment used to televise the public council meetings. Work has begun on the control room with work to continue in 2015. The control room still needs flooring installed and finished painted. These items will be completed once the new equipment and desk is oriented in the space. Patching, painting and trim work will be needed in the council chambers to conceal the wiring for the video, audio and data equipment.

Council Chamber Air Conditioning. The current air conditioning system for the City Hall council chamber is a shared system with the first floor. The system can only cool one space or the other. An additional a/c unit will be installed that will cool only the council chamber eliminating the dual use of the system.

Clock Repair. The City Hall clocks are in need of some repair and maintenance. Two of the four clocks have completely stopped. Staff is currently working with a local vendor to make repairs to get the clocks working and to complete maintenance on the other two clocks. The logistics in accessing the clocks are currently being discussed.

City Ballet. Spring 2014 flooding caused a number of issues within the basement of the Elizabeth Hager Center. A new floor was constructed in Studio B of City Ballet which occupies the basement area of the EHC. However, there is evidence that other damage occurred within the space. It appears that some additional floor work will be required in 2015 in the main reception area of the ballet and possibly Studio A on the west side of the facility.

STREETS

Sidewalk Repairs Due to Street Tree Damage. This is an on-going project in conjunction with the Engineering Department. Tree roots damage and heaved up sidewalks need to be addressed. Portions of the sidewalk generally have to be removed and replaced. All attempts are made to save the trees but sometimes the tree has to be removed and replaced when possible.

Storm Drain Repair and Maintenance. The City has over 4,000 storm drains that need continual servicing. The work can include simply cleaning the drain to a complete rebuilt. This work is emphasized in the spring in preparation of the street overlay project in coordination with the Engineering Department.

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Flood Warning Project. The City has received a FEMA grant to install a warning system consisting of gates and flashing lights on Memorial Boulevard at the railroad underpass. The gates will be manually placed across the street in the event of flooding. The flashing lights will be automatic upon receiving a signal from a float sensor. Numerous issues in delivery of materials have delayed this project to 2015. The flashing system is on site and installation has begun. All work must be completed by June 2015 in accordance with the grant requirements.

Street Sweeping Enhancements. Expansion of the permanently posted streets downtown has helped keep the city center looking good. Use of permanently posted times and dates throughout the city's 110 miles of streets is not possible. A plan to enhance the sweeping schedule to ensure all streets are swept on a routine basis will be implemented.

Tree Maintenance and Ash Trees. Tree maintenance will continue on the city's 2,000 plus street trees. These are the trees that are typically located between the curb and sidewalk. Work includes pruning and sometimes removal to make room for new trees. The department works closely with the Engineering Department in the replacement of street trees. An emphasis will be placed on saving the 40 plus ash trees on the street. An inspection will occur in the spring to see how many of the ash trees have survived the emerald ash borer over the winter. An insecticide program will begin to save the trees.

Festival and Event Support. Public Works will continue support such as setup, cleanup and traffic control for events held in the streets and downtown. Scheduled events for 2015 include Blues Fest, Augustoberfest, Mummers Parade, Thunder in the Square, Bike Night, Tour of Washington County and the Donut Drop New Year's Eve program. Emphasis continues to be placed on holding more events in the downtown so other events could be added as they come online.

TRAFFIC CONTROL

Replacement of LED Signal Lights. LED traffic signal lights began to be installed in 2006 replacing the 135 watt incandescent lights used to operate a traffic signal. It has been almost 10 years of use for these lights. The life expectancy for these LED bulbs is 10 to 12 years. Replacement of the first batch of lights will begin this year and continue over the next 4 years.

Christmas in City Park. Engineering, Public Works and Community Development will be working together to modify, expand and enhance the Christmas lighting in City Park for 2015. Plans are underway to include more light displays in and around the park. The existing electrical circuit has been maximized and will need to be expanded for new light displays.

Street Sign Installations. The sign group continues to work closely with the Engineering Department in the installation of street signs as necessary. On average, 150 work orders per year are received by engineering for the placement of signs. These can include individual handicap signs, parking signs, warning signs and bike trail signs. Over 100 signs were installed in 2014 to improve and designate the existing bike lanes throughout the city. A new sign machine was purchased in 2014 to assist with the numerous signs printed and installed each year.

CENTRAL MAINTENANCE GARAGE

New Staffing. Al Cool, supervisor for the Central Maintenance Garage, retired on January 1, 2015. Staffing will be sought to replace Mr. Cool in overseeing the fleet management operations.

Emergency Standby Generator. The fueling system is connected to a standby generator. The generator is over 25 years old and the enclosure around the generator is in poor shape. Both will be replaced this year. Replacement was to occur in 2014 but the work has been temporarily delayed until 2015.

Overhead Crane Installation. The Central Maintenance Garage is a great space for the city's fleet maintenance services. The installation of an overhead crane will enhance the ability of the mechanics to work

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on larger, heavier equipment while providing a measure of safety. The crane will be installed on the north end of the garage and become the second crane on site.

PARKING SYSTEM

University District Parking Deck Repairs. No major repairs are planned for this facility. Work consists mainly of minor caulking and concrete work as necessary. The facility is in relatively good repair after major work was completed in 2013 and 2014.

Arts & Entertainment District Parking Deck Art. Staff will look into incorporating art work in and around this deck as part of the A&E District. The intent is to collaborate with local artists, Barbara Ingram School for the Arts and the Arts Council on placing art on and within the deck.

Arts & Entertainment District Parking Deck Stairwell Canopy. The east stairwell of this deck is open to the upper parking deck. A canopy over the stairwell will help shield the stairwell from rain and snow that cause the steps to be slippery when wet.

Central Parking Lot Enhancements. Similar to work completed in 2014 on the Church St. Parking Lot, the Central Parking Lot will have work completed to prolong its usefulness. Cracks in the asphalt will be sealed, soft or sunken areas replaced and possibly the entire surface slurry sealed. New LED light heads will be installed to brighten the areas at night and reduce energy costs.

Third Parking Deck. The Urban Planners Study of 2014 and the Parking Master Plan of 2012 both state there is no current need for a third parking deck. Both studies do indicate that a deck may be needed should more space be occupied downtown or new office space developed. Staff will work with numerous other departments should the need for the third parking deck become apparent. Staff's input will be required in providing data for the design and use of a third deck.

Customer Oriented Parking. Explore approaches to incorporate new technologies that provide and promote a more customer oriented parking experience.

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TECHNOLOGY & SUPPORT SERVICES

During 2014, the Department's focus was on operations and process flows with various changes in how staff do their jobs. Staff are now looking at 2015 to expand opportunities for innovation, review and replace (where necessary) old network equipment installed over 10 years ago, and identify projects that will increase the positive perception of our City. The Goals and Objectives for 2015 include:

TECHNOLOGY

Municipal Broadband Project: The City, pending positive responses from the Request for Information produced in 2014, will distribute an RFP to solicit partners to build a high speed broadband network to be utilized by existing and potential commercial/residential properties in the City Center area. This project will also look to provide free wireless connectivity for all visitors to several City parks in each area of the City as part of Hagerstown's Wireless Parks Initiative. Finally, the project will look to provide wired broadband services to several currently wireless and/or cellular connected cameras which are part of the City surveillance system network. We anticipate getting this RFP on the streets in July, 2015 with project implementation beginning late 2015.

Data Analytics Implementation: In the spirit of transparency, many municipalities in the State are moving towards a system where residents and staff are more easily able to research the current state of City finances and activities through online resources such as the State's STATESTAT system. We look to provide the same type of system for our stakeholders in 2015 with the implementation of systems that provide snapshot views of budgetary information through interaction with the City website. This type of system will also provide a more streamline reporting of information to the State when necessary.

Automated Time and Attendance System: Staff will continue to work towards the completion of this project with the implementation of dynamic scheduling for the Public Safety staff of the City. Anticipated completion of this project will be Summer, 2015.

MUNIS Financial System Upgrade from 9.3 to 10.5: This major upgrade, delayed from 2014 and scheduled for Summer 2015, will be the most feature rich change in the MUNIS software since the initial implementation. The system will provide a significant upgrade to the Executive Dashboard feature, which will show snapshots of financial position and other important data relative to a department's specific needs. The software will also provide additional reporting features and several enhancements relative to our operations.

VMWARE – MUNIS Server Consolidation: The project will be the first upgrade to the MUNIS server configuration since 2007. It will allow the City to combine the 4 servers being utilized by MUNIS into one server through the process of virtualization now supported by the MUNIS software. We will also upgrade the version of the database engine software (Microsoft SQL) as well as the storage necessary to handle our data needs. The consolidation will be done before the MUNIS upgrade to 10.4.

Use of Tablet Computing in the Field. Staff will continue the proliferation of tablet computing following the MUNIS upgrade in the effort to get more information into the hands of our field staff without having to return to the office. This capability will also be a benefit following the Time and Attendance system implementation where staff will be able to report information from the field.

SECTION 1 – DEPARTMENTAL GOALS 2015

Centralized Video Surveillance System. Staff will look at improvements in technical connectivity to existing cameras in the network. Currently, many operate through cellular connections which can be spotty if the network is busy. Staff will look at wiring these cameras directly to a network that will provide better opportunity for streaming video and video retention.

CJIS Advanced Authentication. Staff will work with a third party to select and implement a system to provide a multi-factor authentication solution for this data used by HPD.

Bar-Coding of Evidential Materials. This project will provide bar-code technology to better manage the retention and flow of crime evidential materials through the court system which is the responsibility of HPD.

Information Technology Strategic Plan. The rapid advances of technology over the past two years, as well as local governments use of this technology, provides great timing for the updating of our IT Strategic Plan last presented in 2007. This plan will look at all facets of technology and its potential use in the City, including wireless networking, tablet computing, cloud computing, etc.

SUPPORT SERVICES

Credit Bureau Reporting. Staff will look to add more teeth to our collection efforts by partnering with a credit bureau agency to report delinquent customer balances.

Customer Service Training. Representatives will be provided with online and/or on-site customer service training to allow them to better understand and perform their job responsibilities. There has been no formal training for staff in several years, and the changing demands of our customer base require that our representatives have the tools they need to provide quality customer service.

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.

This Department made great improvement in not only our use of systems but also in the direct service we are providing to our staff and customers. As always, we will look to continue and build upon these improvements, as well as identify and correct issues that arise in an efficient manner.

SECTION 1 – DEPARTMENTAL GOALS 2015

UTILITIES DEPARTMENT

ELECTRIC

Customized Energy Solutions/Mitsubishi Heavy Industry Proposal. MHI is considering the installation of an Energy Storage System (ESS) that will connect through the HLD system and perform PJM system grid reliability services, specifically voltage and frequency support. The proposed 2MW ESS is composed of lithium ion batteries and is housed in a self-contained unit approximately 10' x 40'. If market conditions are favorable, more than one unit could be installed adjacent to the HLD Plant Substation, on a portion of the soon to be reclaimed MELP property.

Rate Structure & Revenue. Manage the financial operations of the Electric Division to ensure that our existing rate structure remains in place. The recent weather trends toward milder winters further reduces our ability to increase revenues. The combination of the revenue losses, reduced wholesale power supply costs, and projected increases in wages and benefits will force the Division to continue to extend the life of our existing assets as required.

Wholesale Power. Staff will continue to gather baseline information, utilizing consultants, legal counsel, and trade data, regarding the ownership of generation assets, offsets in our renewable energy standards, or rate structures utilizing a mix of long term and short term purchase for our wholesale power supply contracts. Savings of this nature may be used to offset the expected increase in future energy costs. The proposed ESS project may benefit the City in future contract negotiations. Additionally, we may continue with our current conservative approach regarding Wholesale Power Supply Agreement extensions as long as the market allows for a decrease in the out year costs. We are currently under contract through May 31, 2017. Staff continues to work with our current supplier regarding market conditions and any future contract extensions as well as other suppliers who offer indicative pricing used to gauge the current costs of wholesale power.

MELP. The City of Hagerstown and Partners Marketing, LLP/Hagerstown Commodities, LLC negotiated a Release and Settlement Agreement in the amount of \$650,000 for the sale of the MELP property and as a contribution for the associated remediation projects. Staff continues to monitor the demolition of the facility and the adherence to the Agreement. With a tentative completion date of July 2015, the property transfer and payment of City funding support are slated to occur after the restoration of the property has been completed, per the terms of the Agreement.

WATER

Residential Meters. The Water Division has set a goal for the replacement of all residential meters by 2016. This will allow for system billing accuracy, the reduction in unallocated water, and reduce customer billing complaints associated with human error. The Department has purchased the final allotment of water meters so that all of our approximately 28,000 residential meters will be read remotely. The Divisions continues to test the 300 commercial meters annually and replace them as is financially feasible.

Water Treatment Plant Upgrades: Staff continues to work with Hazen & Sawyer and the MDE regarding Phase IV Improvements for Stage 2 DPBR Compliance. Upgrades at our RC Willson water treatment plant are 99% complete and the chloramination process notification and testing is under way.

SECTION 1 – DEPARTMENTAL GOALS 2015

MDE has committed \$3M of grant funding/loan forgiveness for the Project which was originally bid at \$11.1M (total State Funding is \$12,208,400).

Edgemont Water Facilities. Staff is in the process of developing information pertaining to the long range plans for the Watershed Properties, the Edgemont Dam, and the Breichner Water Treatment Plant.

Distribution System Upgrades: The Water Division will continue with our \$406,000 budgeted system rehabilitation and main replacement projects through the leak detection program, hydrant and valve program, and through our coordinated efforts with the City/County/State roadway rehabilitation projects. This CIP assists greatly in reducing system operational issues related to water main and equipment failures. The planning and development of the transmission main replacement project will receive further focus in 2015.

Water Five Year Rate Model: Staff will continue to manage the financial operations of the Water Division to insure that our existing five year rate model is followed. FY15 rates are in place with a 2% increase slated for each of the five years of the rate model. The City will continue to update the financial information on a yearly basis and forward the information to the Municipal & Financial Services Group for inclusion into the model.

WASTEWATER

Synagro Operations: The Synagro Wastewater Treatment Plant Sludge Storage Tank and Sludge Thickening Project has been funded in the amount of \$944,750 for the design, permitting, procurement, installation, and commissioning work to complete modifications to the existing facilities with the minimum goal of creating a second thickened sludge holding tank. The project involves converting the existing Secondary Digester Number Two to a sludge holding tank similar to the one currently in service. Additionally, the process involving the solids concentration of the liquid sludge prior to being pumped to the belt filter press dewatering system will be evaluated and modified accordingly.

Wastewater Collection System: Administrative and Collections Staff will utilize the Capacity Management Operation & Maintenance (CMOM) evaluation and procedure documentation. This document allowed the Wastewater Division to meet MDE Consent Judgment mandates and plan for the future maintenance and operational needs of our wastewater collection system. Staff will be requesting grant funding from the MDE for continuation of the multi-year project in FY16. If no grant funding is available, the Division will not accept loan funding due to the fact that we do not want to increase our existing long term debt obligations. I&I remediation will be built into our CIP (\$400,000) and the projects will be completed utilizing existing staff and equipment.

Wastewater Five Year Rate Model: Staff will continue to manage the financial operations of the Wastewater Division to insure that our existing five year rate model is followed. FY15 rates are in place with an increase slated at 12%, and following years increase for FY16 at 4%, FY17 at 4%, FY18 at 2% and FY 19 at 2%. The City will continue to update the financial information on a yearly basis and forward the information to the Municipal & Financial Services Group for inclusion into the model.

Wastewater Treatment Plant. Wastewater Treatment Plant (WwTP) staff will continue to refine our processes as they relate to the Enhanced Nutrient Removal (ENR) initiatives at our facility. Funding is secured for the launder cover installation on final two clarifiers. Staff will also be working with Synagro on the sludge storage and thickening process upgrades required for the pelletizing facility. A study is underway to evaluate current thickening process equipment and investigating the feasibility of utilizing the existing fermenter as a gravity thickener.

SECTION 1 – DEPARTMENTAL GOALS 2015

ADMINISTRATIVE

Regulatory Requirements: The Utilities Department Administrative, Regulatory, and Engineering Staff will work to meet all regulatory reporting parameters including but not limited to the MD Public Service Commission, Federal Energy Regulatory Commission, the Maryland Department of the Environment, the US Environmental Protection Agency, and all local agencies reporting for FY16.

City Enhancements: The Utilities Department Administrative, Regulatory, and Engineering Staff continue to assist DCED in projects related to economic development, the MELP eminent domain proceedings, and all the committees that assist in the operation and revitalization of the City.

ORGANIZATIONAL NARRATIVE FISCAL YEAR 2015/2016

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

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

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

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

FUND ACCOUNTING

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

GOVERNMENTAL FUNDS:

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

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

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

PROPRIETARY FUNDS:

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

FIDUCIARY FUNDS:

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

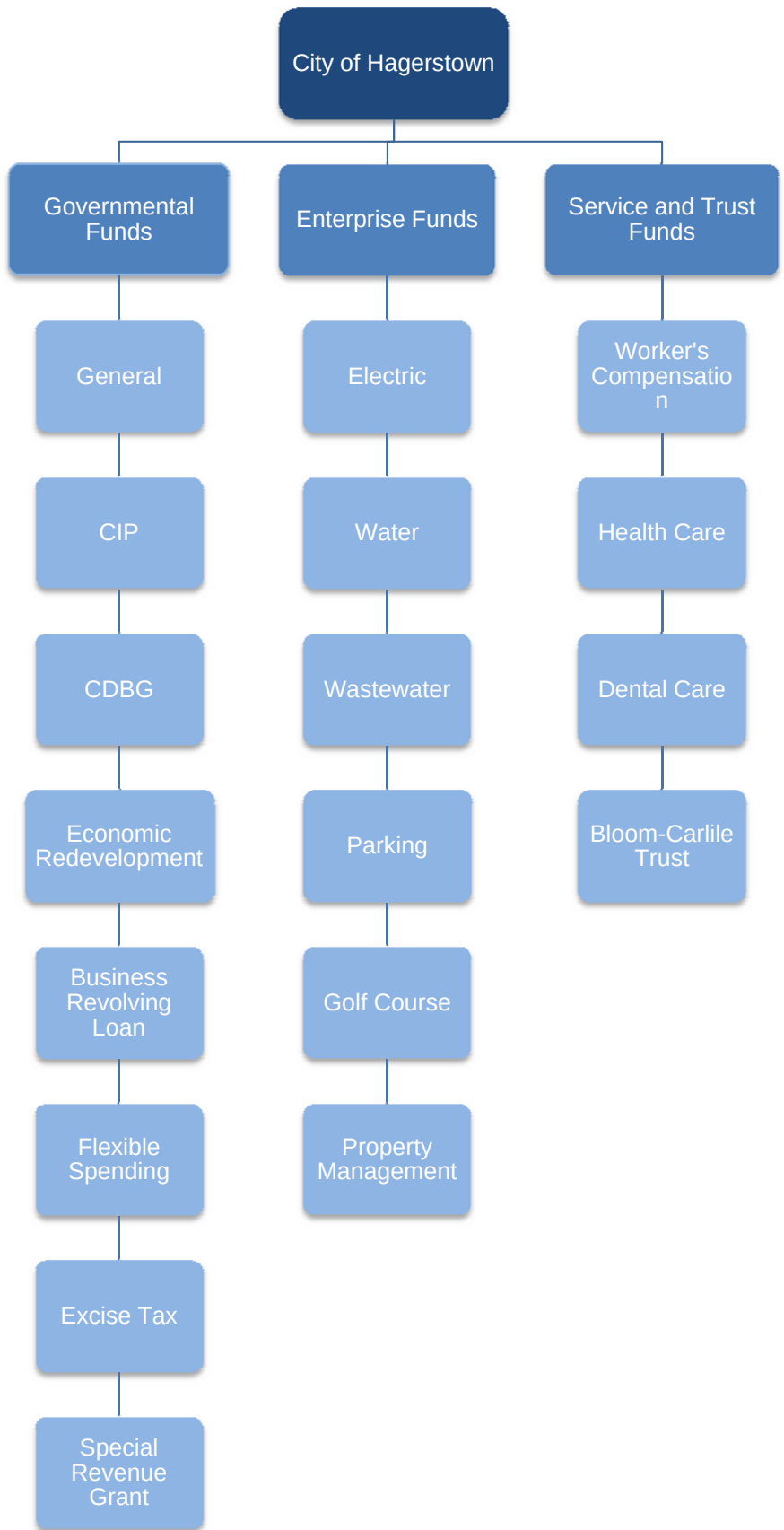
INTERNAL SERVICE FUNDS:

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

BASIS OF ACCOUNTING AND BUDGETING

Basis of accounting and budgeting refers to 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 2015/2016



CITY FUND STRUCTURE (ALL)
FISCAL YEAR 2015/2016

Explanation of Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explanation of Funds (continued):

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

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

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

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2015/2016

	GOVERNMENTAL FUND TYPES	ENTERPRISE FUND TYPES	SERVICE AND TRUST FUNDS	COMBINED TOTALS
REVENUES				
Property Taxes	\$ 27,470,455	\$ -	\$ -	\$ 27,470,455
State and County Shared Taxes	4,980,119	-	-	4,980,119
Licenses and Permits	2,106,150	-	-	2,106,150
Intergovernmental Revenues and Grants	4,665,739	-	-	4,665,739
Charges for Current Services	3,004,818	49,246,786	9,181,130	61,432,734
Fines and Forfeitures	1,858,750	-	-	1,858,750
Administrative Allocation Revenues	2,031,000	-	-	2,031,000
Program Income	255,246	-	-	255,246
Miscellaneous	380,856	12,500	94,600	487,956
Interest Earned on Investments	6,215	133,394	1,305	140,914
Appropriated Use of Fund Balance	733,376	-	-	733,376
TOTAL REVENUES	\$ 47,492,724	\$ 49,392,680	\$ 9,277,035	\$ 106,162,439
EXPENDITURES				
General Government	6,499,636	-	-	6,499,636
Public Safety	22,609,075	-	-	22,609,075
Streets and Alleys	2,547,014	-	-	2,547,014
Sanitation, Health and Welfare	2,033,630	-	-	2,033,630
Parks and Recreation	2,472,818	-	-	2,472,818
Economic and Community Development	484,519	-	-	484,519
Unallocated General Expense	1,294,697	-	-	1,294,697
Debt Service - Principal and Interest	2,153,825	4,767,426	-	6,921,251
Operating Expenses	15,721,498	50,026,929	9,222,965	74,971,392
TOTAL EXPENDITURES	55,816,712	54,794,355	9,222,965	119,834,032
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(8,323,988)	(5,401,675)	54,070	(13,671,593)
OTHER FINANCING SOURCES(USES)				
Add Back Net Depreciation	-	7,789,643	-	7,789,643
Bond Financing Proceeds	3,760,000	3,269,000	-	7,029,000
Bond Prior Proceeds	3,250,000	-	-	3,250,000
Capital Contributions	-	820,000	-	820,000
Operating Transfers (In)	351,000	195,000	-	546,000
Capital Transfers (In)	1,532,800	-	-	1,532,800
General Fund Balance Transfers (In) Invest Hagerstown	613,376	-	-	613,376
Contributions by Others	232,550	670,000	-	902,550
Budgeted Use of CIP Fund Balance	334,001	-	-	334,001
Deduct Non-Cash Contributions	-	(430,000)	-	(430,000)
General Fund Balance Transfers (Out) Capital Projects	(120,000)	-	-	(120,000)
General Fund Balance Transfers (Out) Invest Hagerstown	(613,376)	-	-	(613,376)
Capital Transfers (Out)	(664,800)	(365,000)	-	(1,029,800)
Operating Transfers (Out)	(681,240)	-	(55,000)	(736,240)
Capital Outlay	-	(7,266,500)	-	(7,266,500)
TOTAL OTHER FINANCING SOURCES (USES)	7,994,311	4,682,143	(55,000)	12,621,454
EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES				
	\$ (329,677)	\$ (719,532)	\$ (930)	\$ (1,050,139)
Beginning Fund Balance	\$ 19,047,126	\$ 170,117,244	\$ 2,864,294	\$ 192,028,664
Ending Fund Balance	\$ 18,717,449	\$ 169,397,712	\$ 2,863,364	\$ 190,978,525

(Cash Basis)

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE (ALL FUNDS)
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16 ADOPTED	2015/16 % CHANGE	
		BUDGET	EST. ACTUAL			
REVENUES BY TYPE						
Taxes	\$ 30,237,131	\$ 30,615,995	\$ 31,497,056	\$ 32,238,334	5.3%	
Charges for Services	59,940,054	59,813,192	59,900,095	52,230,306	-12.7%	
Licenses and Permits	1,527,332	1,625,950	2,149,893	2,107,650	29.6%	
Fines and Forfeitures	1,393,405	1,710,316	1,755,500	1,763,750	3.1%	
Other Governmental	2,371,620	4,339,411	3,036,180	4,625,739	6.6%	
Other / Transfers In	16,632,853	13,514,290	14,878,643	24,975,896	84.8%	
Total Current Revenues	\$ 112,102,395	\$ 111,619,154	\$ 113,217,367	\$ 117,941,675	5.7%	
EXPENDITURES BY DEPARTMENT						
Mayor and City Council	\$ 328,915	\$ 333,201	\$ 332,801	\$ 340,728	2.3%	
City Administrator and Legal	550,114	523,668	527,984	489,043	-6.6%	
Finance	587,439	663,075	637,975	721,096	8.8%	
Information and Technology	1,174,042	1,249,721	1,261,920	1,268,568	1.5%	
Human Resources	449,166	633,250	649,871	672,335	6.2%	
Community Planning and Development Services	2,087,728	2,121,124	2,096,348	2,069,845	-2.4%	
Public Works	2,888,936	2,778,436	3,087,556	2,849,760	2.6%	
Community Development Block Grant	799,154	869,863	1,237,937	1,347,738	54.9%	
Public Safety	19,924,358	21,543,723	21,817,665	22,609,075	4.9%	
Culture and Recreation	2,312,665	2,204,018	2,469,228	2,472,818	12.2%	
Engineering and Construction	2,987,011	3,092,394	3,063,908	3,153,424	2.0%	
Enterprise Funds	63,448,688	60,664,029	59,899,269	58,714,269	-3.2%	
Other Special Revenue Funds	1,284,298	1,584,813	1,074,472	1,930,549	21.8%	
Capital Improvement Projects Fund	3,189,855	9,329,306	6,749,956	13,118,451	40.6%	
Service and Trust Funds	7,865,265	9,383,082	9,584,124	9,222,965		
Non-Departmental General Fund	4,709,530	4,965,304	5,520,875	5,141,698	3.6%	
Total Expenditures	\$ 114,587,164	\$ 121,939,007	\$ 120,011,889	\$ 126,122,362	3.4%	

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

FULL TIME STAFFING SCHEDULE
FISCAL YEAR 2015/2016

FIVE YEAR COMPARISON - STAFFING SCHEDULE

DEPARTMENT	FISCAL YEARS											
	2011/12		2012/13		2013/14		2014/15		Proposed 2015/16		Adopted 2015/16	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
Office of The Mayor	0.34	-	0.34	-	0.34	-	0.33	-	0.33	-	0.33	-
City Administrator	1.33	-	1.33	-	1.33	-	1.33	-	1.33	-	1.33	-
City Clerk	1.50	-	1.33	-	1.33	0.50	1.34	0.50	1.34	0.50	1.34	0.50
Community & Economic Development	23.00	7.00	23.50	7.00	23.85	7.50	23.80	5.50	28.84	5.50	28.84	5.50
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	(1.00)	-
Total Funded Positions	23.00	7.00	23.50	7.00	23.85	7.50	23.80	5.50	28.84	5.50	27.84	5.50
Finance	8.75	-	8.75	-	8.50	-	8.50	-	8.50	-	8.50	-
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	8.75	-	8.75	-	8.50	-	8.50	-	8.50	-	8.50	-
IT & Support Services	12.00	-	12.00	-	12.00	2.00	12.00	3.00	12.00	3.00	12.00	3.00
Unfunded Positions	(1.00)	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	11.00	-	12.00	-	12.00	2.00	12.00	3.00	12.00	3.00	12.00	3.00
Human Resources	4.00	3.00	4.00	3.00	4.00	5.00	4.00	5.00	5.00	3.00	5.00	3.00
Engineering & Parks	29.00	-	29.66	-	29.72	3.00	29.63	5.00	30.64	6.00	30.64	6.00
Unfunded Positions	(3.00)	-	(3.00)	-	(3.00)	-	(3.00)	-	(3.00)	-	(3.00)	-
Total Funded Positions	26.00	-	26.66	-	26.72	3.00	26.63	5.00	27.64	6.00	27.64	6.00
Police Sworn	105.00	-	105.00	-	107.00	-	107.00	-	108.00	-	108.00	-
Police Administrative/Civilian	13.00	6.00	13.00	6.00	14.00	18.00	15.00	19.00	15.00	19.00	15.00	19.00
Unfunded Positions	(8.00)	-	(8.00)	-	(3.00)	-	(1.00)	-	(1.00)	-	(1.00)	-
Total Funded Positions	110.00	6.00	110.00	6.00	118.00	18.00	121.00	19.00	122.00	19.00	122.00	19.00
Fire	83.00	-	83.00	-	83.00	-	83.00	-	83.00	-	83.00	-
Unfunded Positions	(8.00)	-	(8.00)	-	(5.00)	-	(5.00)	-	(5.00)	-	(6.00)	-
Total Funded Positions	75.00	-	75.00	-	78.00	-	78.00	-	78.00	-	77.00	-
Public Works	34.00	8.00	33.40	8.00	32.90	-	32.90	-	32.50	-	32.50	-
Unfunded Positions	(4.00)	-	(5.00)	-	(5.00)	-	(5.00)	-	(4.00)	-	(5.00)	-
Total Funded Positions	30.00	8.00	28.40	8.00	27.90	-	27.90	-	28.50	-	27.50	-
Total General Fund	314.92	24.00	315.31	24.00	317.97	36.00	318.83	38.00	326.48	37.00	326.48	37.00
Unfunded Total - General Fund	(24.00)	-	(24.00)	-	(16.00)	-	(14.00)	-	(13.00)	-	(16.00)	-
Total Funded Positions-General Fund	290.92	24.00	291.31	24.00	301.97	36.00	304.83	38.00	313.48	37.00	310.48	37.00
Electric	40.00	-	39.18	-	35.58	-	35.55	-	35.55	-	35.55	-
Unfunded Positions	(7.00)	-	(9.00)	-	(5.00)	-	(5.00)	-	(5.00)	-	(5.00)	-
Total Funded Positions	33.00	-	30.18	-	30.58	-	30.55	-	30.55	-	30.55	-
Water	54.25	-	56.49	-	55.02	-	55.02	-	54.52	-	54.52	-
Unfunded Positions	(5.00)	-	(4.00)	-	(4.00)	-	(4.00)	-	(4.00)	-	(4.00)	-
Total Funded Positions	49.25	-	52.49	-	51.02	-	51.02	-	50.52	-	50.52	-
Wastewater	48.00	-	47.40	-	47.76	-	47.76	-	48.26	-	48.26	-
Unfunded Positions	(1.00)	-	(2.00)	-	(2.00)	-	(2.00)	-	(2.00)	-	(2.00)	-
Total Funded Positions	47.00	-	45.40	-	45.76	-	45.76	-	46.26	-	46.26	-
Golf Course	3.00	4.00	2.52	4.00	2.37	2.00	2.53	1.00	2.52	2.00	2.52	2.00
Parking	2.40	9.00	2.20	9.00	2.20	9.00	2.20	7.00	2.40	9.00	2.40	9.00
Property Management	-	-	0.40	-	0.90	-	0.90	1.00	1.10	1.00	1.10	1.00
Community Dev Block Grant	3.43	3.43	2.50	3.43	2.20	-	2.21	-	2.01	-	2.01	-
Business Revolving Loan Fund	-	-	-	-	-	-	-	-	0.16	-	0.16	-
City-wide Staffing Levels	466.00	40.43	466.00	40.43	464.00	47.00	465.00	47.00	473.00	49.00	473.00	49.00
Unfunded Total - City-wide	(37.00)	-	(39.00)	-	(27.00)	-	(25.00)	-	(24.00)	-	(27.00)	-
Total Funded Positions - City-wide	429.00	40.43	427.00	40.43	437.00	47.00	440.00	47.00	449.00	49.00	446.00	49.00
General Operations	117.35	21.43	116.81	21.43	116.17	18.00	116.04	19.00	122.65	18.00	122.65	18.00
Public Safety	201.00	6.00	201.00	6.00	204.00	18.00	205.00	19.00	206.00	19.00	206.00	19.00
Enterprise Funds	147.65	13.00	148.19	13.00	143.83	11.00	143.96	9.00	144.35	12.00	144.35	12.00

FY16 Proposed FT Changes: 5 new positions created in Comm & Econ Develop for Code Admin Rental Licensing & Vacant Structure program; 1 new position in HR due transition self-funded work comp; converting 1 part-time Parks & Recreation position to full-time; 1 new Sworn Officer in Police to staff Wash County Library; and funding 1 position in Public Works that was Unfunded.

FY16 Adopted: 3 positions unfunded by M&C: Director DCED, Public Works position and Fire Training Captain

STAFFING SCHEDULE (continued)
 DETAIL OF POSITIONS UNFUNDED FOR FY16
 FISCAL YEAR 2015/2016

Department / Description	Proposed Unfunded	Adopted Unfunded
Community & Economic Development		
Director	-	1.00
Department Total	-	1.00
Engineering & Parks		
Parks Maintenance Worker I-III	3.00	3.00
Department Total	3.00	3.00
Fire Department		
Firefighter	3.00	3.00
Fire Deputy Chief	1.00	1.00
Fire Training Captain	-	1.00
Fire Public Safety Educator	1.00	1.00
Department Total	5.00	6.00
Police Department		
Bookkeeping Clerk Typist	1.00	1.00
Department Total	1.00	1.00
Public Works		
Sign/Lines Maintenance Worker I-III	1.00	1.00
PW Maintenance Worker I-IV	2.00	3.00
Truck Driver	1.00	1.00
Department Total	4.00	5.00
TOTAL GENERAL FUND	13.00	16.00
Water Department		
Maintenance Technician I	1.00	1.00
Field Operations (Construction & Maintenance) Technician III	2.00	2.00
Engineering Technician	1.00	1.00
Department Total	4.00	4.00
Wastewater Department		
Collection System Operator IV	2.00	2.00
Department Total	2.00	2.00
Electric Department		
Electrical Engineer	1.00	1.00
Distribution General Foreman	1.00	1.00
Senior Meter Repairer	1.00	1.00
Utility Serviceperson/Building Maintenance	1.00	1.00
Lineworker	1.00	1.00
Department Total	5.00	5.00
TOTAL OTHER FUNDS	11.00	11.00
TOTAL ALL FUNDS	24.00	27.00

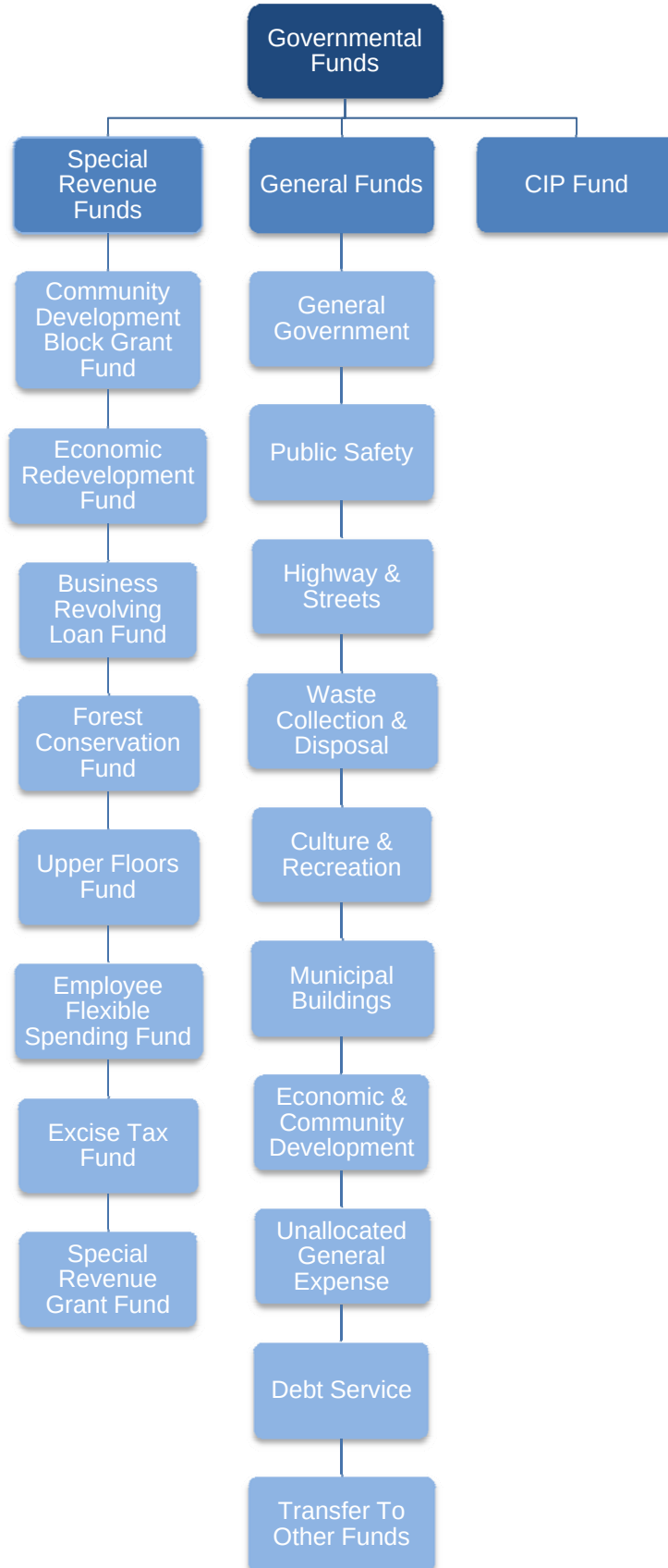
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GOVERNMENTAL FUNDS
SECTION 2

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GOVERNMENTAL FUNDS – ORGANIZATIONAL CHART
FISCAL YEAR 2015/16



GOVERNMENTAL FUNDS - COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2015/2016

	GENERAL	SPECIAL REVENUE	CAPITAL IMPROVEMENT FUNDS	TOTAL
REVENUES				
Property Taxes	\$ 27,470,455	\$ -	\$ -	\$ 27,470,455
State and County Shared Taxes	3,691,479	-	1,288,640	4,980,119
Licenses and Permits	2,106,150	-	-	2,106,150
Intergovernmental Revenues and Grants	459,487	1,700,792	2,465,460	4,625,739
Charges for Current Services	3,004,818	-	-	3,004,818
Fines and Forfeitures	1,858,750	-	-	1,858,750
Administrative Allocation Revenues	2,031,000	-	-	2,031,000
Program Income	-	255,246	-	255,246
Reforest Fees	-	40,000	-	40,000
Miscellaneous	352,356	28,500	-	380,856
Interest on Investments	5,500	715	-	6,215
Appropriated Use of Fund Balance	733,376	-	-	733,376
TOTAL REVENUES	41,713,371	2,025,253	3,754,100	47,492,724
EXPENDITURES				
General Government	6,499,636	-	-	6,499,636
Public Safety	22,609,075	-	-	22,609,075
Streets and Alleys	2,547,014	-	-	2,547,014
Sanitation, Health and Welfare	2,033,630	-	-	2,033,630
Parks and Recreation	2,472,818	-	-	2,472,818
Economic and Community Development	484,519	-	-	484,519
Unallocated General Expense	1,294,697	-	-	1,294,697
Debt Service - Principal and Interest	2,153,825	-	-	2,153,825
Operating Expenses	-	2,818,047	12,903,451	15,721,498
TOTAL EXPENDITURES	40,095,214	2,818,047	12,903,451	55,816,712
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	1,618,157	(792,794)	(9,149,351)	(8,323,988)
OTHER FINANCING SOURCES(USES)				
Operating Transfers (In)	85,000	226,000	40,000	351,000
Capital Transfers (In)	-	-	1,412,800	1,412,800
General Fund Balance Transfers (In) Capital Projects	-	-	120,000	120,000
General Fund Balance Transfers (In) Invest Hagerstown	-	613,376	-	613,376
Prior Bond Proceeds	-	-	3,250,000	3,250,000
Bond Financing Proceeds	-	-	3,760,000	3,760,000
Contributions by Others	-	-	232,550	232,550
Budgeted Use of CIP Fund Balance	-	-	334,001	334,001
General Fund Balance Transfers (Out) Capital Projects	(120,000)	-	-	(120,000)
General Fund Balance Transfers (Out) Invest Hagerstown	(613,376)	-	-	(613,376)
Capital Transfers (Out)	(664,800)	-	-	(664,800)
Operating Transfers (Out)	(295,000)	(386,240)	-	(681,240)
TOTAL OTHER FINANCING SOURCES (USES)	(1,608,176)	453,136	9,149,351	7,994,311
EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES				
	\$ 9,981	\$ (339,658)	\$ -	\$ (329,677)
Beginning Fund Balance	\$ 9,242,527	\$ 5,800,130	\$ 4,004,469	\$ 19,047,126
Ending Fund Balance	\$ 9,252,508	\$ 5,460,472	\$ 4,004,469	\$ 18,717,449

**GENERAL FUND
SECTION 3**

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STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEAR 2015/2016

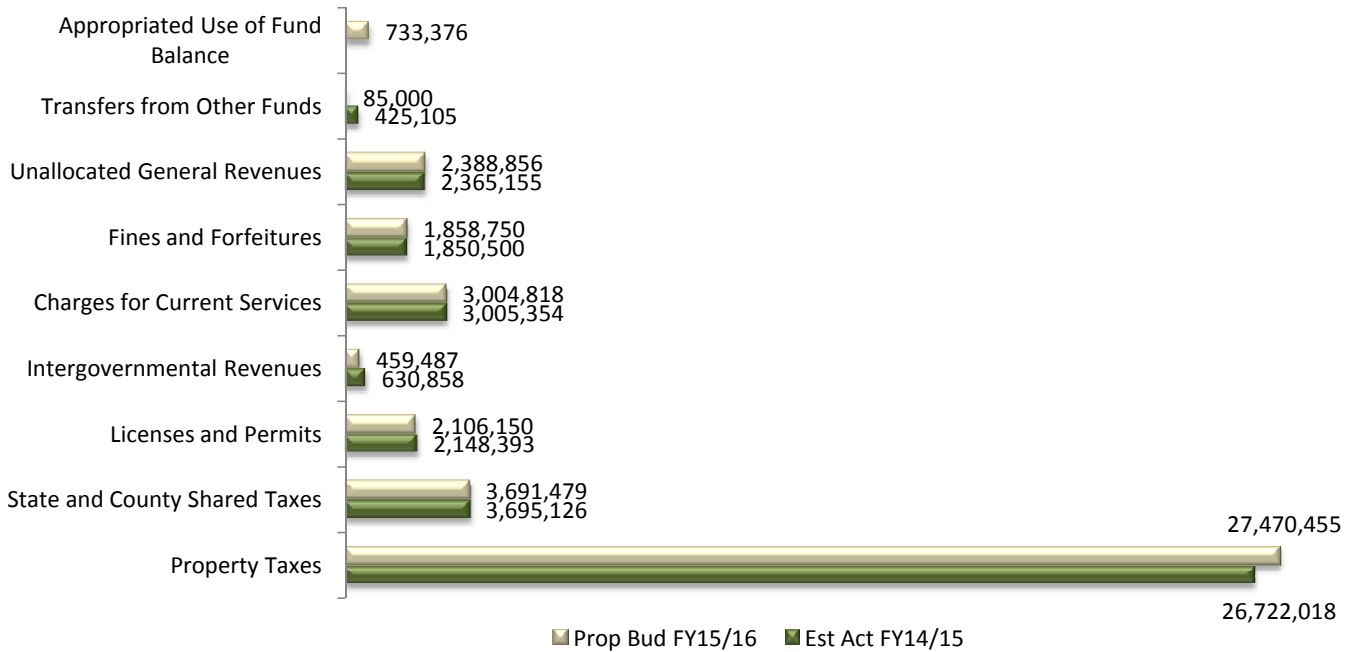
ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE
REVENUES BY TYPE						
Property Taxes	\$25,365,054	\$ 25,951,604	\$26,722,018	\$ 28,308,955	\$ 27,470,455	9.1%
State and County Shared Taxes	3,762,919	3,584,479	3,695,126	3,691,479	3,691,479	3.0%
Licenses and Permits	1,524,702	1,625,950	2,148,393	2,106,150	2,106,150	29.5%
Intergovernmental Revenues	502,384	537,858	630,858	459,487	459,487	-14.6%
Charges for Current Services	2,879,711	2,972,942	3,005,354	3,004,818	3,004,818	1.1%
Fines and Forfeitures	1,339,012	1,899,516	1,850,500	1,858,750	1,858,750	-2.1%
Unallocated General Revenues	2,472,740	2,422,370	2,365,155	2,388,856	2,388,856	-1.4%
Transfers from Other Funds	312,563	285,000	425,105	85,000	85,000	-70.2%
Appropriated Use of Fund Balance	-	823,500		613,376	733,376	-25.5%
Total Current Revenues	\$38,159,085	\$ 40,103,219	\$40,842,509	\$ 42,516,871	\$ 41,798,371	6.0%
EXPENDITURES BY DEPARTMENT						
0101001-Council	\$ 107,444	\$ 107,882	\$ 108,397	\$ 107,263	\$ 107,263	-0.6%
0101002-Mayor	68,099	69,829	69,314	70,147	70,147	0.5%
0103001-City Administrator	210,844	283,668	285,184	249,043	249,043	-12.2%
0103002-City Clerk	153,372	155,490	155,090	163,318	163,318	5.0%
0103003-Community Affairs	416,682	440,623	446,230	222,900	222,900	-49.4%
0103004-Legal Counsel	339,270	240,000	242,800	240,000	240,000	0.0%
0103005-Public Functions	488,562	529,723	530,107	538,114	538,114	1.6%
0103006-Communications	-	-	-	360,298	360,298	100.0%
0107001-Finance & Accounting	587,439	663,075	637,975	721,096	721,096	8.8%
0107200-Information Technology	773,690	869,723	888,937	888,337	888,337	2.1%
0107206-Support Services	400,352	379,998	372,983	380,231	380,231	0.1%
0109001-Planning	416,822	446,163	442,923	455,214	455,214	2.0%
0109002-Annexation	-	8,800	6,800	8,800	8,800	0.0%
0109003-City Hall	261,545	122,080	301,394	302,746	302,746	148.0%
0109004-Engineering & Construction	1,036,486	1,077,648	1,076,796	1,119,794	1,119,794	3.9%
0109005-Human Resources	449,166	633,250	649,871	672,335	672,335	6.2%
Total General Government	5,709,773	6,027,952	6,214,801	6,499,636	6,499,636	7.8%
0110XXX-Police Department	11,924,024	13,040,900	13,090,381	13,489,118	13,394,118	3.4%
0112001-Fire Department	6,475,261	6,878,027	6,980,700	7,359,099	7,286,099	7.0%
0114001-Code Administration	1,045,983	1,097,384	1,210,492	1,413,978	1,413,978	28.8%
0116XXX-Signal Department	479,090	527,412	536,092	514,880	514,880	-2.4%
Total Public Safety	19,924,358	21,543,723	21,817,665	22,777,075	22,609,075	5.7%
0120001-Street Lighting	621,209	650,000	650,000	650,000	650,000	0.0%
0121001-Snow Removal	551,657	358,900	377,700	401,868	401,868	12.0%
0122001-Street Cleaning	296,050	336,683	335,109	297,150	297,150	-11.7%
0123XXX-Gas Station & Maint Garage	315,032	309,220	368,076	325,089	325,089	5.1%
0124001-7-PW & Street Operations	721,541	899,820	948,719	829,959	759,959	-7.8%
0124008-Central Equipment Building	121,902	101,733	106,558	112,948	112,948	11.0%
Total Highways & Streets	2,627,391	2,656,356	2,786,162	2,617,014	2,547,014	-1.5%
0130001-Waste Collection & Disposal	1,950,525	2,014,746	1,987,112	2,033,630	2,033,630	0.9%
0140001-Department of Recreation	286,679	313,149	314,950	359,548	359,548	14.8%
0140202-Swimming Pools	163,286	137,999	197,569	163,682	163,682	18.6%
0140204-Farmers Market	86,541	91,000	94,805	74,390	74,390	-18.3%
0140401-Municipal Stadium	66,772	18,024	49,926	14,270	14,270	-20.8%
0140402-Hager House	32,114	46,802	69,536	53,572	53,572	14.5%
0140403-Train Museum	14,031	13,205	32,632	18,082	18,082	36.9%
0145XXX-City Parks	1,663,242	1,583,839	1,709,810	1,789,274	1,789,274	13.0%
Total Culture & Recreation	2,312,665	2,204,018	2,469,228	2,472,818	2,472,818	12.2%

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEAR 2015/2016

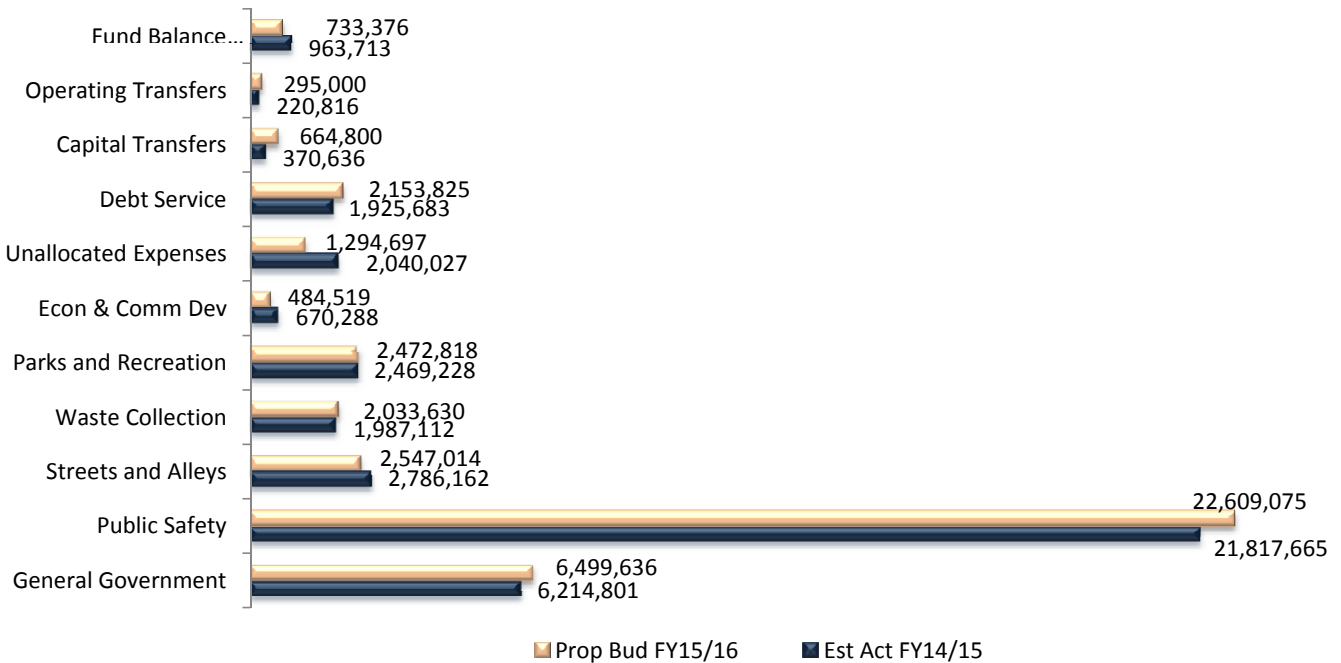
ACCOUNT DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16 PROPOSED	2015/16 ADOPTED	2015/16 % CHANGE
		BUDGET	EST. ACTUAL			
0150001-Economic Development	\$ 619,060	\$ 529,814	\$ 507,573	\$ 429,501	\$ 304,501	-18.9%
0150002-Neighborhoods First	53,349	63,167	59,861	68,618	68,618	8.6%
0150004-Housing & Community Development	93,253	102,834	102,854	111,400	111,400	8.3%
Total Economic & Community Development	765,662	695,815	670,288	609,519	484,519	-12.4%
0160001-Retiree Benefits	1,339,512	1,308,542	1,409,432	1,477,592	1,477,592	12.9%
0166001-Contributions-Other Agencies	295,199	473,490	620,595	205,000	205,000	-56.7%
0162001-Inventory Adjustments	30,703	10,000	10,000	10,000	10,000	0.0%
0168001-Contingency	(1,994)	(111,116)	-	(397,895)	(397,895)	258.1%
Total Unallocated General Expenses	1,663,420	1,680,916	2,040,027	1,294,697	1,294,697	-23.0%
0190001-Debt Service-Prin	1,281,598	1,325,187	1,267,668	1,510,679	1,510,679	14.0%
0191001-Debt Service- Interest & Issuance Costs	551,292	639,554	658,015	693,146	643,146	8.4%
Total Debt Service	1,832,890	1,964,741	1,925,683	2,203,825	2,153,825	12.2%
0195001-Operating Transfers to Other Funds	301,402	265,778	220,816	395,000	295,000	48.6%
0195002-Capital Transfers to CIP & Other Funds	832,268	230,370	370,636	999,800	664,800	334.0%
0195001-Fund Balance Transfer for CIP Projects		588,500	556,639	-	120,000	-100.0%
0195001-Fund Balance Transfer for Invest Hag	79,550	235,000	407,074	613,376	613,376	161.0%
Total Transfers to All Other Funds	1,213,220	1,319,648	1,555,165	2,008,176	1,693,176	52.2%
Total Expenditures & Transfers	\$37,999,904	\$ 40,107,914	\$41,466,131	\$ 42,516,390	\$ 41,788,390	6.0%
Excess (Deficiency) of Revenues over Expenditures	\$ 159,181	\$ (4,695)	\$ (623,622)	\$ 481	\$ 9,981	
Beginning Fund Balance	\$ 9,706,969	\$ 9,866,150	\$ 9,866,150	\$ 9,242,528	\$ 9,242,528	
Ending Fund Balance	\$ 9,866,150	\$ 9,037,955	\$ 9,242,528	\$ 9,243,009	\$ 9,243,009	
Detail of Ending Fund Balance						
Nonspendable	\$ 216,126	\$ 500,000	\$ 216,126	\$ 500,000	\$ 500,000	
Assigned	1,596,839	1,533,143	1,189,765	1,076,389	963,013	
Unassigned	8,053,185	7,004,812	7,836,637	7,666,620	7,779,996	
Ending Fund Balance	\$ 9,866,150	\$ 9,037,955	\$ 9,242,528	\$ 9,243,009	\$ 9,243,009	
Unassigned Fund Balances as:						
% of Operating Budget Less Transfers to All Other Funds	21.9%	18.1%	19.6%	18.9%	19.4%	
Number of Months Expenditures	2.6	2.2	2.4	2.3	2.3	

COMPARISON OF REVENUES AND EXPENDITURES - PROPOSED BUDGET FY16 VS EST ACTUAL FY15
FISCAL YEAR 2015/2016

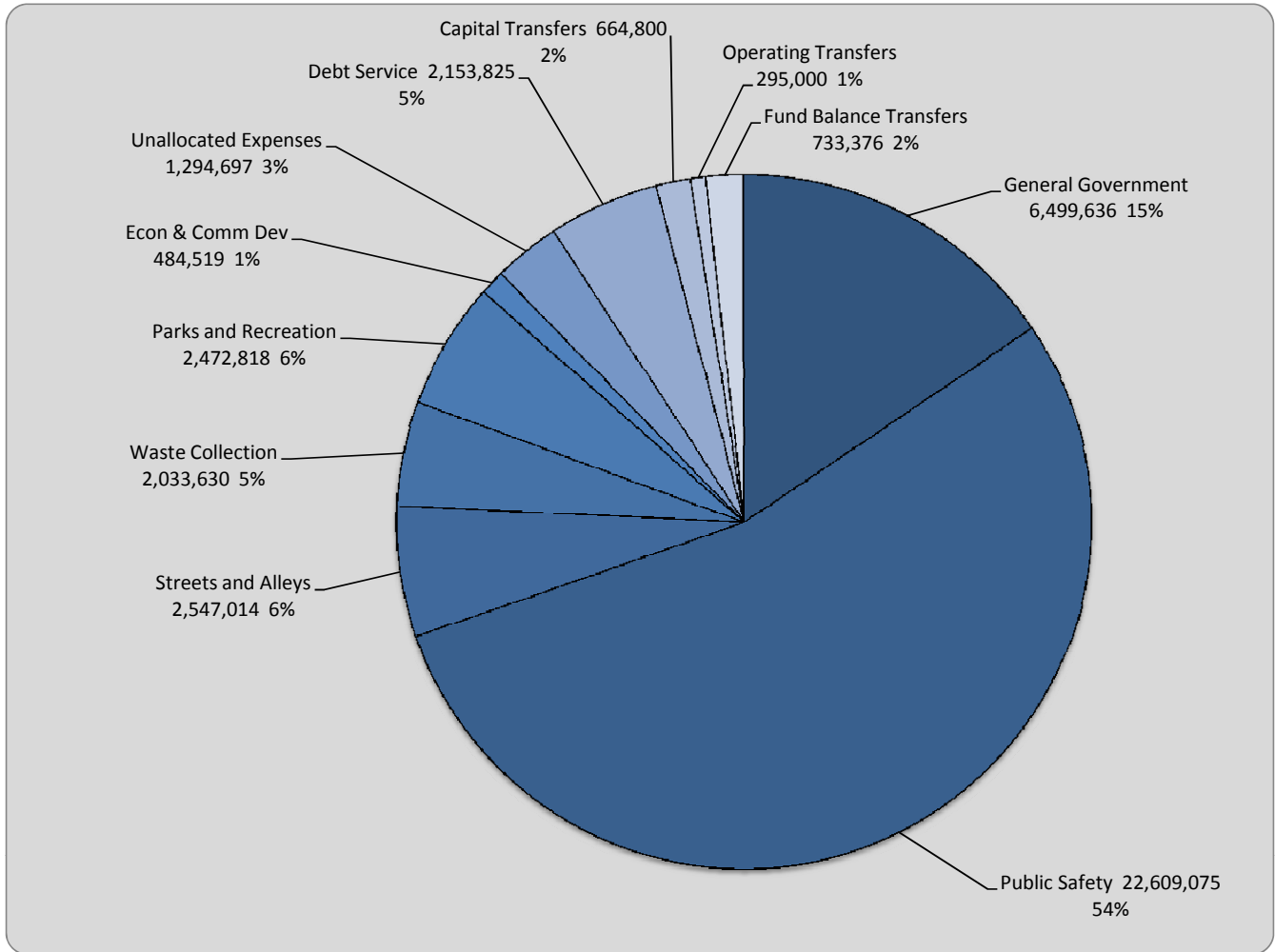
GENERAL FUND REVENUES



GENERAL FUND EXPENDITURES



CATEGORY OF EXPENDITURES
FISCAL YEAR 2015/2016



TOTAL PROPOSED FY16 BUDGET EXPENDITURES \$41,788,390

REVENUES AND OTHER FINANCING SOURCES
FISCAL YEAR 2015/2016

REVENUE SUMMARY

	2013/14	2014/15		2015/16	2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE
CURRENT REVENUES						
Property Taxes	\$ 25,365,054	\$ 25,951,604	\$ 26,722,018	\$ 28,308,955	\$ 27,470,455	9%
State and County Shared Taxes	3,762,919	3,584,479	3,695,126	3,691,479	3,691,479	3%
Licenses and Permits	1,524,702	1,625,950	2,148,393	2,106,150	2,106,150	30%
Intergovernmental Revenues	502,384	537,858	630,858	459,487	459,487	-15%
Charges for Current Services	2,879,711	2,972,942	3,005,354	3,004,818	3,004,818	1%
Fines and Forfeitures	1,339,012	1,899,516	1,850,500	1,858,750	1,858,750	-2%
Unallocated General Revenues	2,472,740	2,422,370	2,365,155	2,388,856	2,388,856	-1%
Total Current Revenues	\$ 37,846,522	\$ 38,994,719	\$ 40,417,404	\$ 41,818,495	\$ 40,979,995	7%
OTHER FINANCING SOURCES						
Transfers from Other Funds	\$ 312,563	\$ 285,000	\$ 425,105	\$ 85,000	\$ 85,000	-70%
Appropriated Fund Balance to Econ Redevelopment: Invest Hagerstown	-	235,000	-	613,376	613,376	161%
Appropriated Fund Balance to CIP Fund: Capital Expenditures	-	588,500	-		120,000	100%
Total Other Financing Sources	\$ 312,563	\$ 1,108,500	\$ 425,105	\$ 698,376	\$ 818,376	-37%
Total Ending Revenues and Other Financing Sources	\$ 38,159,085	\$ 40,103,219	\$ 40,842,509	\$ 42,516,871	\$ 41,798,371	6%

PROPERTY TAX - ASSESSABLE BASE TABLE
FISCAL YEAR 2015/2016

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

	Assessable Base* (in millions)	Assessable Base - % Chg from Prior Yr	City Portion Only Real Estate Tax Rate*	Prop Tax Revenues (in thousands)	Property Taxes - % Chg from Prior Yr	Direct and Overlapping Tax Rates			
						City	County	State	Combined
Actual 1989/1990	782	9.2%	0.684	6,478	9.5%	0.684	0.852	0.084	1.620
Actual 1990/1991	862	10.3%	0.684	6,982	7.8%	0.684	0.852	0.084	1.620
Actual 1991/1992	959	11.2%	0.684	7,672	9.9%	0.684	0.884	0.084	1.652
Actual 1992/1993	1,028	7.3%	0.684	8,194	6.8%	0.684	0.884	0.084	1.652
Actual 1993/1994	1,063	3.3%	0.684	8,397	2.5%	0.684	0.884	0.084	1.652
Actual 1994/1995	1,122	5.6%	0.684	8,810	4.9%	0.684	0.884	0.084	1.652
Actual 1995/1996	1,195	6.5%	0.680	9,156	3.9%	0.680	0.884	0.084	1.648
Actual 1996/1997	1,237	3.6%	0.680	9,742	6.4%	0.680	0.884	0.084	1.648
Actual 1997/1998	1,264	2.2%	0.680	9,821	0.8%	0.680	0.924	0.084	1.688
Actual 1998/1999	1,278	1.1%	0.696	10,210	4.0%	0.696	0.924	0.084	1.704
Actual 1999/2000	1,326	3.8%	0.692	10,388	1.7%	0.692	0.924	0.084	1.700
Actual 2000/2001	1,380	4.0%	0.692	10,756	3.5%	0.692	0.948	0.084	1.724
Actual 2001/2002	1,471	6.6%	0.732	11,708	8.9%	0.732	0.948	0.084	1.764
Actual 2002/2003	1,491	1.4%	0.768	12,873	10.0%	0.768	0.948	0.084	1.800
Actual 2003/2004	1,550	3.9%	0.783	13,555	5.3%	0.783	0.948	0.132	1.863
Actual 2004/2005	1,640	5.8%	0.798	14,597	7.7%	0.798	0.948	0.132	1.878
Actual 2005/2006	1,843	12.4%	0.798	16,123	10.5%	0.798	0.948	0.112	1.858
Actual 2006/2007	2,103	14.1%	0.798	18,200	12.9%	0.798	0.948	0.112	1.858
Actual 2007/2008	2,297	9.2%	0.798	19,742	8.5%	0.798	0.948	0.112	1.858
Actual 2008/2009	2,552	11.1%	0.788	21,676	9.8%	0.788	0.948	0.112	1.848
Actual 2009/2010	2,830	10.9%	0.788	23,959	10.5%	0.788	0.948	0.112	1.848
Actual 2010/2011	2,881	1.8%	0.788	24,132	0.7%	0.788	0.823	0.112	1.723
Actual 2011/2012	2,559	-11.2%	0.788	21,386	-11.4%	0.788	0.823	0.112	1.723
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
<i>Projection 2014/2015</i>	<i>2,508</i>	<i>-5.9% **</i>	<i>0.898</i>	<i>24,043</i>	<i>7.3%</i>	<i>0.898</i>	<i>0.823</i>	<i>0.112</i>	<i>1.833</i>
<i>Projection 2015/2016</i>	<i>2,533</i>	<i>1.0% ***</i>	<i>0.913</i>	<i>24,792</i>	<i>3.1%</i>	<i>0.913</i>	<i>0.823</i>	<i>0.112</i>	<i>1.848</i>
<i>Projection 2016/2017</i>	<i>2,596</i>	<i>2.5%</i>	<i>0.913</i>	<i>25,371</i>	<i>2.3%</i>	<i>0.913</i>	<i>0.823</i>	<i>0.112</i>	<i>1.848</i>
<i>Projection 2017/2018</i>	<i>2,726</i>	<i>5.0%</i>	<i>0.913</i>	<i>26,594</i>	<i>4.8%</i>	<i>0.913</i>	<i>0.823</i>	<i>0.112</i>	<i>1.848</i>

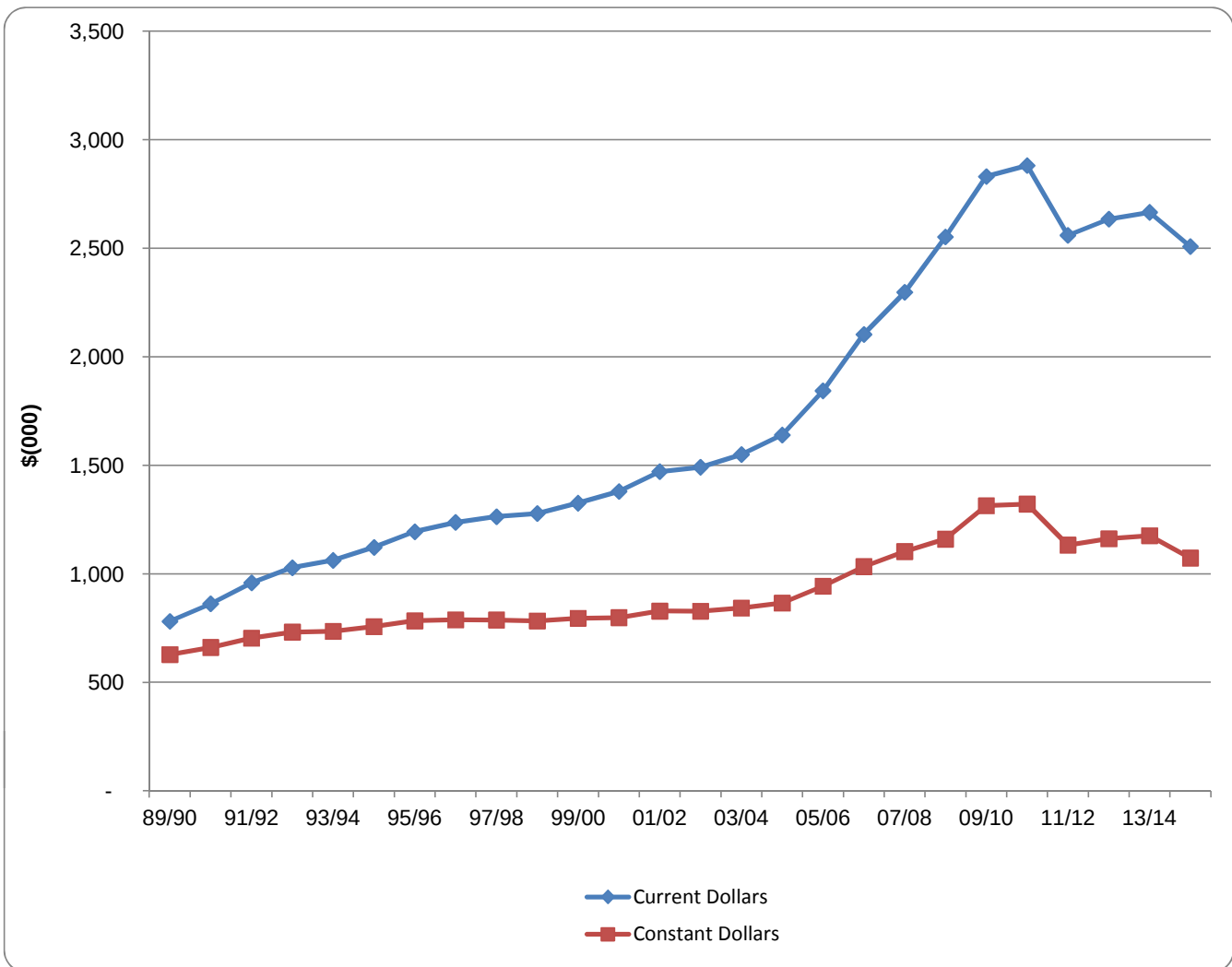
* Assessable base and tax rates have been re-stated to reflect current practice of calculating property tax revenues over 100% of Estimated Actual Value.

**The assessable base value provided on the February 2014 Constant Yield Notice memo reflected an overall decrease of 8.5% for real property values; however, the updated memo received in February 2015 reflects a real property value base to be slightly better than anticipated a year ago.

***The assessable base value per the February 2015 Constant Yield Notice memo reflects a decrease of 0.47%, which includes only real property in the assessable base values. The City chart above includes a calculated assessable base value for both real property and personal property tax and these values are reflected separately on the following page. Additionally, the City chart above assumes a slightly higher average assessable base value for all of FY16 and not just the value estimated to be on July 1.

Each penny on the real estate tax rate generates additional revenue of	\$ 243,000
Each penny on the personal property tax rate generates additional revenue of	\$ 11,000

ASSESSABLE BASE IN CURRENT AND
CONSTANT DOLLARS (ADJUSTED FOR INFLATION - USING US DEPARTMENT OF LABOR CPI-U)
FISCAL YEAR 2015/2016



PROPERTY TAXES - PROPOSED REVENUES
FISCAL YEAR 2015/2016

DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16 PROPOSED	2015/16 ADOPTED	2015/16 % CHANGE
		BUDGET	EST. ACTUAL			
Current Year Levy	\$22,396,976	\$23,215,104	\$24,043,262	\$ 25,630,482	\$ 24,791,982	10.4%
Interest on Delinquent Taxes	171,019	125,000	90,000	107,500	107,500	-14.0%
Prior Years' Levy-Net	112,542	(80,000)	(125,000)	(125,000)	(125,000)	56.3%
Payment in Lieu of Taxes	2,712,318	2,721,500	2,744,283	2,726,500	2,726,500	0.2%
Tax Discounts & Credits Allowed	(27,801)	(30,000)	(30,527)	(30,527)	(30,527)	1.8%
Total Property Taxes	\$25,365,054	\$25,951,604	\$26,722,018	\$ 28,308,955	\$ 27,470,455	9.1%

Revenues from property taxes are based on assessments established by the State Department of Assessment and Taxation. The real property tax rate for FY14 was \$0.788 per \$100 of assessed value and FY15 was \$0.898 per \$100 dollars of assessed value. The business personal property rate was \$1.970 per \$100 of assessed value in FY14 and \$2.245 per \$100 of assessed value in FY15.

The proposed budget for FY16 included a five cent tax rate increase for real property and is the second year of the City's triennial reassessment period. The February 2015 Constant Yield Tax Rate Certification memo reflects a decrease in assessed values of 0.47% for FY16. The real property constant yield rate certified by the State for FY16 which would generate the same dollar amount of gross real tax revenues, (before local property tax credits) is \$0.9022 per \$100 of assessed value which is \$0.0042 more than the City's current FY15 tax rate. Mayor & Council approved a tax increase of 1.5 cents or \$0.913 cents per \$100 of assessed value.

A twenty-five 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%. The cap had been 10%, which is still the maximum cap for State tax purposes.

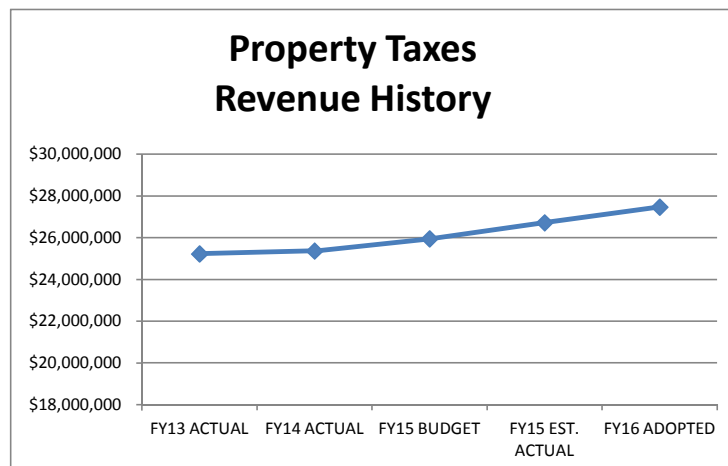
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

The estimated actual for FY15 when compared with the FY15 budget is expected be about 3.0% more than originally budgeted or \$770,414. Personal property tax related to business personal property is expected to be slightly higher than originally budgeted for FY15. The original budget for business personal property tax revenue was \$2.38 million and it is estimated that revenue for FY15 will be \$2.54 million. Additionally, real estate tax revenue is estimated to increase over FY15 budget by \$588K as a result of higher than anticipated assessed values in the February 2014 Constant Yield Tax Rate memo.

FY15 to Proposed FY16

Overall, the proposed property tax revenue for FY16 is expected to increase by \$1.52M when compared to the FY15 budget. As mentioned previously, the FY16 proposed budget includes the a \$0.015 real property tax rate increase which would generate approximately \$361,500 additional revenue. The proposed tax rate increase is necessary to help to maintain existing services and offset increasing expenditures related to negotiated bargaining contracts and employee benefits as the City's assessed market values continue to struggle to recover. The proposed tax rate increase will also help financially position the City for FY17 which will be the third and final year of the current triennial period. Also, FY17 will be a year of new bargaining contracts for at least three of the City's four employee collective bargaining groups.



STATE & COUNTY SHARED TAXES - PROPOSED REVENUES
FISCAL YEAR 2015/2016

DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16 PROPOSED	2015/16 % CHANGE
		BUDGET	EST. ACTUAL		
Income Tax	\$ 2,452,366	\$ 2,305,000	\$ 2,450,000	\$ 2,475,000	7.4%
Admissions & Amusement Tax	207,892	200,000	200,000	200,000	0.0%
Financial Corporations	34,214	34,214	34,214	34,214	0.0%
Enterprise Zone Tax Credits	86,976	87,000	70,617	70,000	-19.5%
Room Tax - Tourism Promotions	176,220	165,000	176,500	177,000	7.3%
Police Protection	750,454	740,000	710,530	682,000	-7.8%
State Aid For Fire Service	54,797	53,265	53,265	53,265	0.0%
Total State & County Shared Taxes	\$ 3,762,919	\$ 3,584,479	\$ 3,695,126	\$ 3,691,479	3.0%

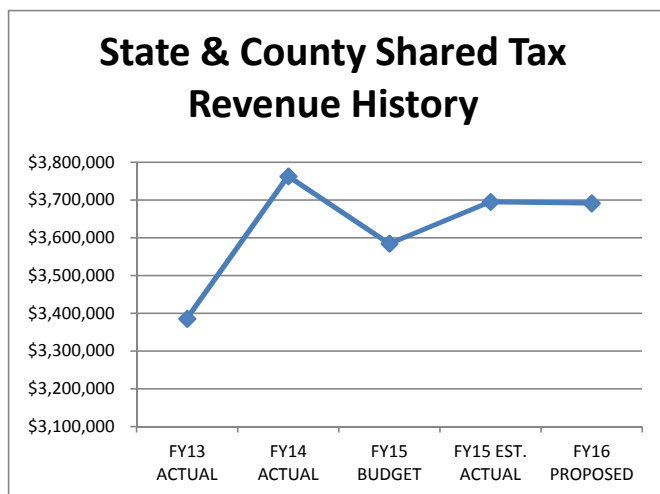
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

When compared to the FY15 adopted budget, FY15 estimated actual is anticipated to be 3.1% or \$110K higher. Of the \$110K positive variance, \$145K is attributable to better than anticipated growth in the local share of State Income Tax Revenue and \$11K is due to higher Hotel/Motel revenue or room taxes. These increases were offset by lower than expected revenues from enterprise zone tax credits (\$16K) and reductions in the State Aid for Police Protection (\$29K).

FY15 to Proposed FY16

Overall, the proposed budget for FY16 State & County Shared Revenues is expected to increase by 3% over the FY15 budget. The same trends occurring in FY15 are expected to continue into FY16. The increase is driven by an estimated 7.4% in State Income Tax Revenue or \$170,000 and a 7.3% or \$11K increase in Hotel/Motel tax. Decreases are anticipated to remain in the following areas: Enterprise Zone tax credits (\$17K) due to slow economic growth and uncertainty in the State of Maryland budget for Police Aid for Protection funding (\$58K).



Historically, the City experienced significant reductions in Shared Tax Revenue due to the elimination of the County Tax Differential revenue sharing (FY10), and a decrease of approximately \$1.8 million in Highway User Revenue from the State (FY10).

As the current graph indicates, revenues are continuing to show growth since historic sharp declines. However, overall revenues are expected to decrease by nearly 2% or \$67,794 when comparing FY14 actual to FY15 estimated actual. It is anticipated that these revenues will remain relatively flat in FY16. Even with the revenue trends, the combined State Shared revenue remains significantly lower than historical amounts due to the elimination of the County Tax Differential revenue sharing from the County.

LICENSES & PERMITS - PROPOSED REVENUES
FISCAL YEAR 2015/2016

DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Traders Licenses	\$ 75,630	\$ 100,000	\$ 80,000	\$ 80,000	-20.0%
Distilled Spirits	13,838	7,500	6,000	6,000	-20.0%
Utility License Fee	15,060	14,500	14,000	14,000	-3.4%
Vendor Permits from City Clerk	3,220	3,500	4,401	3,500	0.0%
Cable TV Franchise Fee	407,088	408,000	400,000	400,000	-2.0%
General Construction Permits	-	1,000	5,500	1,000	0.0%
Street Digging Permits	71,979	70,000	160,000	140,000	100.0%
Curbs, Sidewalks, & Driveways	14,435	2,500	2,000	2,500	0.0%
Storm Water Management Permits	-	1,000	12,000	5,000	400.0%
Grading Permits	16,852	10,000	10,000	10,000	0.0%
Right of Way Permits	3,729	3,000	4,000	3,000	0.0%
Building Permits (Fire)	38,653	33,000	35,000	35,000	6.1%
Fireworks Permits	1,750	2,500	-	250	-90.0%
Blasting Permits	240	250	100	100	-60.0%
Plumbing Dept-Licenses	7,745	8,000	8,000	5,000	-37.5%
Contractor's Licenses	14,660	3,500	3,500	15,000	328.6%
Electrical Licenses	5,870	26,500	26,500	6,000	-77.4%
Residential Rental Licenses	455,300	425,000	650,000	650,000	52.9%
Uncollected- Residential Licenses	(31,073)	-	-	-	0.0%
Building Permits	148,843	140,000	175,000	175,000	25.0%
Plumbing Permits	78,889	75,000	75,000	75,000	0.0%
Electrical Permits	113,685	100,000	110,000	110,000	10.0%
Mechanical Permits	40,755	40,000	45,000	45,000	12.5%
Sewer Connection Inspection Fees	-	1,500	1,500	1,500	0.0%
Pre-Sale Code Inspection	100	200	200	300	50.0%
Re-Inspection Fee	600	500	900	1,000	100.0%
Property Abatement Billings -Engineering	-	5,000	7,792	5,000	0.0%
Property Abatement Billings -Code	(16,818)	105,000	115,000	120,000	14.3%
Vacant Residential Structure Fee	9,100	5,000	110,000	110,000	2100.0%
Vacant Commercial Structure Fee	-	-	45,000	45,000	100.0%
Admin Fee for Excise Tax	3,967	2,500	3,000	3,000	20.0%
Secure Vacant Structure Fee	(400)	1,500	4,000	4,000	166.7%
Technology Fee	31,005	30,000	35,000	35,000	16.7%
Total Licenses and Permits	\$ 1,524,702	\$ 1,625,950	\$ 2,148,393	\$ 2,106,150	29.5%

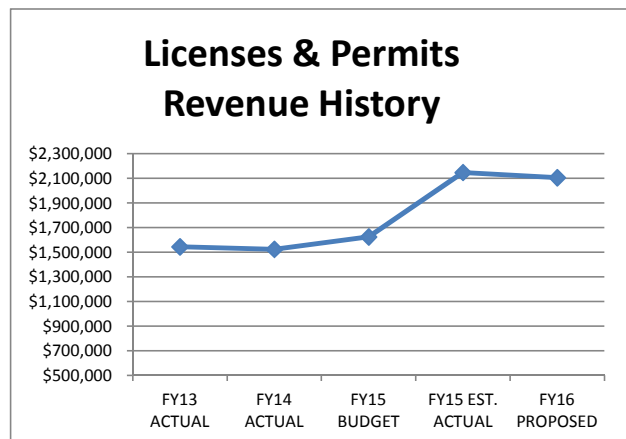
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

FY15 licenses and permit revenues are projected to be 32% or \$522K over FY15 budget. With the hiring of additional code enforcement officers and implementation of new program initiatives, the City expects to see an increase in vacant structure fees for both residential and commercial properties that were not included in the FY15 budget. Additionally, it is anticipated that street digging fees, storm water management permits and Building and electrical permits will all exceed budget expectation by \$90K, \$11K, \$35K and \$10K respectively.

FY15 to Proposed FY16

Overall, the proposed FY16 budget is expected to be 29.5% or approximately \$480K higher than FY15 budget. This is primarily due to an expected \$225K increase in residential rental licenses as a result of newly implemented program initiatives. Additionally, the FY16 budget has been increased to include vacant structure fees and increased street digging fees.



INTERGOVERNMENTAL REVENUES - PROPOSED REVENUES
FISCAL YEAR 2015/2016

DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16	2015/16
		BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
School Resource Officer/Youth Prevention	187,500	187,500	187,500	187,500	0.0%
Public Function Revenues	30,105	30,238	30,238	30,238	0.0%
Federal Grant - Operating	284,779	320,120	413,120	241,749	-24.5%
Total Intergovernmental	\$ 502,384	\$ 537,858	\$ 630,858	\$ 459,487	-14.6%

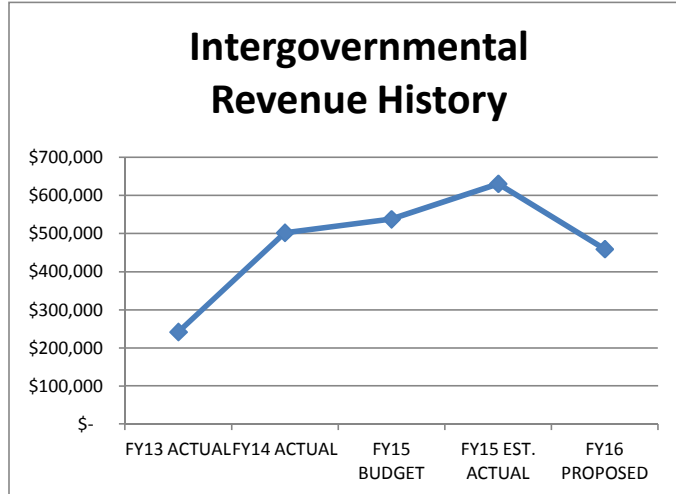
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

The estimated actual for FY15 is expected to be 17.3% or \$93K higher than originally budgeted in FY15 due to the ability of the Police Department to fill all five (5) sworn police officer positions. The Police Department (HPD) has received Federal grant monies for up to five (5) sworn police officers over a three (3) year period with (1) year of employment retention for a total of five (4) years. HPD also received a second Federal grant that allows for the hiring of 2 more sworn police officers over a 3 year period with one year of retention. Those positions are anticipated to be filled as well. The overage reflects Federal grant reimbursement money that will be received.

FY15 to Proposed FY16

Overall, the proposed budget for FY16 is expected to be 14.6% or \$78K less than FY15 budget. HPD currently has approval for two separate COPS Hiring grants. The federal reimbursement for both of these grants will be over a three year period and will be a declining reimbursement percentage each year. This decrease in federal grant revenue is attributable to these COPS Hiring Program grants.



The graph to the left depicting Intergovernmental revenue history shows decreasing revenue of approximately \$260K from FY15 budgeted revenues of \$538K to FY16 proposed budget revenues of \$459K. The decrease in revenue is a result of the two COPS Hiring grants secured by HPD, which started in FY12 and FY13 respectively. Both grants are over a 3-year period and are based on a declining reimbursement percentage each year.

CHARGES FOR CURRENT SERVICES - PROPOSED REVENUES
FISCAL YEAR 2015/2016

DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16 PROPOSED	2015/16 % CHANGE
		BUDGET	EST. ACTUAL		
Refuse Collection Fees	\$ 2,220,898	\$ 2,264,000	\$ 2,234,000	\$ 2,239,500	-1.1%
Other Service Charges	403,404	439,420	482,738	470,918	7.2%
Public Function Revenues	210,639	211,647	227,716	222,500	5.1%
Swimming Pool	44,770	57,875	60,900	71,900	24.2%
Total Charges for Current Services	\$ 2,879,711	\$ 2,972,942	\$ 3,005,354	\$ 3,004,818	1.1%

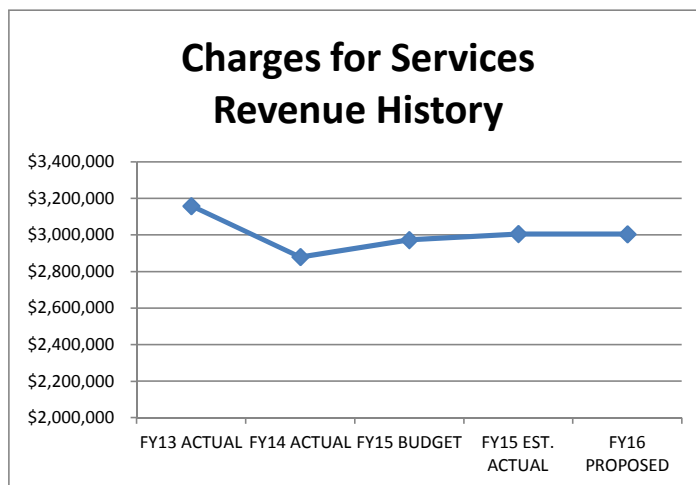
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

Overall, estimated actual revenue for FY15 is anticipated to have a very modest increase of 1% when compared with the FY15 budget. Refuse collections fees reflect a decrease of 1.3% or \$30K from FY15 budget estimates. Other Service Charges are expected to be 9.9% or \$43K higher than FY15 budget. This is primarily due to the timing of billing for Police Chemist Lab services and anticipated increases in Recreation Program Revenue as new programs have been added. Public Function Revenues are anticipated to be \$16K higher than FY15 budget primarily due to expected income from the Miss Maryland Pageant and Utility Benefit Concert that was not included in the FY15 budget. Revenues from the Potterfield Pool are expected to increase 5.2% as a result of new pool management.

FY15 to Proposed FY16

For FY16, charges for current services reflect a slight increase of 1.1% or \$32K over the budget for FY15. Refuse collection fees are expected to decrease 1.1% or \$25K. Other service charges are projected to increase by \$32K or 7.2% which reflects anticipated increases in recreation services income of \$43K and credit card convenience fees and pay by phone transaction fees of \$15K. These increases are being offset by reductions in Code administration late fees of \$7K, Fire protection fees of \$15K and Fire/EMS auto response fees of \$5K. Public function revenues are expected to increase 5.1% as the Blues Festival continues to grow in popularity. With the change in pool management companies and the installation of a splash pad and improvements to the pool, revenues are expected to increase 24.2% or \$14K for FY16.



FINES & FORFEITURES - PROPOSED REVENUES
FISCAL YEAR 2015/2016

DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Abatement Administrative Fees - Code Admin	26,520	30,000	50,000	50,000	66.7%
Confiscated Revenue	\$ 50,043	\$ 6,836	\$ 7,500	\$ 25,000	265.7%
Fire Code Violations	11,449	8,000	8,000	8,000	0.0%
Parking Tickets and Late Fees	11,676	8,980	26,200	17,000	89.3%
Parking Tickets - Estimate for Uncollectible	(5,980)	-	-	-	0.0%
Municipal Infractions - Code Admin	20,109	45,000	55,000	55,000	22.2%
Municipal Infractions - City Engineering	-	200	200	200	0.0%
Municipal Infractions - Police Dept	300	-	1,000	1,000	100.0%
Municipal Infractions - Planning	-	300	300	600	100.0%
Excessive Use Fees	-	-	2,100	1,750	100.0%
Safe Speed for Students Program and Late Fees	1,455,030	1,800,000	1,800,000	1,800,000	0.0%
Safe Speed for Students Program - Est Uncollect	(230,185)	-	(100,000)	(100,000)	100.0%
Tech Appeals Board Filing Fees	50	200	200	200	0.0%
Total Fines and Forfeitures	\$ 1,339,012	\$ 1,899,516	\$ 1,850,500	\$ 1,858,750	-2.1%

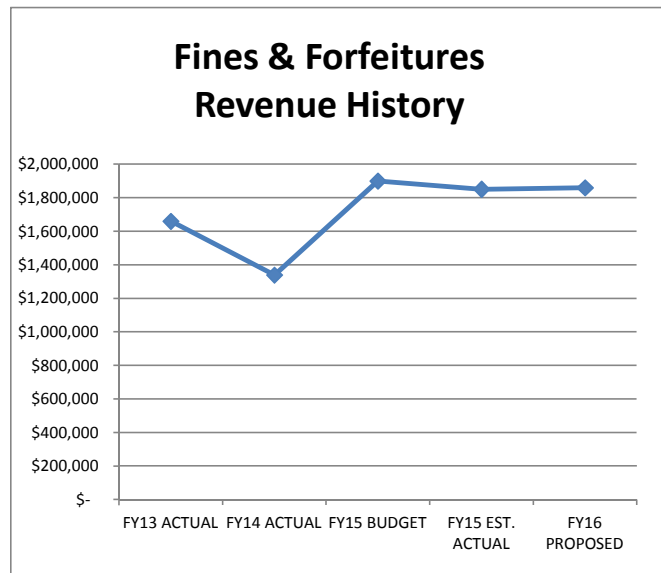
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

Estimated actual revenue for FY15 is expected to be under budget by 2.6% or \$49K. The primary reason for the decrease is the inclusion of a \$100K allowance for uncollectible tickets for Safe Speed for Student Program which had not been contemplated in the budget in FY15. This reduction in revenue is offset by anticipated overages in Abatement fees, parking ticket and late fees, municipal infractions and the implementation of a new excessive use fee.

FY15 to Proposed FY16

The FY16 budget includes an overall decrease of 2.1% or \$40K in Fines and Forfeitures revenues when compared to the FY15 budget. This decrease is a result of the same trends that were anticipated in the FY15 actuals with the main driver of the decrease being the inclusion of an allowance for uncollectible Safe Speed for Students Program tickets. As the program continues, the City is gaining more experience in operations of the program. The program continues to have eleven (11) cameras in operation which is reflected in the FY16 budget. It is the goal of this program to change the public's driving behavior in school zones. As this program progresses it is anticipated that revenue will flatten and possibly decline in future years as driving behaviors change.



UNALLOCATED GENERAL REVENUES - PROPOSED REVENUES
FISCAL YEAR 2015/2016

DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16 PROPOSED	2015/16 % CHANGE
		BUDGET	EST. ACTUAL		
Administrative Allocation Revenues	\$ 2,031,000	\$ 2,031,000	\$ 2,031,000	\$ 2,031,000	0.0%
Interest on Investments	10,240	35,000	5,400	5,500	-84.3%
Rental Income	224,240	213,624	212,182	210,924	-1.3%
Sale of Land & Other Assets	34,546	4,500	15,242	10,500	133.3%
Contributions & Donations	45,565	12,752	17,852	18,352	43.9%
Other General Revenue	127,149	125,494	83,479	112,580	-10.3%
Total Unallocated General Revenues	\$ 2,472,740	\$ 2,422,370	\$ 2,365,155	\$ 2,388,856	-1.4%

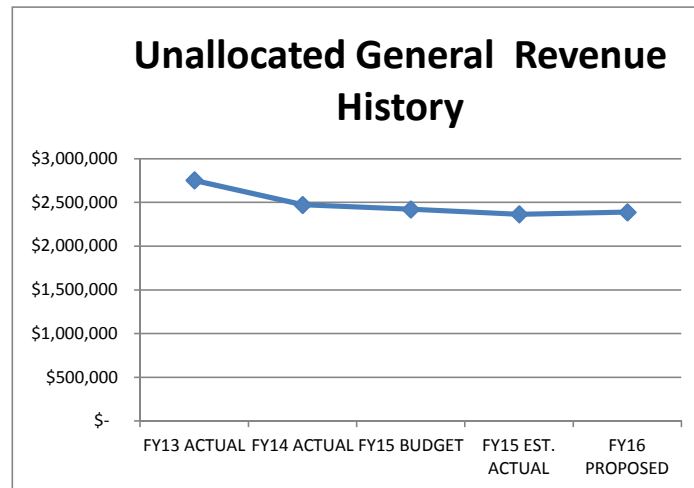
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

The FY15 actual is projected to be \$57K lower than FY15 budget. This variance is primarily due to lower than expected interest income and lower than anticipated other general revenue. Within the general revenue category, city center dollars are expected to be \$30K lower than budget and miscellaneous revenue in the Finance department is expected to be nearly \$23K lower than expected. These negative variances are offset by overages in sale of land and other assets due to the sale of an industrial oven and in contributions due to parks and equipment grants.

FY15 to Proposed FY16

The proposed FY16 budget is anticipated to decrease over the FY15 budget by 1.4%. This decrease is predominantly due to the reductions in the FY16 budget for interest (\$29K) and for other general revenue (\$13K). Interest has been budgeted to more closely reflect current trends in interest earned on investments. Most investments for the City are held in Certificates of Deposit and by Maryland Local Government Investment Pool (MLGIP). The reduction in the other general revenue budget is due to the transition of City Center Dollars to private due to it's popularity. This decrease is offset by a \$40K increase in police department revenue for reimbursement for an officer in the library. Contributions and sale of land and other assets are budgeted to closely reflect FY15 estimated actual.



TRANSFERS FROM OTHER FUNDS & OTHER FINANCING SOURCES - PROPOSED REVENUES
FISCAL YEAR 2015/2016

DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16	2015/16
		BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Transfer from Workers Comp Fund	250,000	-	-	-	0.0%
Transfer from Health Insurance Fund	24,834	55,000	55,000	55,000	0.0%
Transfer from Property Management Fund	19,895	200,000	240,105	-	-100.0%
Transfer from CIP Fund	-	-	100,000	-	0.0%
Transfer from CDBG Fund	17,834	30,000	30,000	30,000	0.0%
Total Transfers from Other Funds & Other Financing Sources	\$ 312,563	\$ 285,000	\$ 425,105	\$ 85,000	-70.2%

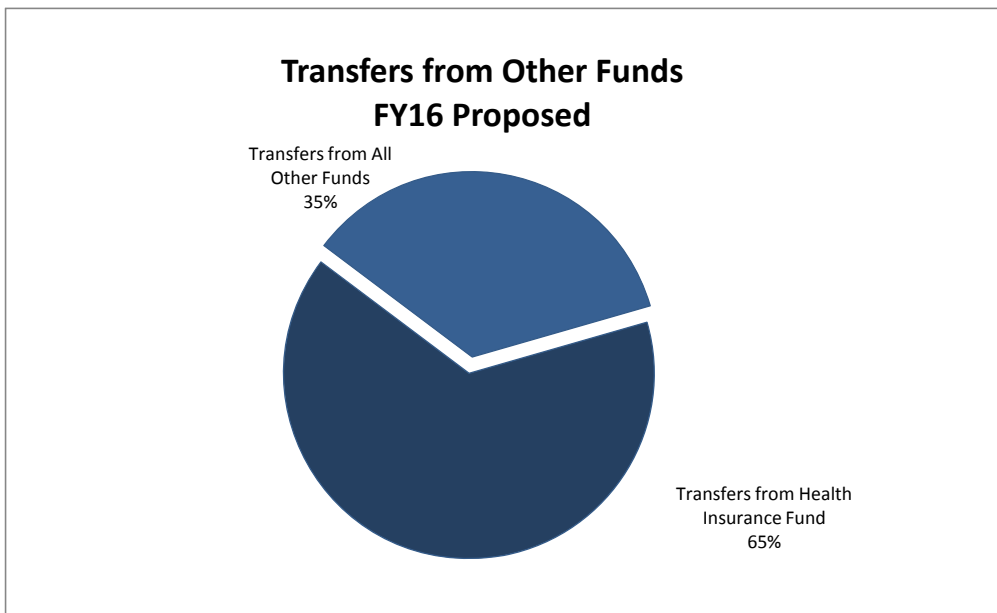
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

Overall, estimated actual revenue for FY15 is expected to be 49.2% or \$140K higher than the FY15 budget. The FY15 estimated actuals includes transfers for the Maryland Theatre HVAC and seating projects.

FY15 to Proposed FY16

FY16 proposed budget is estimated to decrease \$200K from FY15 budget because there were one-time transfers included in FY15 for the Maryland Theatre's HVAC and seating projects.



MAYOR - PROGRAM DESCRIPTION
FISCAL YEAR 2015/16

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

Objectives and initiatives include:

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

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Number of Mayor and Council meetings	50	50	50
Average number of meetings representing City (e.g. board/commission)	35	35	35
Average number of community functions	25	25	25

MAYOR - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 46,872	\$ 47,068	\$ 47,278	\$ 48,068	2.1%
Benefits	14,592	15,273	15,214	15,211	-0.4%
Personnel Subtotal	61,464	62,341	62,492	63,279	1.5%
Operating Expenditures	6,635	7,488	6,822	6,868	-8.3%
Operating Subtotal	6,635	7,488	6,822	6,868	-8.3%
Total Expenditures	\$ 68,099	\$ 69,829	\$ 69,314	\$ 70,147	0.5%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 68,099	\$ 69,829	\$ 69,314	\$ 70,147	0.5%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

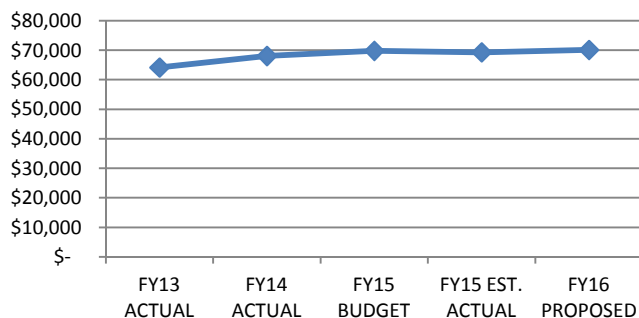
Adopted FY15 to Estimated Actual FY15

There are no significant changes.

FY15 to Proposed FY16

The 2.1 % increase in salary and wages reflects a 2% COLA in FY15 and in FY16 a 1% COLA and a step increase for city staff. This increase is only reflected for the partial City staff position that is allocated here. There is a slight decrease in benefits as a result of rising employer covered health insurance costs that are being offset by a lower employer contribution to retirement. Additionally, there is a decrease in operating expenditures for FY16 which is attributable to a reduction in lodging and meals expenses.

**Total Expenditures
History**



STAFFING SUMMARY

	FY15			
	FY14	Budg	Est Act	FY16
Full time	0.34	0.33	0.33	0.33
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	0.34	0.33	0.33	0.33

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 2015/16

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

- To develop and approve policies which focus on the last approved Strategic Plan which identified the following Focus Areas:
 - A Prosperous Community
 - A Vibrant, Active and Livable Community
 - A Safe and Healthy Community
 - An Innovative and Sustainable Government
- To strengthen the City's financial position both internally as an organization and externally as a partner with other community entities programs/processes and developing and implementing new sources of revenue that are aligned with a Strategic Plan and long-term goals and visions.
- To provide the citizenry with amenities and facilities which are well-maintained, aesthetically pleasing and complimentary to the City's infrastructure and landscape. These community assets should also provide a vehicle in which to market the City to new residents, businesses, and visitors as well as to retain existing members of the community.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Number of Mayor and Council meetings	50	50	50
Average number of meetings representing City (e.g. board/commission)	24	30	30
Average number of community functions attended representing the City	25	25	25

CITY COUNCIL - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 40,155	\$ 40,000	\$ 39,693	\$ 40,000	0.0%
Benefits	25,084	26,643	26,233	26,989	1.3%
Personnel Subtotal	65,239	66,643	65,926	66,989	0.5%
Operating Expenditures	42,205	41,239	42,471	40,274	-2.3%
Operating Subtotal	42,205	41,239	42,471	40,274	-2.3%
Total Expenditures	\$ 107,444	\$ 107,882	\$ 108,397	\$ 107,263	-0.6%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 107,444	\$ 107,882	\$ 108,397	\$ 107,263	-0.6%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

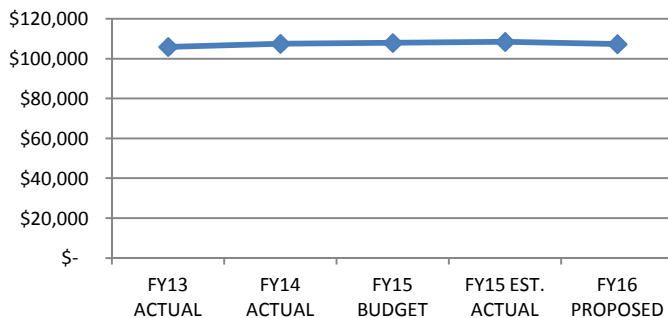
Adopted FY15 to Estimated Actual FY 15

There is an increase in FY15 operating expenditures over FY15 budget due to the expected purchase of new ipads for Council Members.

FY15 to Proposed FY 16

There is a slight increase of \$346 or 1.3% in employee benefits as a result of rising employer covered health insurance costs. The increase in benefit cost is offset by decreases in the employer contribution to retirement. Operating expenses reflect a projected decrease of \$965 or 2.3% as a result of reductions in lodging and meals expenses.

**Total Expenditures
History**



STAFFING SUMMARY

	FY14	FY15 Budg	FY15 Est Act	FY16
Full time	5.00	5.00	5.00	5.00
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	5.00	5.00	5.00	5.00

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

REGISTRATION AND ELECTIONS - PROGRAM DESCRIPTION
FISCAL YEAR 2015/16

DEPARTMENT / PROGRAM OVERVIEW

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

PERFORMANCE INDICATORS

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

REGISTRATION AND ELECTIONS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14		2014/15		2015/16		2015/16
	ACTUAL		BUDGET	EST. ACTUAL	PROPOSED	% CHANGE	
EXPENDITURES BY TYPE							
Salary and Wages	\$	-	\$	-	\$	-	0.0%
Personnel Subtotal		-		-		-	0.0%
Operating Expenditures		-		-		-	0.0%
Operating Subtotal		-		-		-	0.0%
Total Expenditures	\$	-	\$	-	\$	-	0.0%
REVENUES BY TYPE							
Departmental Revenue	\$	-	\$	-	\$	-	0.0%
Total Revenues	\$	-	\$	-	\$	-	0.0%
Expenditures, net of Revenues	\$	-	\$	-	\$	-	0.0%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

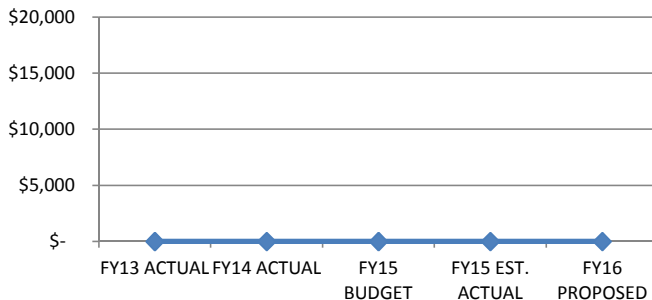
Adopted FY15 to Estimated Actual FY15

No changes occurred.

FY15 to Proposed FY16

There is no proposed FY16 budget the City incurs no cost when the Washington County Board of Elections conducts the City election in conjunction with the Presidential Election. there will be a primary election in the Spring of 2016 (FY 2016). the General Election will be held in November, 2016 (FY 2017).

Total Expenditures History



STAFFING SUMMARY

	FY14	FY15		FY16
		Budg	Est Act	
Full time	0.00	0.00	0.00	0.00
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	0.00	0.00	0.00	0.00

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

Objectives and initiatives include:

- To guide and support Department Heads on the completion of goals and priorities adopted by the Mayor and Council in December 2014.
- To develop information and recommendations that enable the Mayor and Council to make informed decisions related to the community and City government.
- To create financial strategies and plans along with adjustments to operations in response to the on-going impact of the economic recession on Hagerstown's finances.
- To develop programs and recommendations that address community needs related to public safety, neighborhood vitality, public infrastructure, downtown revitalization, and economic development.
- To provide staff support in accordance with the Mayor & City Council's goals that incorporate new technologies and service delivery approaches into City operations.
- To promote professional and ethical operations combined with a strong organizational commitment to providing excellent community based services.
- To build strong community partnerships based on citizen involvement, interaction with local institutions, business leaders, and other levels of government with a strong focus on unified strategies that lead to a better Hagerstown.

PERFORMANCE INDICATORS

The City Administrator prepares and presents:

- Annual reports to Mayor and Council on prior calendar year accomplishments and current year departmental goals by March 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 2015/2016

EXPENDITURE AND REVENUE SUMMARY

	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 164,578	\$ 196,476	\$ 200,249	\$ 178,872	-9.0%
Benefits	35,386	76,800	73,066	50,967	-33.6%
Overtime	-	-	96	-	0.0%
Personnel Subtotal	199,964	273,276	273,411	229,839	-15.9%
Operating Expenditures	10,880	10,392	11,773	15,554	49.7%
Capital Outlay	-	-	-	3,650	100.0%
Operating Subtotal	10,880	10,392	11,773	19,204	84.8%
Total Expenditures	\$ 210,844	\$ 283,668	\$ 285,184	\$ 249,043	-12.2%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 210,844	\$ 283,668	\$ 285,184	\$ 249,043	-12.2%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

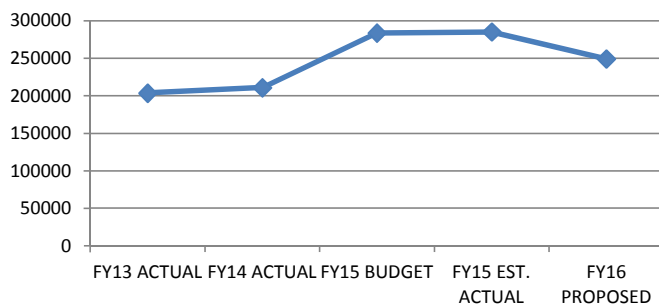
Adopted FY15 to Estimated Actual FY15

There are no significant changes noted.

FY15 to Proposed FY16

Total personnel expenses are projected to decrease by 15.9% from the FY15 budget to Proposed FY16 budget. Included in the FY15 budget are one-time compensatory payments due to the retirement of the current City Administrator. Operating expenditures increased \$5,100 due to the reinstatement of the transportation, lodging and conference budgets from Human Resources to the Administrator's budget. The FY16 budget also includes \$3,650 in capital outlay for the purchase of a new computer and office furniture for the new City Administrator.

Total Expenditures History



STAFFING SUMMARY

	FY15			
	FY14	Budg	Est Act	FY16
Full time	1.33	1.33	1.33	1.33
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	1.33	1.33	1.33	1.33

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 2015/16

DEPARTMENT / PROGRAM OVERVIEW

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

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

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

DEPARTMENT / PROGRAM OBJECTIVES

- To support the Mayor and Council's Strategic Plan, Focus Area, Innovative and Sustainable Government, the weekly meeting packet is available to all Mayor and Council members, staff members, and media by using a meeting management system. Citizens and all interested persons can access the weekly meeting packet by visiting the City's website. There they can view, download and/or print the agenda and all supporting documents.
- The City Clerk is the staff liaison for the City Ethics Commission. The Commission met four times in 2015. The Commission filed the required annual Certification with the State Ethics Commission in October of 2014.
- Updating the 1999 Record Retention Plan and electronic images of documents will provide greater access to official City records. An archival plan for records will also eliminate the need for large amounts of storage space.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Number of Ordinances Processed	32	23	40
Number of Resolutions Processed	46	45	25
Number of Licenses and Permits Issued	110	120	100
Number of Mayor and Council meetings processed	50	50	50

CITY CLERK - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 101,130	\$ 105,188	\$ 104,512	\$ 110,003	4.6%
Benefits	29,383	30,675	30,645	31,433	2.5%
Personnel Subtotal	130,513	135,863	135,157	141,436	4.1%
Contractual Services	3,248	4,000	4,030	4,000	0.0%
Operating Expenditures	18,263	15,627	15,903	16,032	2.6%
Capital Outlay	1,348	-	-	1,850	100.0%
Operating Subtotal	22,859	19,627	19,933	21,882	11.5%
Total Expenditures	\$ 153,372	\$ 155,490	\$ 155,090	\$ 163,318	5.0%
REVENUES BY TYPE					
Departmental Revenue	\$ 107,747	\$ 125,500	\$ 104,401	\$ 103,500	-17.5%
Total Revenues	\$ 107,747	\$ 125,500	\$ 104,401	\$ 103,500	-17.5%
Expenditures, net of Revenues	\$ 45,625	\$ 29,990	\$ 50,689	\$ 59,818	99.5%

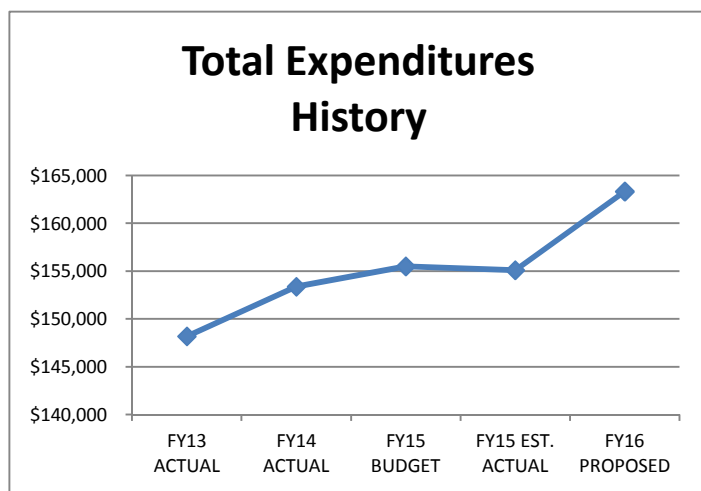
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

Overall departmental revenue is 16.8% or \$21,100 lower than FY15 budget. This is as a result of lower revenues in Traders licenses and liquor license renewals. There are no other significant or material variances.

FY15 to Proposed FY16

There is an overall increase in total personnel costs from FY15 budget, which includes a 2% COLA received during current FY15 budget plus a proposed COLA of 1% and one step in the FY16 budget in salaries. There is a 2.5% increase in benefits as a result of rising employer covered health insurance costs which are offset by lower employer contributions to retirement. The FY16 budget includes \$1,850 in capital outlay for the purchase of computer equipment. Overall departmental revenue is lower than FY15 budget by \$22,000 as a result of aligning the budget for traders licenses and liquor license renewals with FY15 actual revenue.



STAFFING SUMMARY

	FY14	FY15		FY16
		Budg	Est Act	
Full time	1.33	1.34	1.34	1.34
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	1.33	1.34	1.34	1.34
Part time	0.50	0.50	0.50	0.50
Total Part time	0.50	0.50	0.50	0.50

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

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.
- Provide legal advice and guidance to staff related to City operations, emerging legal issues, regulatory requirements and development issues.
- Support the City's Ethics Commission in promoting 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

	2013/14	2014/15	2015/16
Number of Ordinances Processed	25	23	40
Number of Resolutions Processed	45	45	25
Number of Approved Contracts and Agreements	75	75	75

LEGAL - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ -	\$ -	\$ -	\$ -	0.0%
Personnel Subtotal	-	-	-	-	0.0%
Contractual Services	333,523	235,000	237,800	235,000	0.0%
Operating Expenditures	5,747	5,000	5,000	5,000	0.0%
Operating Subtotal	339,270	240,000	242,800	240,000	0.0%
Total Expenditures	\$ 339,270	\$ 240,000	\$ 242,800	\$ 240,000	0.0%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 339,270	\$ 240,000	\$ 242,800	\$ 240,000	0.0%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

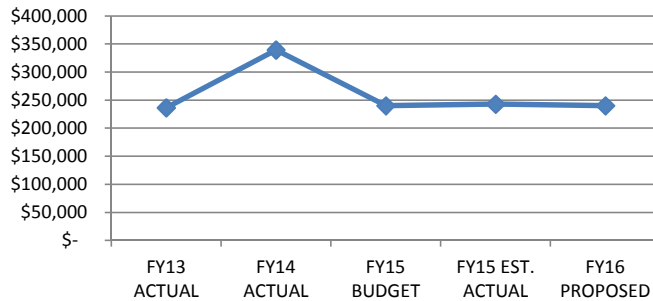
Adopted FY15 to Estimated Actual FY15

No significant changes were noted.

FY15 to Proposed FY16

No significant changes were noted.

Total Expenditures History



STAFFING SUMMARY

	FY14	FY15		FY16
		Budg	Est Act	
Full time	0.00	0.00	0.00	0.00
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	0.00	0.00	0.00	0.00

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

FINANCE - PROGRAM DESCRIPTION
FISCAL YEAR 2015/16

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 Software Enhancements - Finance will begin to implement process improvements for fixed assets throughout the City in phases of the next two fiscal years. The first phase will be educating departmental users on using the fixed asset module in Munis. Phase two will be providing monthly reports to the departments to ensure that asset additions and disposals are recorded in a timely manner. In the final phase, the Finance department will process depreciation monthly to improve accuracy and create efficiencies in preparing for the year end audit.
- Financial Reporting - Finance will begin to implement quarterly review meetings with department managers to ensure adequate monitoring of the City's finances. Finance will also meet the October 31 deadline for completion of the audit and Comprehensive Annual Financial report and will also produce a Popular Annual Financial Report to present financial data in an easy to use format.
- 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.
- Policy Updates - Staff will continue to review and update the City's fund balance policy for presentation to Mayor and Council.
- Software implementation - Finance will continue to work with our time and attendance software vendor (Intellitime) and City departments to finalize the implementation of the automated time keeping system.

PERFORMANCE INDICATORS

	2013/14		2014/15		2015/16	
<u>Performance Measures</u>						
Maintain the City's bond rating:						
Standard and Poor's AA-		AA		AA		AA
Moody's Investors Service A2 or higher		Aa3		Aa3		Aa3
Receive GFOA distinguished Budget Presentation award	Yes/	9 yrs	Yes/	10 yrs	Yes/	11 yrs
Receive GFOA Comprehensive Annual Financial Reporting award	Yes/	19 yrs	Yes/	20 yrs	Yes/	21 yrs
<u>Workload Measures</u>						
Bond sales executed		1		1		1
Number of individual employee payrolls processed		25,888		25,900		25,950
Number of vendor invoices processed		10,590		10,600		10,700
Number of Pcard transactions processed		7,635		7,700		7,800
Number of Purchase Orders issued		1,069		1,080		1,100

FINANCE - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 336,642	\$ 449,573	\$ 451,449	\$ 501,880	11.6%
Benefits	112,295	131,211	128,363	134,003	2.1%
Personnel Subtotal	448,937	580,784	579,812	635,883	9.5%
Contractual Services	89,159	52,696	29,155	52,350	-0.7%
Operating Expenditures	46,408	27,495	26,908	30,063	9.3%
Capital Outlay	2,935	2,100	2,100	2,800	33.3%
Operating Subtotal	138,502	82,291	58,163	85,213	3.6%
Total Expenditures	\$ 587,439	\$ 663,075	\$ 637,975	\$ 721,096	8.8%
REVENUES BY TYPE					
Departmental Revenue	\$ 30,517,006	\$ 30,980,107	\$ 31,842,415	\$ 34,069,845	10.0%
Total Revenues	\$ 30,517,006	\$ 30,980,107	\$ 31,842,415	\$ 34,069,845	10.0%
Expenditures, net of Revenues	\$ (29,929,567)	\$ (30,317,032)	\$ (31,204,440)	\$ (33,348,749)	10.0%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

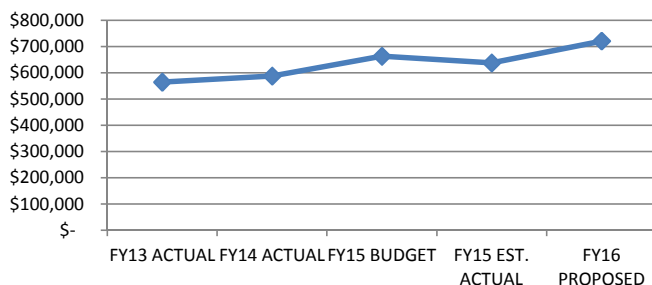
Adopted FY15 to Estimated Actual FY15

The Finance department filled its last vacancy in November, as a result salaries and wages are anticipated to come in slightly over budget by \$1,876. With the department becoming fully staffed in November of 2014, contracted staffing was not utilized which will result in savings of \$23K in contractual services costs. Additionally, departmental revenue is anticipated to be \$862K higher than budget due to higher than anticipated total property tax revenues received in FY15.

FY15 to Proposed FY16

From the FY15 budget to the FY16 proposed budget, overall total personnel expenditures are anticipated to increase by 9.5% or \$55,099 and operating expenditures to increase by 3.6% or \$2,922. The \$53K increase in salary expenditures is due to the following: fully staffing the department, a proposed 1% COLA and 1 longevity step increase expected in FY16 for AFSCME 1540 and proposed 1% COLA and 1 step increase for non-union. There is a 2.1% or \$2,792 increase in all benefits which reflects rising employer covered health costs. Contractual services are expected to remain relatively flat from FY15 to FY16. The revenue reflected includes property tax revenue and some shared state and county revenue sources. The details for all these revenue increases are reflected in detail at the beginning of Section 3.

Total Expenditures History



STAFFING SUMMARY

	FY14	FY15		FY16
		Budg	Est Act	
Full time	8.50	8.50	8.50	8.50
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	8.50	8.50	8.50	8.50

There was no change in full time staffing from FY14 to FY16 but Finance continues to share in the allocation of a Storekeeper/Clerk III with the Water Funds.

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

- **MUNICIPAL BROADBAND PROJECT.** The City, pending positive responses from the Request for Information produced in 2014, will distribute an RFP to solicit partners to build a high speed broadband network to be utilized by existing and potential commercial/residential properties in the City Center area. this project will also look to provide free wireless connectivity for all visitors to several City parks in each area of the City. Finally, the project will look to provide wired broadband services to several currently wireless and/or cellular connected cameras which are part of the City surveillance program system network. We anticipate getting this RFP on the streets in July, 2015 with project implementation beginning late 2015.
- **DATA ANALYTICS IMPLEMENTATION.** In the spirit of transparency, many municipalities in the State are moving towards a system where residents and staff are more easily able to research the current state of City finances and activities through online resources such as the State's STATESTAT system. We look to provide the same type of system for our stakeholders in 2015 with the implementation of systems that provide snapshot views of budgetary information through interaction with the City website. This type of system will also provide a more streamline reporting of information to the State when necessary.
- **MUNIS FINANCIAL SYSTEM UPGRADE FROM 9.3 to 10.4.** This major upgrade, delayed from 2014 and scheduled for Summer 2015, will be the most feature rich change in the MUNIS software since the initial implementation. The system will provide a significant upgrade to the Executive Dashboard feature, which will show snapshots of financial position and other important data relative to a department's specific needs. The software will also provide additional reporting features and several enhancements relative to our operations.
- **CENTRALIZED MONITORING SYSTEM.** Staff will look at improvements in technical connectivity to existing cameras in the network. Currently, many operate through cellular connections which can be sporadic if the network is busy. Staff will look at wiring these cameras directly to a network that will provide better opportunity for streaming video.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Number of City-wide personal computers	221	227	229
Number of PC Software programs supported	24	6	22
Number of Help Desk tickets	1,651	1,576	1,700
# of SPAM e-mails blocked daily	7,002	6,277	10,000
Phone calls managed through our central switch	373,955	372,122	385,000

INFORMATION TECHNOLOGY - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 389,214	\$ 395,176	\$ 393,718	\$ 393,921	-0.3%
Benefits	113,947	130,983	150,858	129,741	-0.9%
Personnel Subtotal	503,161	526,159	544,576	523,662	-0.5%
Contractual Services	1,055	8,600	8,630	5,000	-41.9%
Operating Expenditures	265,770	331,564	332,331	356,275	7.5%
Capital Outlay	3,704	3,400	3,400	3,400	0.0%
Operating Subtotal	270,529	343,564	344,361	364,675	6.1%
Total Expenditures	\$ 773,690	\$ 869,723	\$ 888,937	\$ 888,337	2.1%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 773,690	\$ 869,723	\$ 888,937	\$ 888,337	2.1%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

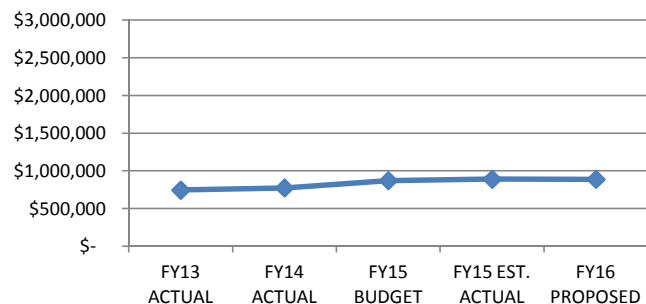
Adopted FY15 to Estimated Actual FY15

Benefits are anticipated to be \$19,875 or 15% higher than budget as a result of a retirement that occurred during the fiscal year and the associated one-time compensatory payouts. There are no other material variances between FY15 estimated actual and FY15 budget.

FY15 to Proposed FY16

FY16 personnel costs are projected to slightly lower than FY15 budget by 0.5% as the department will fill the vacancy at the entry to mid-level range. Total operating expenditures reflect an increase of 7.5% or \$24,711 for major hardware/software support and maintenance agreements.

Total Expenditures History



STAFFING SUMMARY

	FY14	FY15		FY16
		Budg	Est Act	
Full time	6.34	6.34	6.34	6.34
Less: Unfunded	-	-	-	-
Staffing Total	6.34	6.34	6.34	6.34
Part time	0.00	0.00	0.00	0.00
Total Part time	0.00	0.00	0.00	0.00

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

- Credit Bureau Reporting. Staff will look to add more teeth to our collection efforts by partnering with a credit bureau agency to report delinquent customer balances.
- Remote Deposit of Checks Paid in Person. Staff will work with our depository bank to provide staff the ability to remotely deposit checks at time of transaction. This will allow for funds to be in our account, as well as deducted from the customer's account, at time of payment. This will help to cut down the number of insufficient funds transactions we experience on a weekly basis.
- Call-In / Lobby Efficiency Increases. Management and staff will work toward creating processes to streamline customer interactions for both inquiries and payments on account in an effort to decrease wait time and to improve the customer's experience. The department will utilize data captured over several months to identify areas in which the creation and/or modification of processes, both human and computer-based, can be made.
- Customer Service Training. Representatives will be provided with online and/or on-site Customer Service training to allow them to better understand and perform their job responsibilities. There has been no formal training for staff in several years, and the changing demands of our customer base require that our representatives have the tools they need to provide quality customer service.
- 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.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Number of calls offered into Support Services queue	57,552	59,220	60,250
Number of calls serviced in Support Services	45,523	45,599	48,000
Average hold time (in Seconds)	246	227	200
Number of counter transactions handled in City Hall	59,342	61,252	61,500
Total customers served	104,865	106,851	109,500
Dollar amount of transactions processed in City Hall	\$ 48,067,314	\$ 56,120,018	\$ 58,000,000

SUPPORT SERVICES - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 331,579	\$ 333,806	\$ 353,081	\$ 376,192	12.7%
Benefits	117,355	128,563	129,910	137,641	7.1%
Overtime	1,809	-	1,198	-	0.0%
Personnel Subtotal	450,743	462,369	484,189	513,833	11.1%
Contractual Services	223,926	168,060	168,330	168,300	0.1%
Operating Expenditures	(274,511)	(255,531)	(284,636)	(307,502)	20.3%
Capital Outlay	194	5,100	5,100	5,600	9.8%
Operating Subtotal	(50,391)	(82,371)	(111,206)	(133,602)	62.2%
Total Expenditures	\$ 400,352	\$ 379,998	\$ 372,983	\$ 380,231	0.1%
REVENUES BY TYPE					
Departmental Revenue	\$ 22,130	\$ 26,500	\$ 16,500	\$ 32,130	21.2%
Total Revenues	\$ 22,130	\$ 26,500	\$ 16,500	\$ 32,130	21.2%
Expenditures, net of Revenues	\$ 378,222	\$ 353,498	\$ 356,483	\$ 348,101	-1.5%

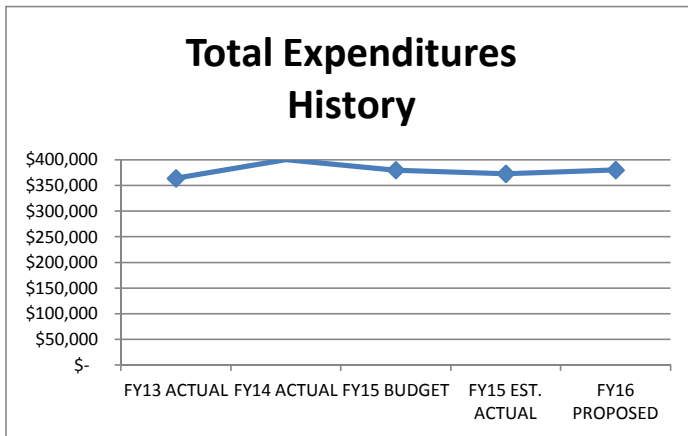
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

FY15 estimated actual reflects the use of contract staffing services (\$45K) which is \$17K greater than the FY15 budget.

FY15 to Proposed FY16

Total personnel expenditures are estimated to increase by 12.7% or \$42,386 as a result of a \$25K increase to the contractual staffing line to make it \$53K in FY16. Additionally, personnel costs reflect a proposed 1% COLA and 1 step adjustment for FY16. Benefits reflect the increase in health care and other benefit costs. Departmental revenues are anticipated to increase 21.1% or \$10,000 through the implementation of a credit card convenience fee.



STAFFING SUMMARY

	FY14	FY15		FY16
		Budg	Est Act	
Full time	5.66	5.66	5.66	5.66
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	5.66	5.66	5.66	5.66
Part time	2.00	3.00	3.00	3.00
Part time Seasonal	0.00	0.00	0.00	0.00
Total Part time	2.00	3.00	3.00	3.00

There are no full-time staffing changes proposed for Support Services. Support Services and Cashiering utilize 3 part-time positions in FY16.

HUMAN RESOURCES - PROGRAM DESCRIPTION
FISCAL YEAR 2015/16

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 an 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.
- Negotiations for the four union contracts.
- Implement self-insured Workers' compensation Program.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Bargaining Unit Contracts	4	4	4
HR Training Budget to number of City FT employees	\$ 47.60	\$ 106.84	\$ 106.16
Employee / Retiree Health Plan Costs	\$ 8,576	\$ 8,655	\$ 8,914
Number of Employment Applications Received	1,974	1,750	1,800
Number of Regular FT employees hired	30	42	41
Number of non-regular employees hired	70	55	50
Retirements	14	14	15
Voluntary Separations	20	30	30
Involuntary Separations	1	5	2
Number of Injury Reports	96	95	100
Number of Property Claims	38	34	38
Number of General Liability Claims	6	19	15
Number of Police Liability Claims	4	4	4
Number of Auto Claims	46	60	45

HUMAN RESOURCES - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 272,162	\$ 293,147	\$ 298,425	\$ 378,910	29.3%
Benefits	95,988	109,821	121,650	122,102	11.2%
Personnel Subtotal	368,150	402,968	420,075	501,012	24.3%
Contractual Services	49,317	146,350	140,600	95,800	-34.5%
Operating Expenditures	25,942	80,732	85,736	71,773	-11.1%
Capital Outlay	5,757	3,200	3,460	3,750	17.2%
Operating Subtotal	81,016	230,282	229,796	171,323	-25.6%
Total Expenditures	\$ 449,166	\$ 633,250	\$ 649,871	\$ 672,335	6.2%
REVENUES BY TYPE					
Departmental Revenue	\$ 125	\$ -	\$ 188	\$ -	0.0%
Total Revenues	\$ 125	\$ -	\$ 188	\$ -	0.0%
Expenditures, net of Revenues	\$ 449,041	\$ 633,250	\$ 649,683	\$ 672,335	6.2%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

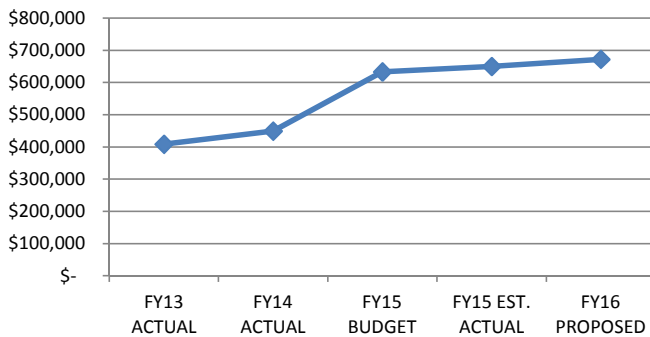
Adopted FY15 to Estimated Actual FY15

Benefits costs are anticipated to be \$11,829 higher than budget due to higher than expected health insurance costs.

FY15 to Proposed FY16

Total Personnel expenditures reflect an overall increase of 29.3% or \$85,763. The primary driver of this increase is the addition of a position to manage the self-insured workers' compensation program. Additionally, a 1% COLA and 1 step is proposed for FY16. Benefit expenses also reflect the impact of the additional position as well as increases in medical insurance. Contractual services expenditures for FY16 budget are expected to decrease by \$50,000 from the FY15 budget which included \$50,000 for the recruitment of a new City Administrator. Operating expenditures are expected to decrease by \$8,959 or 11% as a result of the elimination of educational benefits (\$20K) which is offset by increases in safety program and other expenses.

Total Expenditures History



STAFFING SUMMARY

	FY15			
	FY14	Budg	Est Act	FY16
Full time	4.00	4.00	4.00	5.00
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	4.00	4.00	4.00	5.00
Part time	5.00	5.00	5.00	3.00
Part time Seasonal				2.00
Total Part time	5.00	5.00	5.00	5.00

In FY16, one FT position was added to support the transition to a self-insured Workers' Compensation program as well as administer safety and wellness programs. The Human Resources Department also staffs the information/security desk at City Hall with part-time positions plus has a part-time HR Assistant.

DEPARTMENT / PROGRAM OVERVIEW

The Department of Community and Economic Development (DCED) works in collaboration with all City Departments, our residents, businesses, investors (current and prospective) and visitors to advance the economy, image and quality of life in Hagerstown. The Department is organized in two divisions, the Planning and Code Administration Division (PCAD) and the Business and Community Relations Division (BCRD).

Planning and Code Administration Division (PCAD)

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

Business and Community Relations Division (BCRD)

BCRD administers business retention, expansion and attraction programs, image campaigns, community outreach initiatives, Community Development Block Grant (CDBG) functions (see also Special Revenue Section 5), public information programs, community events, the arts, entertainment and education district functions, and a volunteer program. Staff continue to expand and adapt these programs to enhance the results and in FY15 staff have proposed an aggressive list of goals (see Department Goals memo).

DEPARTMENT / PROGRAM OBJECTIVES

Planning and Code Administration Division (PCAD)

Recognizing that time is money for the development community, PCAD administers streamlined processes and provides exceptional service while planning for the future of the City through flexible regulations, progressive programs and customer-friendly processes. Further efficiencies have been achieved through the creation of one front office and the transfer of field operations to City Hall. The Planning function of the division acts as the architect of the City. Progressive protective legislation for smart development and redevelopment remains a focus. The permitting, licensing and inspections area strives to ensure speed and accuracy which in turns makes Hagerstown a location of choice for investors. In FY16, this division will continue to protect the quality of life in our community through development and administration of new programs and tools and working with stakeholders on development of neighborhood improvement plans and the city's comprehensive plan. This division will continue its efforts to expand its reputation as an effective and efficient partner to the neighborhoods and development community.

Business and Community Relations Division (BCRD)

In partnership with the private sector and all City Departments, the BCRD works directly with existing and prospective business owners and investors to retain, expand and attract investment in Hagerstown. These efforts include business retention, expansion and attraction programs, the administration of incentives, the development and implementation of events, the arts, education and entertainment district functions, marketing and image campaigns and increased volunteer opportunities. In FY15, this division will aggressively expand marketing and outreach to regional and Baltimore / Washington Metropolitan Area businesses, investors and residents. Additionally, the recently implemented First 1/3rd program along with the other incentive programs and the anticipated implementation strategy for the Sustainable Community Plan will focus and guide our efforts. Lastly, the division will complete community development projects designed to have visible results with a positive impact on the community.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Value of commercial investment (in thousands)*	16,661	17,000	35,000
Value of residential investment (in thousands)*	11,552	8,000	6,000
Assessed value of newly annexed land	\$ -	\$ 400,000	\$ -
Number of new home starts	220	130	104
Percent of HDC applicant affirmed cases	99%	99%	100%
Number of Site Plans Reviewed	8	8	6
Volume of Inspections Performed	14,500	14,500	16,000
Number of Inspections Appealed	-	-	-
Number of Zoning Certificates issued of new businesses**	50	45	80
Number of event attendees***	135,250	141,988	145,000

COMMUNITY AND ECONOMIC DEVELOPMENT - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

PERFORMANCE INDICATORS - Continued

	2013/14	2014/15	2015/16
Number of volunteer hours	2,200	2,840	3,000
YouTube video views	22,000	28,000	32,000
YouTube subscribers	131	192	240
Website hits	330,000	347,000	365,000
Facebook followers	4,227	6,260	7,500
Metropolitan area targeted marketing campaign QR Code Hits	1,200	2,400	4,000
Number of business grand openings/anniversary celebrations	27	27	27
Number of new/retained jobs tied to incentive agreements****	80	80	80
New investment tied to incentive agreements	\$ 175,000	\$ 175,000	\$ 175,000

*Measured in fiscal year by permitted work. Does not include new construction by

**Limited to businesses that have a business sales license with the State. FY 201

***Includes 80,000 for the Alsatia Parade

****Developing matrix for detailed tracking for more detailed reporting

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 ADOPTED	2015/16 % CHANGE
EXPENDITURES BY TYPE						
Salary and Wages	\$ 1,537,000	\$ 1,622,673	\$ 1,698,874	\$ 1,878,525	\$ 1,753,525	15.8%
Benefits	541,815	582,566	586,354	681,366	681,366	17.0%
Overtime	779	1,100	3,840	1,100	1,100	0.0%
Personnel Subtotal	2,079,594	2,206,339	2,289,068	2,560,991	2,435,991	16.1%
Contractual Services	177,857	190,900	197,065	200,020	200,020	4.8%
Operating Expenditures	954,376	905,169	901,552	918,953	918,953	1.5%
Capital Outlay	8,425	7,100	13,960	3,250	3,250	-54.2%
Operating Subtotal	1,140,658	1,103,169	1,112,577	1,122,223	1,122,223	1.7%
Total Expenditures	\$ 3,220,252	\$ 3,309,508	\$ 3,401,645	\$ 3,683,214	\$ 3,558,214	11.3%
REVENUES BY TYPE						
Departmental Revenue	\$ 1,550,633	\$ 1,697,710	\$ 2,147,492	\$ 2,115,273	\$ 2,115,273	24.6%
Total Revenues	\$ 1,550,633	\$ 1,697,710	\$ 2,147,492	\$ 2,115,273	\$ 2,115,273	24.6%
Expenditures, net of Revenues	\$ 1,669,619	\$ 1,611,798	\$ 1,254,153	\$ 1,567,941	\$ 1,442,941	-2.7%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

Overall, Personnel costs are expected to be 3.7% or \$82K higher than budget primarily due to the hiring of additional code enforcement officers that were not included in the FY15 budget. Operating expenditures remained relatively flat with an increase in capital outlay for computers for new staff. Revenues are expected to be 26.5% higher than budgeted due to increases in vacant residential and vacant non-residential fees and increases in residential rental licenses.

FY15 to Proposed FY16

Salaries and wages reflect the full impact of adding 5 additional neighborhood services staff. Benefits increased in conjunction with the increase in salaries and also reflect the anticipated increase in health insurance. Operating expenditures remained relatively flat - only increasing 1.7%. Contractual services are expected to increase 4.8% due to anticipated contracted staffing needs and credit card fees for Blues Fest. Capital outlay reduced significantly in comparison to FY15 with no plans to purchase computers. Revenues are anticipated to increase due to vacant residential and non-residential fees and increases residential rental licensing fees.

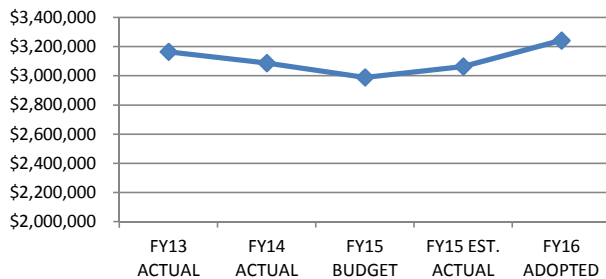
Also, staff plan to continue to expand engagement with the community with the addition of the Main Street Program. This program along with First 1/3rd and other initiatives are funded through the Economic Redevelopment Fund and reflected in Section 5 Special Revenue Fund section of the budget book.

COMMUNITY AND ECONOMIC DEVELOPMENT - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURES BY PROGRAM

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 ADOPTED	2015/16 % CHANGE
EXPENDITURES						
Community Affairs	\$ 416,682	\$ 440,623	\$ 446,230	\$ 222,900	\$ 222,900	-49.4%
Public Functions	488,562	529,723	530,107	538,114	538,114	1.6%
Communications	-	-	-	360,298	360,298	100.0%
Planning	416,822	446,163	442,923	455,214	455,214	2.0%
Annexation	-	8,800	6,800	8,800	8,800	0.0%
Code Administration	1,045,983	1,097,384	1,210,492	1,413,979	1,413,979	28.8%
Farmers Market	86,541	91,000	94,805	74,390	74,390	-18.3%
Economic Development	619,060	529,814	507,573	429,501	304,501	-18.9%
Neighborhoods First	53,349	63,167	59,861	68,618	68,618	8.6%
Housing & Community Dev	93,253	102,834	102,854	111,400	111,400	8.3%
Total Expenditures	\$ 3,220,252	\$ 3,309,508	\$ 3,401,645	\$ 3,683,214	\$ 3,558,214	11.3%
REVENUES						
Departmental Revenue	\$ 1,550,633	\$ 1,697,710	\$ 2,147,492	\$ 2,115,273	\$ 2,115,273	24.6%
Total Revenues	\$ 1,550,633	\$ 1,697,710	\$ 2,147,492	\$ 2,115,273	\$ 2,115,273	24.6%
Expenditures, net of Revenues	\$ 1,669,619	\$ 1,611,798	\$ 1,254,153	\$ 1,567,941	\$ 1,442,941	-2.7%

Total Expenditures History



STAFFING SUMMARY

	FY14	FY15		FY16
		Budg	Est Act	
Full time	23.85	23.80	23.80	28.84
Less: Unfunded	-	-	-	(1.00)
Staffing Total	23.85	23.80	23.80	27.84
Part time	7.50	5.50	5.50	5.50
Part time Seasonal	-	3.00	3.00	3.00
Total Part time	7.50	8.50	8.50	8.50

Mayor & Council approved the unfunding of the DCED Director position in FY16.

DEPARTMENT / PROGRAM OVERVIEW

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

Engineering Division

The Engineering Division is primarily focused on street improvements, traffic flow, and storm water management (SWM). Engineering is also responsible for preparing construction documents for various capital improvement projects identified in Section 9 of the City budget document. This includes the annual pavement preservation program, construction of parking facilities, upgrades to storm drains and repairs to other public facilities 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, tri-annual inspections of SWM structures, maintenance and creation of numerous databases, and development of the City's Geographical Information System (GIS) database.

Parks and Recreation Division

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

Waste Collection and Disposal

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

DEPARTMENT / PROGRAM OBJECTIVES

In FY15/16, Parks & Engineering staff will complete the following:

Engineering Division

- Staff will continue to monitor the EPA requirements for pollution reduction from storm water runoff and will develop strategies needed to address these issues.
- Transportation initiatives in FY2015/16 include rehabilitation of three bridges on Burhans Boulevard, assisting the County with Professional Blvd design, and alley reconstruction.
- Other miscellaneous objectives would be construction of the A&E Trail, improvements at 43/53 West Washington Street, Safe Routes to School projects nears the new Bester Elementary, installing sidewalks on Burhans Blvd., design of the Marsh Run Trail, Memorial Boulevard/Park Circle improvements, and increasing our pavement preservation efforts.

Parks and Recreation Division

- Develop new parks including Kiwanis Park, community garden, and 806/808 West Washington Street.
- Develop recreation program guide and add new recreation programs such as fitness programs, dance classes, cycling, and outdoor recreations such as adult wiffleball, kickball and dodgeball. One source of funds is a \$10,00 grant we received to partner with the Health Department. Work with statewide HEAL program to implement initiatives approved by resolution of Mayor and Council.
- Other goals for 2015/16 include the contracting with a pool management company to operate the Potterfield Pool; installation of a 'sprayground' at Potterfield Pool, develop a children's ride called "Tommy 202" at railroad exhibit, developing space in the former grandstands at Fairgrounds Park for a "fitness studio" to host indoor recreation programs, and new "wedding pavilion/arbor" in Pangborn Park.

Solid Waste Collection and Disposal

- "Out of Sight" Campaign: Working with Code Administration staff, continue efforts to have totes removed from the public right of way, preventing the storage of trash and containers in the right of way, and develop stronger punitive measures regarding early set outs of trash and totes.

ENGINEERING AND PARKS - PROGRAM DESCRIPTION
FISCAL YEAR 2015/16

PERFORMANCE INDICATORS - ENGINEERING

	2013/14	2014/15	2015/16
Number of Contracts and RFP's	28	25	28
Curb and Sidewalk Permits Issued	64	75	75
Traffic Complaints Resolved	165	170	160
Work Orders issued to Public Works	149	150	140

PERFORMANCE INDICATORS - PARKS

	2013/14	2014/15	2015/16
Number of Public Parks	15	17	19
Number of Pavilion Reservations	373	383	400
City Park Bandshell Reservations	53	46	50
Municipal Stadium: Number of Baseball Games	70	70	70
Municipal Stadium: Number of Spectators (in 000s)	65	67	70
Miles of Bike Lanes and Paths	19	24	34
Hager House Visitors	1,834	2,015	2,200
Hager House Promotions/Events	4	9	10
Hagerstown 202 Railroad Museum Promotions/Events	2	4	6
202 Railroad Visitors	1,611	2,405	2,800

PERFORMANCE INDICATORS - GENERAL RECREATION

	2013/14	2014/15	2015/16
Number of Events	4	10	15
Number of Recreation Programs	0	10	15

PERFORMANCE INDICATORS - POTTERFIELD POOL

	2013/14	2014/15	2015/16
Number of Days in Full Operation	60	87	90
Number of Private Rentals	34	39	45
Private Rental Attendance	1,497	1,122	1,500
Number of Season Passes	75	49	75
Daily Paid Attendance	8,510	5,788	8,000
Total Attendance	17,010	15,027	17,500

PERFORMANCE INDICATORS - WASTE COLLECTION

	2013/14	2014/15	2015/16
Tons of Garbage Collected Curbside	10,500	10,500	10,500
Tons of Yard Waste Collected	1,500	1,400	1,450
Tons of Recyclables Collected	2,500	2,700	2,750
Commercial Units served	58	63	70

ENGINEERING AND PARKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,694,663	\$ 1,709,918	\$ 1,767,066	\$ 1,837,833	7.5%
Benefits	592,060	590,137	625,136	643,263	9.0%
Overtime	28,214	24,140	31,755	24,640	2.1%
Personnel Subtotal	2,314,937	2,324,195	2,423,957	2,505,736	7.8%
Contractual Services	2,195,222	2,271,418	2,252,286	2,338,118	2.9%
Operating Expenditures	699,208	605,099	753,466	703,548	16.3%
Capital Outlay	3,768	4,700	8,622	4,450	-5.3%
Operating Subtotal	2,898,198	2,881,217	3,014,374	3,046,116	5.7%
Total Expenditures	\$ 5,213,135	\$ 5,205,412	\$ 5,438,331	\$ 5,551,852	6.7%
REVENUES BY TYPE					
Departmental Revenue	\$ 2,579,890	\$ 2,569,351	\$ 2,715,318	\$ 2,727,588	6.2%
Total Revenues	\$ 2,579,890	\$ 2,569,351	\$ 2,715,318	\$ 2,727,588	6.2%
Expenditures, net of Revenues	\$ 2,633,245	\$ 2,636,061	\$ 2,723,013	\$ 2,824,264	7.1%

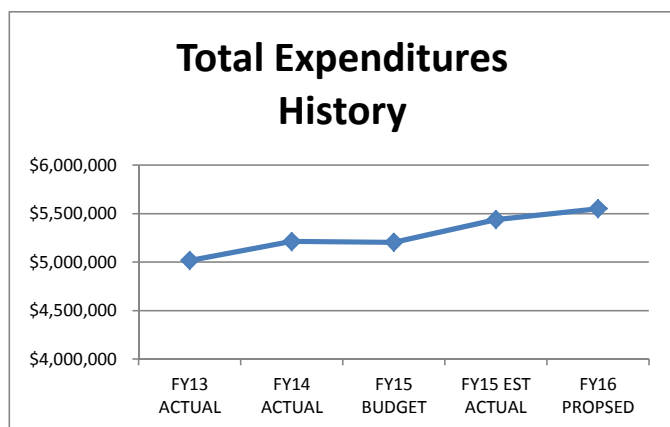
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

The increase in salary and wages reflects a 1% COLA and step increase in FY15 for AFSCME 1540 and 2% COLA for non-union. Benefits are projected to be 5.9% higher than budget due to unexpected increases in health insurance. Operating expenses are anticipated to be \$148,367 higher than FY15 budget as a result of expected labor allocations to the pool for installation of the splash pad and to the train museum for construction of the "Engine 202". Supplies and Materials are expected to be \$30K over budget primarily due to the purchase of recycling totes. Additionally, utilities are anticipated to be higher than budget at the Hager House now that there is a tenant living in the apartment. Capital outlay is expected to be higher than budget due to anticipated computer purchases. Departmental Revenues are anticipated to be 5.7% higher than budget as a result of increases in street digging permits and the rental contract for municipal stadium and Hager House apartment.

Adopted FY15 to Proposed FY16

The 7.5% increase in salary and wages reflects a 1% COLA and 1 pay step for both union and non-union and the conversion of one part-time position to full-time. The 9% increase in benefits is in relation to the changes that have occurred with the salaries and the anticipated increase in medical insurance. Contractual services expenditures include credit card fees associated with the new Active Net system and instructors for recreation activities, increases in the pool management contract and contracting for the spraying of trees due to emerald ash borer. All other operating expenditures are expected to increase 16% due to the labor allocation which is reflected in other operating expenses. It is expected that less labor will be charged out to other departments. It is anticipated that departmental revenues will increase by 6.2% or \$158K as a result of rental income from Municipal stadium, expected increases in revenue from recreational programs, and increases in street digging permit revenues.



STAFFING SUMMARY

	FY14	FY15 Budg	FY15 Est Act	FY16
Full time	29.72	29.63	29.63	30.64
Less: Unfunded	-3.00	-3.00	-3.00	-3.00
Staffing Total	26.72	26.63	26.63	27.64
Part time	3.00	5.00	5.00	6.00
Part time Seasonal	51.00	19.00	19.00	20.00
Total Part time	54.00	24.00	24.00	26.00

Three vacant positions will remain unfunded in FY16. The Department has 20 part-time seasonal employees for grounds maintenance, park attendants, Hager House, the train museum, and Sanitation/recycling. FY16 reflects the conversion of a PT position to FT.

ENGINEERING AND PARKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURES BY PROGRAM

	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Engineering	\$ 1,036,486	\$ 1,077,648	\$ 1,076,796	\$ 1,119,794	3.9%
Waste Collection and Disposal	1,950,525	2,014,746	1,987,112	2,033,630	0.9%
Recreation	286,679	313,149	314,950	359,548	14.8%
Swimming Pool	163,286	137,999	197,569	163,682	18.6%
Municipal Stadium	66,772	18,024	49,926	14,270	-20.8%
Hager House	32,114	46,802	69,536	53,572	14.5%
Train Museum	14,031	13,205	32,632	18,082	36.9%
Parks Division	1,663,242	1,583,839	1,709,810	1,789,274	13.0%
Total Expenditures	\$ 5,213,135	\$ 5,205,412	\$ 5,438,331	\$ 5,551,852	6.7%
REVENUES					
Departmental Revenue	\$ 2,579,890	\$ 2,569,351	\$ 2,715,318	\$ 2,727,588	6.2%
Total Revenues	\$ 2,579,890	\$ 2,569,351	\$ 2,715,318	\$ 2,727,588	6.2%
Expenditures, net of Revenues	\$ 2,633,245	\$ 2,636,061	\$ 2,723,013	\$ 2,824,264	7.1%

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 2016, the Hagerstown Police Department will focus resources in the areas of Intelligence-Led Policing and Community Oriented Policing. Through the use of analytical software, the department will continue to refine the use of its Predictive-Policing program. A more traditional style of evidence-based policing, known as Problem-Solving Policing, will also continue through the city-wide Neighborhood Policing program. These two initiatives of Intelligence-Led Policing and Community Oriented Policing, will serve as the basis for the department's goals and objectives for 2015.

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 patrol division includes a dedicated Downtown Squad which operates from the University of Maryland center. The Safe Speed for Students [Speed Cameras] system and the School Resource Officer program are also managed through the patrol division.
- **CRIMINAL INVESTIGATIONS:** Primary responsibilities are to conduct follow-up investigations originating in the Patrol Division, provide the initial response to more complex investigations, and assist the State Attorney's Office with the prosecution of violators. A civilian coordinator along with two detectives are also assigned to oversee the department's Safe Streets 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 investigations.
- **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.
- **NARCOTICS TASK FORCE:** A joint task force with HPD, Washington County Sheriff's Office, Washington County State's Attorney, and the Drug Enforcement Administration; conducts regional mid-level and in-depth investigations of drug offenses.
- **WESTERN MARYLAND REGIONAL CRIME LABORATORY:** Analyzes and processes crime scene evidence according to international accreditation standards; provides expert testimony in prosecution of cases.
- **RECORDS:** Serves as the department's centralized records repository; provides police records maintenance, control, and retrieval; operates the City's switchboard during business hours; coordinates and manages the department's use of criminal justice information systems.
- **TRAINING:** The supervisor assigned to the training division coordinates all in-service training for the department and serves as the department's liaison to the Hagerstown Community College Police Academy. The supervisor is a certified police instructor and teaches various courses in both areas. This position also carries the responsibility of the department's safety coordinator.
- **RECRUITING:** 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.
- **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 11 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 part-time 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.

A more detailed description of these and other programs are listed below.

DEPARTMENT / PROGRAM OBJECTIVES (continued)

Predictive-Policing: The Department will continue to refine its use of the latest analytical software programs designed to predict locations where crime is likely to occur. Predictive policing models use crime data to produce real time prediction zones for officers' use during their patrol shifts. These prediction areas are then patrolled by officers during specific times of the day in an effort to stop crime before it occurs.

Neighborhood Policing: The Department will continue its city-wide community engagement program designed to identify and solve problems that contribute to crime and the fear of crime in our neighborhoods. Using the Problem-Solving approach to policing, officers will conduct short walking patrols during their shifts where they will make personal contact with residents to learn what issues they are facing. Officers will then coordinate activities using various police and other city services to improve the quality of life in each neighborhood.

Crisis Intervention Training: Mental Health related calls for service continue to rise within the city often times involving life-threatening situations which need to be safely resolved. In response to this issue, the department will implement 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 a partnership with the Washington County Mental Health Authority, the department will also work to reduce the number of repeated calls for service on these same individuals.

Juvenile Officer/Coordinator: The Department will establish a dedicated police officer position to manage juvenile related offenses. The Juvenile coordinator will conduct follow up visits on repeat juvenile offenders and work closely with school resource officers, patrol, investigations, parole and probation, the courts, the department of juvenile services and the police department's Safe Streets coordinator to reduce the overall number of juvenile related crime incidents in the city.

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. A cadet program will continue to be pursued pending available funding to further develop a qualified applicant pool for entry level police officer positions in future years.

Downtown Squad: Maintaining a strong police presence in our downtown will be a primary objective for 2016. This dedicated unit provides a vital service to the downtown community by delivering personalized service and reducing the fear of crime in the center of our city.

Directed Patrol Unit: The department will place an emphasis on the investigation of Gangs and Guns violence through the creation of a specialized uniformed patrol unit. The Direct Patrol Unit (DPU) will work to reduce gun violence in the city through the use of proactive patrols. The DPU shall also serve as the lead role in the Safe Streets Initiative relating to Repeat Criminal Offenders. Restoration of these positions will be dependent on the department's ability to fill currently funded police officer vacancies.

Safe Streets Initiative: The department will further expand efforts of reducing violent crime caused by repeat offenders along with a new emphasis of repeated juvenile crime reduction. The Safe Streets Coordinator will work with the department's new juvenile officer/coordinator to identify and prevent criminal activity among our juvenile population. Both positions will work closely with allied agencies, the courts, probation and Juvenile Services to achieve this goal.

Differential Policing: The department recognizes the need to use alternative reporting methods to improve service to the community and efficiency within the agency. Efforts will be made this year to expand the use of Auxiliary Police for minor crime reporting and prevention initiatives along with on-line reporting and telephone reporting as an added convenience to the community. These different response types and options will improve data collection and increase the availability of our police officers for regular duties.

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.

Continuity of Operations Planning (COOP): The department will improve its ability to maintain core functions and recover full operations during a disaster by implementing a standard COOP policy.

Criminal Investigation: Improvements to the collection, analysis and dissemination of criminal intelligence information shall be pursued. Emphasis will also be placed on crime-tip management for major cases. Inter-agency cooperation and information sharing will also be a priority. Partnerships with the Maryland Coordination and Analysis Center (MCAC) along with regional data bases such as the National Capital Region's Law Enforcement Information Exchange (NCR-LInX) will be enhanced along with basic criminal intelligence training for police officers.

POLICE - CONSOLIDATED - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/2016

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Total calls for service	60,764	61,329	64,400
Criminal arrests	3,033	3,249	3200
CDS arrests	262	221	220
Domestic Violence Calls for Service	1,327	1,248	1,300
Mental Health Related Emergency Petitions	544	629	600
Juvenile Related Incidents of Crime	187	206	200
Accidents with injuries	212	230	230
Total Crime Rate*	0.045	0.039	0.039
Violent Crime Rate*	0.006	0.006	0.006
Property Crime Rate*	0.038	0.033	0.033
Volunteer response hours	4,850	4,900	4,900
Automated Speed Enforcement Citations	33,164	33,100	
Funded Full-time Sworn Personnel	107	107	107
Funded Full-time Civilian Personnel	14	14	14

*= number of crimes per resident

EXPENDITURE AND REVENUE SUMMARY

	2013/14	2014/15		2015/16	2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE
EXPENDITURES BY TYPE						
Salary and Wages	\$ 5,802,718	\$ 6,519,305	\$ 6,261,619	\$ 6,651,405	\$ 6,651,405	2.0%
Benefits	2,712,367	3,188,070	3,195,879	3,219,284	3,219,284	1.0%
Overtime	763,473	569,000	771,125	711,325	661,325	25.0%
Personnel Subtotal	9,278,558	10,276,375	10,228,623	10,582,014	10,532,014	3.0%
Contractual Services	986,370	1,084,533	1,104,835	953,931	953,931	-12.0%
Operating Expenditures	1,529,241	1,564,122	1,640,723	1,748,348	1,723,348	11.8%
Capital Outlay	129,855	115,870	116,200	204,825	184,825	76.8%
Other General Expenses	-	-	-	-	-	0.0%
Operating Subtotal	2,645,466	2,764,525	2,861,758	2,907,104	2,862,104	5.2%
Total Expenditures	\$ 11,924,024	\$ 13,040,900	\$ 13,090,381	\$ 13,489,118	\$ 13,394,118	3.4%
REVENUES BY TYPE						
Departmental Revenue	\$ 2,759,904	\$ 3,321,686	\$ 3,327,368	\$ 3,121,459	\$ 3,121,459	-6.0%
Total Revenues	\$ 2,759,904	\$ 3,321,686	\$ 3,327,368	\$ 3,121,459	\$ 3,121,459	-6.0%
Expenditures, net of Revenues	\$ 9,164,120	\$ 9,719,214	\$ 9,763,013	\$ 10,367,659	\$ 10,272,659	6.7%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

Overall personnel costs are anticipated to be 0.5% lower than budget. Salary and wages are expected to be \$257K lower than budget; however, this is offset by overages of \$202K in overtime. It is anticipated that contractual services will be \$20K over budget due to higher than expected legal fees and speed camera enforcement charges. The purchase of tasers, increases in Police Academy costs and higher than anticipated communications expenses account for the 4.9% overage in operating expenditures.

FY15 to Proposed FY16

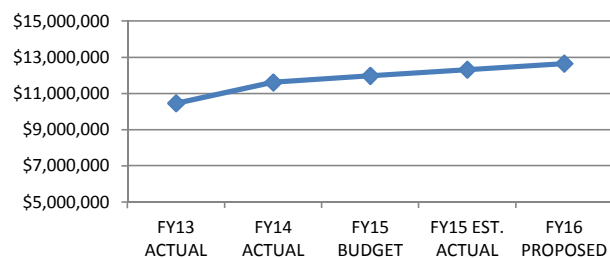
The FY16 budget includes one longevity step for salaries and wages which accounts for the 2% increase. Overtime has been budgeted at FY15 estimated actual to compensate for staffing coverage when vacancies occur. The contractual services budget is anticipated to decrease by 12% or \$130,600 in FY16. This decrease is a result of a change in the speed camera contract. The FY15 budget was based on a per citation contract; the FY16 budget is based on a flat fee per camera contract. Operating expenditures are budgeted at 11.8% or \$184K more than the FY15 budget. This increase is primarily a result of ammunition costs to certify new patrol officers on new patrol rifles (\$30K), training expenses for officers (\$17k), increases in communication costs \$34k, increases in maintenance costs for equipment (\$43K), taser purchases (\$20k), increases in uniform costs (\$9K). In addition, the capital outlay budget increase \$89K from FY15 to FY16 for the purchase of new mobile data terminals and computer equipment.

POLICE - CONSOLIDATED - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/2016

EXPENDITURES BY PROGRAM

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 ADOPTED	2015/16 % CHANGE
EXPENDITURES						
Police Administration	\$ 739,802	\$ 768,573	\$ 831,062	\$ 858,480	\$ 858,480	11.7%
HPD Information Technology	181,555	182,550	184,166	260,388	250,388	42.6%
Community Programs	38,552	40,321	40,321	40,321	40,321	0.0%
Police Records	169,797	183,684	177,530	182,192	182,192	-0.8%
Communication / Dispatch	446,603	449,547	452,912	455,687	455,687	1.4%
Professional Services	267,860	232,677	275,535	312,935	304,935	34.5%
HPD Building	168,776	184,030	177,976	182,481	182,481	-0.8%
Western Maryland Laboratory	304,322	342,685	310,261	336,684	336,684	-1.8%
Police K-9	21,232	34,550	34,750	29,030	29,030	-16.0%
Evidence & Property	67,276	82,555	73,337	79,701	79,701	-3.5%
Patrol	6,624,684	7,300,734	7,361,985	7,695,044	7,668,044	5.4%
Criminal Investigation Division	936,019	1,087,498	1,144,247	1,114,078	1,114,078	2.4%
Patrol Vehicles	433,420	452,962	457,241	463,852	438,852	2.4%
Narcotics Task Force	845,050	839,381	875,177	853,855	828,855	1.7%
Police Auxiliary	19,518	15,950	22,757	18,275	18,275	14.6%
Speed Camera Enforcement	659,558	843,203	671,124	606,115	606,115	-28.1%
Total Expenditures	\$ 11,924,024	\$ 13,040,900	\$ 13,090,381	\$ 13,489,118	\$ 13,394,118	3.4%
REVENUES						
Departmental Revenue	\$ 2,759,904	\$ 3,321,686	\$ 3,327,368	\$ 3,121,459	\$ 3,121,459	-6.0%
Total Revenues	\$ 2,759,904	\$ 3,321,686	\$ 3,327,368	\$ 3,121,459	\$ 3,121,459	-6.0%
Expenditures, net of Revenues	\$ 9,164,120	\$ 9,719,214	\$ 9,763,013	\$ 10,367,659	\$ 10,272,659	6.7%

Total Expenditures History



STAFFING SUMMARY

	FY14	FY15 Budg	FY15 Est Act	FY16
Full time	121.00	122.00	122.00	123.00
Less: Unfunded	-3.00	-1.00	-1.00	-1.00
Staffing Total	118.00	121.00	121.00	122.00
Part time	18.00	19.00	19.00	19.00
Total Part time	18.00	19.00	19.00	19.00

HPD currently has 1 vacant civilian position (Bookkeeping/ Clerk Typist) that is scheduled to remain unfunded for FY16. 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.

FIRE - PROGRAM DESCRIPTION
FISCAL YEAR 2015/16

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

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

PERFORMANCE INDICATORS

	2013/14		2014/15		2015/16	
Number of emergency incidents	2,587		2,648		3,236	
Average response time to emergencies in minutes	3.6		4.0		4.2	
Percent of structure fire causes identified	n/a		100.0%		100.0%	
Ratio of arrests to convictions by Fire Marshall Office	19	18	21	21	30	30
Number of Inspections	2,322		2,711		2,817	
Number of free smoke detectors installed	825		600		538	
Number of educational programs presented	619		813		1,288	
Number of people attending educational programs	5,880		5,750		9,269	
Average number of firefighters responding per incident	6		6		6	
Number of active volunteer firefighters that received benefits	17		19		17	
Number of active volunteers that responded to 25 or more incidents but didn't qualify for incentive benefit	2		0		3	

FIRE - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 3,947,930	\$ 4,181,610	\$ 4,143,802	\$ 4,435,076	6.1%
Benefits	1,834,514	2,086,419	2,099,606	2,226,446	6.7%
Overtime	257,261	200,000	260,000	225,000	12.5%
Personnel Subtotal	6,039,705	6,468,029	6,503,408	6,886,522	6.5%
Contractual Services	38,942	58,000	62,050	50,000	-13.8%
Operating Expenditures	390,483	347,249	405,242	412,577	18.8%
Capital Outlay	6,129	4,750	10,000	10,000	110.5%
Operating Subtotal	435,554	409,999	477,292	472,577	15.3%
Total Expenditures	\$ 6,475,259	\$ 6,878,028	\$ 6,980,700	\$ 7,359,099	7.0%
REVENUES BY TYPE					
Departmental Revenue	\$ 132,885	\$ 128,815	\$ 101,765	\$ 108,765	-15.6%
Total Revenues	\$ 132,885	\$ 128,815	\$ 101,765	\$ 108,765	-15.6%
Expenditures, Net of Revenues	\$ 6,342,374	\$ 6,749,213	\$ 6,878,935	\$ 7,250,334	7.4%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

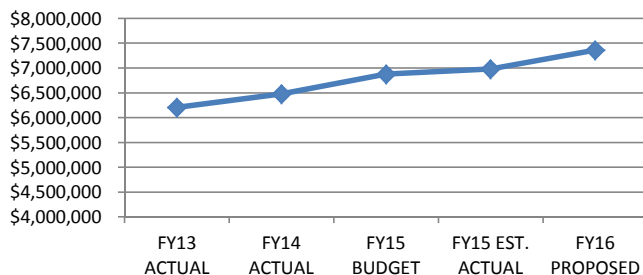
Adopted FY15 to Estimated Actual FY15

FY15 Salary and Wage expense is anticipated to be \$37.8K below budget; however, this savings is offset by a \$60K overage in overtime as a result of staffing for vacancies. Benefits are \$13,187 higher than budgeted due to one-time compensatory payments due to the retirement of the current Fire Chief which had not been fully contemplated in the FY15 budget. It is anticipated that contractual services will be 7% higher than budget as a result of required physicals for Fire Department Staff. Operating Expenditures are expected to be 16.4% or \$57.9K higher than FY15 budget due to contracted maintenance and repair and gasoline charges directly related to additional apparatus (Ladder truck and engine truck.) It is expected that capital outlay will be \$5,250 higher than budget due to the purchase of portable equipment that is no longer provided by the County. Revenues are anticipated to be 21% below budget due to lower Fire protection and Fire/EMS auto response fees.

FY15 o Proposed FY16

Salary expenses are expected to increase by 6.1% or \$253K over FY15 budget due to the salary increase of 2% and 1 longevity step for IAFF. Total benefits reflect a 6.7% or \$140K increase due to rising employer costs for health insurance (5%) and police & fire pension contributions increasing over FY15 Budget (7.5%). Overtime reflects a \$25K increase from FY15 budget to more closely reflect actual expenditures. Contractual services reflect a decrease since medical physicals were completed in FY15. Medical Services change every other year, alternating with stress tests. Operating expenses reflect a increases due to aging fleet and increased number of apparatus. Finally, departmental revenue is expected to decrease by \$20K or 15.6% due to lower revenues for Fire/EMS auto response fees and Fire

**Total Expenditures
History**



STAFFING SUMMARY

	FY15			
	FY14	Budg	Est Act	FY16
Full time	83.00	83.00	83.00	83.00
Less: Unfunded	-5.00	-5.00	-5.00	-5.00
Staffing Total	78.00	78.00	78.00	78.00

In response to the shortfall in State and County shared revenues, the Fire Department has five (5) vacant full time positions, which will remain unfunded during FY15.

PUBLIC WORKS - PROGRAM DESCRIPTION
FISCAL YEAR 2015/16

DEPARTMENT / PROGRAM OVERVIEW

The Public Works Department provides for the maintenance of streets, traffic control devices, building maintenance and maintains the city's fleet of vehicles and equipment. Street maintenance includes repairs (potholes, storm drains), street cleaning and snow removal of the 152.76 miles of streets and alleys within the city. Traffic control works closely with the Engineering Department to maintain and coordinate the 132 signaled intersections. The thousands of traffic signs also fall under this division. Buildings maintenance includes multiple buildings with over 17 tenants. Finally, fleet maintenance repairs the vehicles and equipment for every department within the city including all utilities, parks, public works, fire and police.

DEPARTMENT / PROGRAM OBJECTIVES

- Building maintenance and repair includes the completion of central air conditioning in the Public Works offices, repair of the clocks and the painting of the clock tower on City Hall, floor repairs in City Ballet, roof repair and door replacement at the Elizabeth Hager Center, and general repairs and upgrades to the remaining properties.
- Continue repairs and maintenance to the storm drain systems consisting of over 4,000 storm drains. Public Works coordinates its efforts with the Engineering Department on the street overlay program by making street repairs ahead of the asphalt overlay. Tree maintenance and landscaping will continue to be an important element of Public Works. Installation of a flood warning system on Memorial Blvd. will be completed by June 2015.
- Contractors will install new a new traffic control signal at Middleway Drive and Garland Groh Blvd. Staff will take over maintenance once installation is complete bringing the total number of maintained signaled intersections to 133. Staff and contracted services will install new pedestrian signals, signs and lines to improve the intersection of Antietam St. and Cannon Ave. The improvements will provide for a safer pedestrian crossing.
- The construction of the Arts & Entertainment Trail that connects downtown and City Park will provide staff with additional responsibilities of trash collection, landscaping and maintenance.
- Replacement of the emergency generator that powers the fuel island has become necessary. The engine is 25+ years old and the enclosure is in need of replacement.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Number of lane miles swept	10,700	12,000	12,000
Snow storm costs	\$ 399,900	\$ 358,900	\$ 401,900
Tons of Salt Used	2,000	200,000	2,000
Bulk Trash Collections	156	200	200
Traffic Islands Maintained	175	174	175
Public Trash Cans Maintained	169	156	160
Signaled Intersections	132	132	133
Sign Work Orders	166	130	150
Vehicles & Equipment Maintained	384	381	385

PUBLIC WORKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 ADOPTED	2015/16 % CHANGE
EXPENDITURES BY TYPE						
Salary and Wages	\$ 1,431,833	\$ 1,436,117	\$ 1,493,596	\$ 1,581,063	\$ 1,511,063	10.1%
Benefits	605,188	672,329	672,364	701,768	701,768	4.4%
Overtime	64,296	49,000	49,000	49,000	49,000	0.0%
Personnel Subtotal	2,101,317	2,157,446	2,214,960	2,331,831	2,261,831	8.1%
Contractual Services	132,640	185,200	185,765	186,245	186,245	0.6%
Operating Expenditures	1,120,454	940,438	1,199,250	892,799	892,799	-5.1%
Capital Outlay	13,615	22,765	23,673	23,765	23,765	4.4%
Operating Subtotal	1,266,709	1,148,403	1,408,688	1,102,809	1,102,809	-4.0%
Total Expenditures	\$ 3,368,026	\$ 3,305,849	\$ 3,623,648	\$ 3,434,640	\$ 3,364,640	3.9%
REVENUES BY TYPE						
Departmental Revenue	\$ 176,204	\$ 145,050	\$ 161,957	\$ 153,311	\$ 153,311	5.7%
Total Revenues	\$ 176,204	\$ 145,050	\$ 161,957	\$ 153,311	\$ 153,311	5.7%
Expenditures, net of Revenues	\$ 3,191,822	\$ 3,160,799	\$ 3,461,691	\$ 3,281,329	\$ 3,211,329	3.8%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

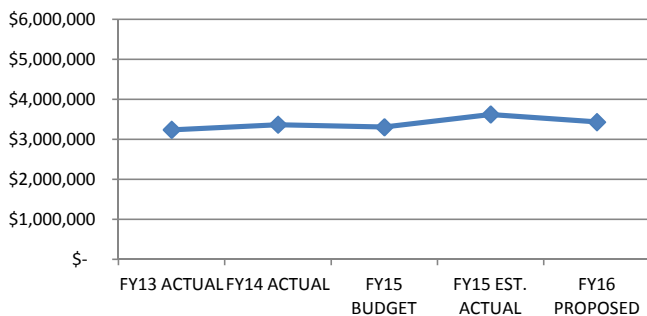
Adopted FY15 to Estimated Actual FY15

Total personnel expenditures from the FY15 budget to the FY15 estimated actual reflect an increase of 2.7% or \$57,514 as a result of current FY15 COLA and the settlement of AFSCME 1540 contract. Operating expenditures are anticipated to be \$258,812 or \$27.5% over budget due to vehicle maintenance, gasoline and shop time expenditures (\$55K) and hourly wage allocations that were not budgeted (\$185k). Departmental revenue is expected to be \$16K higher than budget due to higher than anticipated revenue from sale of assets and insurance reimbursements.

FY15 to Proposed FY16

Total personnel expenditures from the FY15 budget to the FY16 proposed budget reflect an increase of 10.1% or \$144,946. The increase in salary and wages reflects the proposed reinstatement of a supervisory position in the FY16 budget as well as COLA and step increases. Benefits are anticipated to increase by 4.4% in FY16 as a result of expected increases in health insurance costs. Total operating costs reflect an overall 4% decrease due to higher allocations of wages to other departments and an additional \$1,000 in capital outlay for desks and chairs.

Total Expenditures History



STAFFING SUMMARY

	FY14	FY15 Budg	FY15 Est Act	FY16
Full time	32.90	32.90	32.90	32.50
Less: Unfunded	-5.00	-5.00	-5.00	-5.00
Staffing Total	27.90	27.90	27.90	27.50
Part time Seasonal	8.00	8.00	8.00	8.00
Total Part time	8.00	8.00	8.00	8.00

In response to the shortfall in State and County shared revenues during FY09, the Public Works Department had five (5) vacant full time positions, which were unfunded during FY14 and FY15. One of these positions is proposed to return to the budget in FY16.

PUBLIC WORKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/16

EXPENDITURES BY PROGRAM

	2013/14	2014/15		2015/16	2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE
EXPENDITURES						
City Hall	\$ 261,545	\$ 122,080	\$ 301,394	\$ 302,746	\$ 302,746	148.0%
Signal Supervision	479,089	527,413	536,092	514,880	514,880	-2.4%
Street Lighting	621,209	650,000	650,000	650,000	650,000	0.0%
Snow Removal	551,657	358,900	377,700	401,868	401,868	12.0%
Street Cleaning	296,050	336,683	335,109	297,150	297,150	-11.7%
Gas Station & Maintenance Garage	315,032	309,220	368,076	325,089	325,089	5.1%
Public Works & Streets Maintenance	721,542	899,820	948,719	829,959	759,959	-7.8%
Central Equipment Building	121,902	101,733	106,558	112,948	112,948	11.0%
Total Expenditures	\$ 3,368,026	\$ 3,305,849	\$ 3,623,648	\$ 3,434,640	\$ 3,364,640	3.9%
REVENUES						
Departmental Revenue	\$ 176,204	\$ 145,050	\$ 161,957	\$ 153,311	\$ 153,311	5.7%
Total Revenues	\$ 176,204	\$ 145,050	\$ 161,957	\$ 153,311	\$ 153,311	5.7%
Expenditures, net of Revenues	\$ 3,191,822	\$ 3,160,799	\$ 3,461,691	\$ 3,281,329	\$ 3,211,329	3.8%

UNALLOCATED EXPENSES - PROGRAM SUMMARY
FISCAL YEAR 2015/2016

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 FY2015/16 proposed budget include the following current issues: 2004, 2005, 2006, 2009A, 2009B, and 2014 public improvement bond issues, and a 2012 loan issuance for financing of recycling totes. In addition, the following anticipated bond issues are included: 2015 and 2016 future public improvement bond issues. Finally, the annual debt service requirements for capital improvement program items (listed in detail in Section 9 of the budget book) funded 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 is also a contributory plan with retirees paying the full cost of dependency coverage and the City paying the retiree's cost in full. The City pays 80% of the costs of providing these health and dental insurance benefits to its retirees and their dependents.

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

INVENTORY ADJUSTMENTS

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

CAPITAL IMPROVEMENTS PROGRAM 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. In addition, the City made a commitment to implement a new Invest Hagerstown grant program (also called first third grant program). As residential and commercial applicants are approved for this program, funding will be transferred from prior years' General Fund surplus to the Economic Redevelopment fund to cover the associated costs.

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 FY16 budget includes a \$200,000 operating transfer to the Economic Redevelopment Fund which would be utilized for community based initiatives that support the vision of the City. 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. There are no anticipated Special Revenue Grant Fund transfers estimated for the FY16 budget.

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 FY16, a reserve of \$150,000 for savings associated with the management of future vacancies in various departments; \$68,000 overall salary reduction in various departments; \$100,000 in general contingency for miscellaneous items such as salary pay-outs upon employee terminations; and anticipated savings of \$279,895 in workers compensation insurance as the City transitions to a self-insured program.

CONTRIBUTIONS TO OTHER AGENCIES POLICY

Contributions to Other Agencies accounts for the contributions the City makes to several organizations. A new policy was adopted on November 25, 2014 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 10 Glossary & Fiscal Policies on pages 13-14.

UNALLOCATED EXPENSES - PROPOSED EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE
DEBT SERVICE-PRINCIPAL AND INTEREST						
1998 General Obligation Bonds	81,611	-	-	-	-	0.0%
2004 General Obligation Bonds	123,955	124,898	125,273	121,348	121,348	-2.8%
2005 Public Facilities Bonds	328,986	329,802	329,802	325,455	325,455	-1.3%
2006 Public Facilities Bonds	650,598	647,969	647,969	648,402	598,402	0.1%
2009-A Public Facilities Bonds	386,084	385,483	392,615	394,025	394,025	2.2%
2009-B Public Facilities Bonds (Build America Bond)	188,554	278,716	279,081	279,081	279,081	0.1%
2012 Tote Loan	73,102	73,101	73,099	73,101	73,101	0.0%
2014 Public Improvements Bond	-	45,588	35,926	35,920	35,920	-21.2%
2015 Future General Obligation Bond	-	79,184	41,918	286,335	286,335	261.6%
2016 Future General Obligation Bond	-	-	-	40,158	40,158	0.0%
Total Expenses	\$ 1,832,890	\$ 1,964,741	\$ 1,925,683	\$ 2,203,825	\$ 2,153,825	12.2%
RETIREE HEALTH COSTS						
Health Insurance	\$ 1,293,913	\$ 1,262,406	\$ 1,363,184	\$ 1,431,344	\$ 1,431,344	13.4%
Dental Insurance	45,599	46,136	46,248	46,248	46,248	0.2%
Total Expenses	\$ 1,339,512	\$ 1,308,542	\$ 1,409,432	\$ 1,477,592	\$ 1,477,592	12.9%
INVENTORY ADJUSTMENTS						
Physical Inventory Adjustments	\$ 37,411	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	0.0%
E&O Inventory Write-offs	(6,708)	5,000	5,000	5,000	5,000	0.0%
Total Expenses	\$ 30,703	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	0.0%
CIP, FUND BALANCE APPROPRIATIONS, AND OTHER TRANSFERS						
Capital Transfers Out - CIP Fund	\$ 832,268	\$ 230,370	\$ 370,636	\$ 999,800	\$ 664,800	334.0%
Capital Transfers Out-Property Management	-	-	-	-	-	0.0%
GF Fund Balance Out - CIP Fund	-	588,500	556,639		120,000	-100.0%
GF Fund Balance Out - Economic Redevelopment for Invest Hagerstown Program	79,550	235,000	407,074	613,376	613,376	161.0%
Total Expenses	\$ 911,818	\$ 1,053,870	\$ 1,334,349	\$ 1,613,176	\$ 1,398,176	53.1%
OPERATING TRANSFERS TO OTHER FUNDS						
Golf Course Fund	\$ 200,000	\$ 200,000	\$ 212,000	\$ 195,000	\$ 195,000	-2.5%
Economic Redevelopment Fund for Community Based Initiatives	100,000	-	-	200,000	100,000	0.0%
Special Revenue Grant Fund	1,402	65,778	8,816	-	-	-100.0%
Total Expenses	\$ 301,402	\$ 265,778	\$ 220,816	\$ 395,000	\$ 295,000	48.6%
CONTINGENCY RESERVES						
Vacancy Savings	\$ -	\$ (120,814)	\$ -	\$ (218,000)	\$ (218,000)	80.4%
Workers Compensation - Move to Self Funded	-	-	-	(279,895)	(279,895)	0.0%
General Contingency	(1,994)	9,699	-	100,000	100,000	931.0%
Total Expenses	\$ (1,994)	\$ (111,115)	\$ -	\$ (397,895)	\$ (397,895)	258.1%

UNALLOCATED EXPENSES - PROPOSED EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE
CONTRIBUTIONS TO OTHER AGENCIES						
Art Museum	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	0.0%
BOE Celebration of Excellence	200	200	200	-	-	-100.0%
CASA	27,000	27,000	27,000	-	-	-100.0%
Character Counts Program	1,000	1,000	1,000	-	-	-100.0%
Children's Village	2,250	5,250	5,250	-	-	-100.0%
Choral Arts Society	810	810	810	-	-	-100.0%
Community Rescue Service	45,000	45,000	45,000	45,000	45,000	0.0%
Contemporary School of the Arts	4,050	-	-	-	-	100.0%
Discovery Station	14,400	14,400	14,400	-	-	-100.0%
Educator of the Year Award-Chamber	250	250	250	-	-	-100.0%
Hagerstown Municipal Band	18,000	18,000	18,000	18,000	18,000	0.0%
Hagerstown Neighborhood Develop Partnership	50,000	50,000	50,000	28,450	28,450	-43.1%
Heart of Civil War Heritage	-	-	5,000	-	-	100.0%
Maryland Food Bank-Western Branch	3,000	3,000	3,000	-	-	-100.0%
Maryland Symphony Orchestra	17,550	17,550	17,550	17,550	17,550	0.0%
Maryland Theatre	28,895	209,000	349,105	9,000	9,000	-95.7%
USM-Hagerstown-Scholarship	4,050	4,050	4,050	-	-	-100.0%
Washington County Art Council	3,000	3,000	3,000	-	-	-100.0%
Washington County Free Library	31,500	31,500	31,500	31,500	31,500	0.0%
Washington County Historical Society	2,430	2,430	4,430	-	-	-100.0%
Unspecified Agency Contributions	1,314	550	550	15,000	15,000	2627.3%
Total Contributions to Other Agencies	\$ 295,199	\$ 473,490	\$ 620,595	\$ 205,000	\$ 205,000	-56.7%

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
CITY COUNCIL 0101001-5865 Computer Equipment	Replace Computer	Replace As Needed	560
CITY ADMINISTRATOR 0103001-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	1,000
0103001-5865 Computer Equipment	Replace Computer	Replace As Needed	2,650
TOTAL CITY ADMINISTRATOR			3,650
CITY CLERK 0103002-5865 Computer Equipment	Replace Computer	Replace As Needed	1,850
FINANCE & ACCOUNTING 0107001-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	500
0107001-5865 Computer Equipment	Upgrade Hardware And Software	Improve Quality Of Service	2,300
TOTAL FINANCE & ACCOUNTING			2,800
INFORMATION TECHNOLOGY 0107200-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	1,000
0107200-5865 Computer Equipment	Replace Computers	Replace As Needed	2,400
TOTAL INFORMATION TECHNOLOGY			3,400
SUPPORT SERVICES 0107201-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	1,000
0107201-5865 Computer Equipment	Replace Computers	Replace As Needed	1,400
0107201-5867 Communication Equipment	Phone Parts Not Under Maintenance	Replace As Needed	400
TOTAL SUPPORT SERVICES			2,800

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
CASHIERING			
0107206-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	1,000
0107206-5864 Calculators & Typewriters	Replace Calculators	Replace As Needed	500
0107206- 5865 Computer Equipment	Replace Computer	Improve Quality Of Service	1,300
TOTAL CASHIERING			2,800
CITY HALL BUILDING			
0109003-5821 Office Buildings	Replace A/C Units	Replace As Needed	1,800
0109003-5839 Portable Tools/Equipment	Replace Vacuum Cleaner	Replace As Needed	600
0109003-5863 Decorative & Lighting	Replace Carpets, Furniture, And Remodel City Administrator's Office	Replace As Needed	7,000
TOTAL CITY HALL BUILDING			9,400
CITY ENGINEER			
0109004-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	200
0109004-5865 Computer Equipment	Replace Computers	Replace As Needed	2,000
TOTAL CITY ENGINEER			2,200
HUMAN RESOURCES			
0109005-5832 Photography Equipment	Video Surveillance Camera	Replace As Needed	200
0109005-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	2,000
0109005-5865 Computer Equipment	Replace Computer	Replace As Needed	1,550
TOTAL HUMAN RESOURCES			3,750
POLICE INFORMATION TECHNOLOGY			
0110003-5865 Computer Equipment	Replace Servers, Notebooks, Tablets, PC's	Replace As Needed	52,925
TOTAL POLICE INFORMATION TECHNOLOGY			52,925

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
POLICE RECORDS 0110201-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	1,300
WESTERN MARYLAND LAB 0110205-5832 Photography Equipment	Maintenance and Purchase Photographic Equipment	Required For Forensic Documentation	1,000
0110205-5833 Laboratory Equipment	Purchase Lab Equipment	Replace Aging And Outdated Equipment	1,500
TOTAL WESTERN MARYLAND LAB			2,500
POLICE K9 PROGRAM 0110206-5830 Non-Portable Equipment	Required For K-9 Training	Upkeep Of K-9 Training Area	3,500
0110206-5839 Portable Tools/Equipment	Purchase Of K-9 Equip (Sleaves, Leashes, Etc.)	Replace Worn Equipment	500
0110206- 5898 Other Capitalized Expenses	Replace 2 K9 Dogs	Cost Includes Travel And Training	13,000
TOTAL POLICE K-9 PROGRAM			17,000
POLICE PATROL 0110401-5832 Photography Equipment	Replace Broken Digital Cameras	Enhance Investigative Documentation Capabilities	600
0110401-5834 Firearms, Body Armor	Police Officer Use / Safety Equipment - Ballistic Vests	Replacement Of Expired Vests & Purchase Of New Vests	16,500
0110401-5839 Portable Tools & Other Equipment -	Purchase Moving Radar Units - LIDAR Speed Measuring Device	New Equipment Needed	6,800
0110401-5848 Bicycles-Repair (& In-Line Skates)	Police Officer Use	Repair And Maintenance	3,800
0110401- 5862 Cabinets	Replace Cabinets	Replace As Needed	2,000
0110401- 5865 Computer Equipment	Replace Servers, Notebooks, Tablets, PC's	Replace As Needed	79,400
0110401-5867 Communication Equipment	Portable Radios	Replace As Needed	2,000
TOTAL POLICE PATROL			111,100

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
FIRE DEPARTMENT			
0112001-5855 Portable Equipment	Purchase Equipment	County No Longer Supplying	5,000
0112001-5861 Desks, Chairs & Tables	Purchase Office Furniture	Replace As Needed	1,000
0112001-5865 Computer Equipment	Purchase Computers	Replace As Needed	2,500
0112001-5867 Communication Equipment	Portable Radios	Replace As Needed	1,500
TOTAL FIRE DEPARTMENT			10,000
CODE ADMINISTRATION			
0114001-5832 Photography Equipment	Replace Equipment	Replace As Needed	250
0114001-5865 Computer Equipment	Purchase Computers	Replace As Needed	2,000
TOTAL CODE ADMINISTRATION			2,250
TRAFFIC CONTROL			
0116003-5839 Portable Tools & Other Equipment	Replace Power Tools	Replace As Needed	1,500
TRAFFIC SIGNS/LINES			
0116004-5839 Portable Tools & Other Equipment	Replace Power Tools	Replace As Needed	500
CENTRAL MAINTENANCE GARAGE			
0123003-5839 Portable Tools & Other Equipment	Tools Needed For Garage	Replace As Needed	5,000
0123003- 5861 Desks, Chairs & Tables	Replace Table And Chairs	Replace As Needed	500
0123003-5865 Computer Equipment	Replace Computer	Replace As Needed	900
TOTAL CENTRAL MAINTENANCE GARAGE			6,400
PUBLIC WORKS LABOR FORCE			
0124001-5861 Desks, Chairs & Tables	Replace Table And Chairs	Replace As Needed	1,000
0124001-5865 Computer Equipment	Replace Computers	Replace As Needed	1,800
TOTAL PUBLIC WORKS LABOR FORCE			2,800

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
PAVED STREETS 0124002-5839 Portable Tools & Other Equipment	Street Department Sidewalk & Curb Forms	Replace As Needed	850
STREET GROUNDS MAINTENANCE 0124007-5839 Portable Tools & Other Equipment	Weed Whips & Blowers	Replace As Needed	650
0124007-5856 Mowers	Grounds Maintenance	Replace As Needed	665
TOTAL STREET GROUNDS MAINTENANCE			1,315
CENTRAL EQUIPMENT BUILDING 0124008-5821 Office Buildings	Replacement A/C Units	Replace As Needed	500
0124008-5839 Portable Tools/Equipment	Replace Vacuum Cleaner	Replace As Needed	500
TOTAL CENTRAL EQUIPMENT BUILDING			1,000
RECREATION ADMINISTRATION 0140001-5865 Computer Equipment	Replace Computers	Replace As Needed	1,000
SWIMMING POOL 0140202-5839 Portable Tools & Other Equip	Power Washer, Leaf Blower Lawnmower, Power Tools, Etc.	Replace As Needed	750
0140202-5865 Computer Equipment	Replace Computers	Replace As Needed	500
TOTAL SWIMMING POOL			1,250
ECOMNOMIC DEVELOPMENT & ADMIN 0150001-5865 Computer Equipment	Replace Computer	Replace As Needed	1,000
TOTAL CAPITAL OUTLAY			247,900

SCHEDULE OF PUBLIC FUNCTIONS
FISCAL YEAR 2015/2016

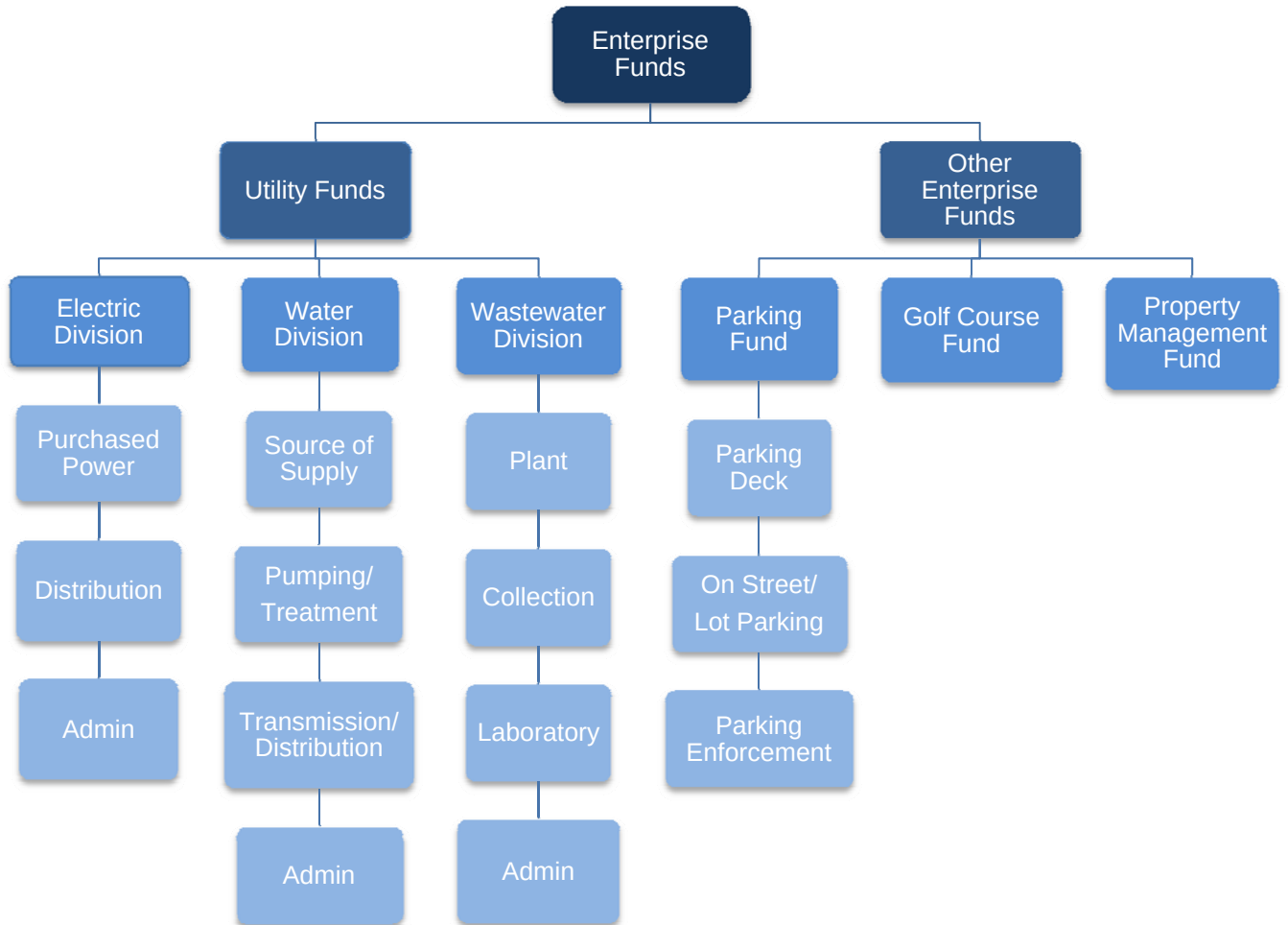
FUNCTION DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16 PROPOSED	2015/16 % CHANGE
		BUDGET	EST. ACTUAL		
Augustoberfest	\$ -	\$ -	\$ -	\$ -	100.0%
Augustoberfest (City Services)	19,607	20,000	16,559	20,000	0.0%
BISFA Gala and Auction	-	3,000	2,950	3,000	0.0%
Blues Festival (City Services)	48,140	52,000	52,000	52,000	0.0%
Blues Festival	213,105	217,000	225,300	225,300	3.8%
Christmas Decorating	20,159	18,000	16,000	18,000	0.0%
Christmas In The Park	13,871	11,000	13,000	13,000	18.2%
Elks Parades	-	1,500	-	-	0.0%
Faire Off the Square Event	1,369	-	-	-	100.0%
Fairgrounds Harvest Hoedown	8,495	8,000	7,813	8,200	2.5%
Fairgrounds July 4th Fireworks	37,837	37,000	39,000	42,000	13.5%
Film Festival	1,500	1,500	1,500	1,500	0.0%
Fishing Tournament-Pangborn	765	1,000	1,000	1,000	0.0%
Hagerstown Official Commemorations	2,028	3,000	3,000	3,000	0.0%
Hollyfest/Tree Lighting	1,780	3,000	3,000	3,500	16.7%
Library Events	3,179	3,500	3,500	3,500	0.0%
MD Theatre Wind Downs	901	4,000	4,000	3,000	-25.0%
Miscellaneous Downtown Events	9,801	13,000	13,000	20,000	53.8%
Miss Maryland Pageant	35,070	31,500	36,000	36,000	14.3%
Mummers Parade	24,837	26,000	27,188	29,000	11.5%
Music by the Lake	7,529	7,500	7,500	7,500	0.0%
Municipal Band 100th Anniversary	-	1,500	2,000	-	0.0%
City Park Festival	-	4,000	4,000	6,000	50.0%
A&E District Event	-	6,000	6,000	12,000	100.0%
University of MD Systems Gala	-	1,500	1,000	1,000	-33.3%
University Plaza Events	6,507	10,000	8,000	10,000	0.0%
Utility Benefit Concert	-	2,500	2,495	2,500	0.0%
Velo Club Bike Race	3,859	3,200	3,200	3,200	0.0%
Veterans WWII Trip	-	800	800	800	0.0%
Wesel Official's Visit to Hagerstown	262	2,000	-	3,500	75.0%
YMCA Run	-	300	300	300	0.0%
Total Public Function Expenses	\$ 460,601	\$ 493,300	\$ 500,105	\$ 528,800	7.2%

ENTERPRISE FUNDS SECTION 4

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ENTERPRISE FUNDS – ORGANIZATIONAL CHART
FISCAL YEAR 2015/16



ENTERPRISE FUNDS - COMBINING STATEMENT
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	ELECTRIC	WATER	WASTEWATER	PARKING	GOLF COURSE	PROPERTY MANAGEMENT	TOTAL
OPERATING REVENUES							
Service Charges	\$23,295,380	\$10,570,400	\$ 12,189,672	\$ 877,110	\$186,100	\$ 357,738	\$47,476,400
Other Revenues	613,051	852,120	273,465	2,000	29,750	-	1,770,386
Total Operating Revenues	23,908,431	11,422,520	12,463,137	879,110	215,850	357,738	49,246,786
OPERATING EXPENSES							
Production and Treatment	17,471,535	3,617,608	4,830,187	-	-	-	25,919,330
Transmission, Distribution & Collection	2,284,976	1,888,353	1,558,252	-	-	-	5,731,581
Selling, General & Administrative	3,278,848	2,796,901	3,168,933	503,187	363,770	474,736	10,586,375
Depreciation	920,000	3,300,000	3,120,000	274,643	43,000	132,000	7,789,643
Total Operating Expenses	23,955,359	11,602,862	12,677,372	777,830	406,770	606,736	50,026,929
Operating Income (Loss)	(46,928)	(180,342)	(214,235)	101,280	(190,920)	(248,998)	(780,143)
NON-OPERATING REVENUES (EXPENSES)							
Interest Earned	118,884	1,500	3,000	-	10	10,000	133,394
Interest (Expense)	(20,088)	(570,299)	(415,389)	(47,787)	-	(2,277)	(1,055,840)
Gain (Loss) on Sale of Capital Assets	10,000	1,500	1,000	-	-	-	12,500
Total Other Income (Expense)	108,796	(567,299)	(411,389)	(47,787)	10	7,723	(909,946)
Net Income before Contributions & Transfers	61,868	(747,641)	(625,624)	53,493	(190,910)	(241,275)	(1,690,089)
OTHER FINANCING SOURCES (USES)							
Capital Contributions	20,000	500,000	300,000	-	-	-	820,000
Developer/Grant Funded	80,000	350,000	240,000	-	-	-	670,000
Operating & Capital Transfers (In)	-	-	-	-	195,000	-	195,000
Operating & Capital Transfers (Out)	-	-	-	-	-	(365,000)	(365,000)
Increase (Decrease) in Retained Earnings	161,868	102,359	(85,624)	53,493	4,090	(606,275)	(370,089)
ADJUST RETAINED EARNINGS TO A UNRESTRICTED CASH FLOW BASIS							
Add Back Depreciation	920,000	3,300,000	3,120,000	274,643	43,000	132,000	7,789,643
Capital Outlay/Fixed Assets	(1,639,000)	(3,114,500)	(2,198,000)	(140,000)	(40,000)	(135,000)	(7,266,500)
Deduct Non-Cash Contributions	(80,000)	(350,000)	-	-	-	-	(430,000)
Bond Proceeds	-	1,886,000	1,383,000	-	-	-	3,269,000
Repayment of Principal	(57,621)	(1,778,718)	(1,707,220)	(162,527)	-	(5,500)	(3,711,586)
Net Sources (Uses) of Cash	\$ (694,753)	\$ 45,141	\$ 512,156	\$ 25,609	\$ 7,090	\$ (614,775)	\$ (719,532)

ELECTRIC FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2015/2016

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

- Managing the financial operations of the Electric Division to ensure that our existing rate structure remains in place. Our revenue stream is primarily driven by heating and cooling seasons versus unpredictable weather trends, which is a challenging endeavor to accurately project. Reduced wholesale power supply costs and projected increases in wage and benefits will force the Division to continue to reduce CIP and extend the life of our existing assets as required.
- The Electric Division strives to provide reliable electrical service to all customers, approximately 38,000 users, served by the City of Hagerstown. The Division also works to ensure we are providing the most cost effective energy source in the immediate region. Division crews provide new service connections, routine maintenance, street light service throughout the entire City, monitor all substations and related equipment, and ensure the functionality of metering to ensure a high quality service.
- The Hagerstown Light Department has been granted approval to review proposals from Mitsubishi Heavy Industries paired with Customized Energy Solutions for the installation of an energy storage system utilizing lithium ion batteries. During periods of high energy demand, this system can be called to temporarily support the transmission and generation system in the PJM region. This technology can be used to smooth the 60 Hz alternating current distorted by renewable energy systems such as wind and solar.
- Staff continues to trim trees in identified areas to improve system reliability. Contracted arborists have been utilized in areas inaccessible to HLD lineworkers. Projected expenditure and other contracted overhead line maintenance in FY15 is \$100,000.
- Staff continues with our current conservative approach regarding Wholesale Power Supply Agreement extensions as long as the market allows for a decrease in future year costs. We recently extended the current contract through May 31, 2017 and will realize a savings of \$2.40/MW.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Number of Residential Customers	14,450	14,464	14,500
Number of Commercial Customers	2,450	2,516	2,500
Million Kilowatt-hours Purchased	310	303	315
Million Kilowatt-hours Sold	298	294	307
Customer Average Interruption Duration Index (Hours/customer)	1.20	1	1
Number of Employees	31	31	31
Number of Customers Served per Employee	545	548	548

ELECTRIC FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/2016

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,893,849	\$ 1,840,235	\$ 1,885,585	\$ 1,903,138	3.4%
Benefits	989,606	992,554	1,047,539	1,065,744	7.4%
Overtime	86,297	116,000	124,350	124,350	7.2%
Personnel Subtotal	2,969,752	2,948,789	3,057,474	3,093,232	4.9%
Contractual Services	137,908	160,731	261,000	264,168	64.4%
Operating Expenditures	20,289,926	19,741,335	19,860,266	19,675,459	-0.3%
Operating Cap Exp (Cap Outlay)	35,649	-	-	-	0.0%
Other General Expenses	930,466	973,667	955,530	982,588	0.9%
Operating Subtotal	21,393,949	20,875,733	21,076,796	20,922,215	0.2%
Total Expenditures	\$ 24,363,701	\$ 23,824,522	\$ 24,134,270	\$ 24,015,447	0.8%
REVENUES BY TYPE					
Departmental Revenue	24,952,072	24,237,389	24,418,175	24,177,315	-0.2%
Total Revenues	\$ 24,952,072	\$ 24,237,389	\$ 24,418,175	\$ 24,177,315	-0.2%
Revenues, excess of Expenditures	\$ (588,371)	\$ (412,867)	\$ (283,905)	\$ (161,868)	-60.8%

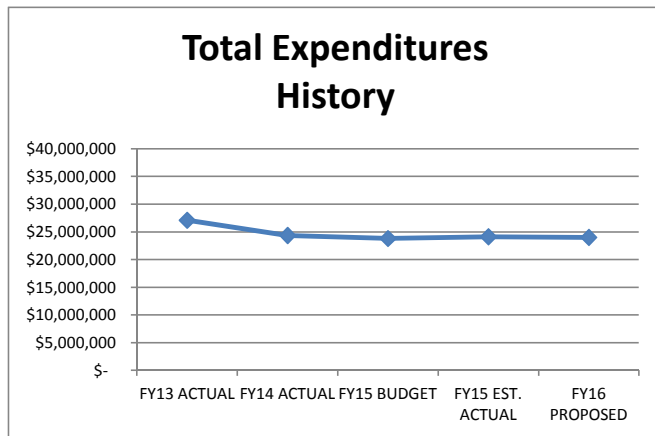
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

The Hagerstown Light Department has reduced staff levels over the past decade and currently has 5 unfilled positions, the vehicle fleet has been reduced, and all external seminars and non-certification training continue to be monitored. The requested budget for Capital Outlay has remained fairly consistent for five years. As some improvements will continue to be deferred, others are being addressed as-needed, thus some increase in the Capital expenditures will be realized at the close of FY15. As with all businesses who are weathering these tough economic times, the HLD utilizes common sense approaches related to energy consumption, material repair/reuse, employee sharing, and vehicle re-utilization etc.

Adopted FY15 to Proposed FY16

Staff is seeking bond financing to replace the roof on the facility. The cost for this is estimated to be approximately \$650,000 to include new insulation, membrane, flashing, gutters, and downspouts. The existing Power Service Agreement has been extended for a period of two years, from the current expiration date of May 31, 2015 through the new expiration date of May 31, 2017. The megawatt hour (MWh) charge for service during the extension period will become \$51.50. This represents an expected reduction of approximately \$1,502,956 in generation and transmission costs over the extension in addition to an estimated \$200,000 savings realized by deferring RFP charges related to legal and consultant fees.



STAFFING SUMMARY

	FY14	FY15 Budg	FY15 Est Act	FY16
Full time	35.58	35.55	35.55	35.55
Less: Unfunded	-5.00	-5.00	-5.00	-5.00
Staffing Total	30.58	30.55	30.55	30.55

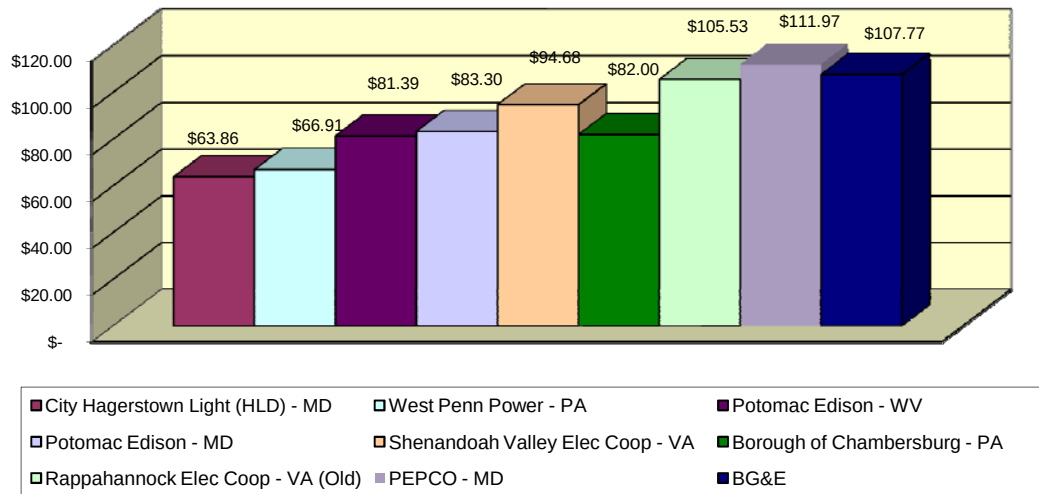
The Division will continue to reduce operational costs through any and all means available through FY16 and beyond.

ELECTRIC FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2015/2016

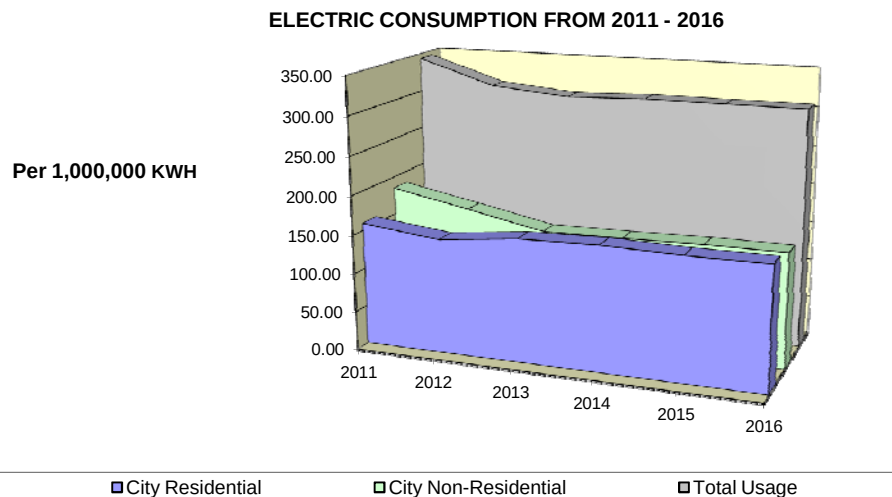
ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Service Charges	\$ 24,094,905	\$ 23,486,050	\$23,567,740	\$ 23,295,380	-0.8%
Other Revenues	603,063	531,331	590,959	613,051	15.4%
Total Operating Revenues	24,697,968	24,017,381	24,158,699	23,908,431	-0.5%
OPERATING EXPENSES					
Purchased Power	18,152,571	17,599,538	17,675,805	17,471,535	-0.7%
Distribution Expenses	2,214,941	2,091,558	2,273,751	2,284,976	9.2%
Customer Accounts Expenses	994,158	1,083,238	1,104,576	1,121,544	3.5%
Selling, General & Administrative	2,072,878	2,079,021	2,127,108	2,157,304	3.8%
Depreciation	845,072	905,000	870,000	920,000	1.7%
Total Operating Expenses	24,279,620	23,758,355	24,051,240	23,955,359	0.8%
Operating Income (Loss)	418,348	259,026	107,459	(46,928)	-118.1%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	137,133	130,008	129,476	118,884	-8.6%
Interest (Expense)	(7,862)	(7,167)	(14,030)	(20,088)	180.3%
Gain (Loss) on Capital Assets	(14,842)	(15,000)	10,000	10,000	-166.7%
Total Other Income (Expense)	114,429	107,841	125,446	108,796	0.9%
Net Income before Operating Transfers	532,777	366,867	232,905	61,868	-83.1%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to CIP Fund	(24,250)	(29,000)	(29,000)	-	-100.0%
Total Transfers From (To) Funds	(24,250)	(29,000)	(29,000)	-	-100.0%
CAPITAL CONTRIBUTIONS					
Grants in Aid of Construction	-	-	-	20,000	100.0%
Non-Cash Developer Contributions	79,844	75,000	80,000	80,000	6.7%
Total Capital Contributions	79,844	75,000	80,000	100,000	33.3%
Increase (Decrease) in Retained Earnings	588,371	412,867	283,905	161,868	-60.8%
Add Back Depreciation	845,072	905,000	870,000	920,000	1.7%
Deduct Non-Cash Capital Contributions	(79,844)	(75,000)	(80,000)	(80,000)	6.7%
Changes in Working Capital	581,627	-	-	-	0.0%
Bond Proceeds	-	-	650,000	-	0.0%
Capital Outlay/Fixed Assets	(536,376)	(938,000)	(648,964)	(1,639,000)	74.7%
Repayment of Principal	(22,525)	(23,234)	(23,234)	(57,621)	148.0%
Net Sources (Uses) of Cash	\$ 1,376,325	\$ 281,633	\$ 1,051,707	\$ (694,753)	-346.7%

ELECTRIC FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2015/2016

SERVICE CHARGE COMPARISON AS OF FEBRUARY 2015



Shown above are comparative residential rates based on an average usage of 800 kWh per month. City of Hagerstown Light Department (HLD) rates will remain stable for the length of the wholesale contract, which expires May 31, 2015. Additional savings will apply beyond the present contract period through the new contract period that expires May 31, 2017.



Shown above is a trend based on millions of kWh used by HLD customers annually over a five year period.

ELECTRIC FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
ELECTRIC REVENUES					
Sales of Electric-Unbilled Readings	\$ 282,130	\$ -	\$ -	\$ -	0.0%
Residential Lighting	12,530,544	12,206,000	12,067,000	11,995,000	-1.7%
Residential Metering	785	1,000	1,000	1,000	0.0%
Commercial Lighting	5,042,203	4,997,000	5,042,000	5,032,000	0.7%
Commercial Metering	8,681	7,800	8,000	8,000	2.6%
Power PI(09)	2,103,030	2,172,000	2,057,000	2,052,000	-5.5%
Power Ph(10)	3,321,039	3,283,000	3,598,000	3,414,000	4.0%
High Voltage-Newstech	133,949	146,000	132,000	132,000	-9.6%
Dusk to Dawn	23,168	22,120	21,840	21,800	-1.4%
Street Lighting	627,546	629,200	619,490	618,240	-1.7%
Traffic Lighting	21,830	21,930	21,410	21,340	-2.7%
Total Electric Revenues	24,094,905	23,486,050	23,567,740	23,295,380	-0.8%
OTHER REVENUES					
Pole Rental/Attachment Fees	20,332	25,000	21,500	21,500	-14.0%
Building Rental-CMG	38,000	38,000	38,000	39,000	2.6%
Rent Income - Sub-Station	3,796	3,796	3,796	3,796	0.0%
Late Fees	154,787	100,000	160,000	160,000	60.0%
Miscellaneous Electric Revenue	16,708	50,000	50,000	50,000	0.0%
Reconnection Charges	87,230	85,300	90,000	90,000	5.5%
Customer Reimbursed Overtime	7,323	25,000	25,000	25,000	0.0%
Scrap Sales	81,240	25,000	20,000	25,000	0.0%
Insurance Reimbursements	40,687	26,000	20,000	25,000	-3.8%
Recovery of Notes Receivable-F.U.F.	148,235	148,235	158,163	168,755	13.8%
Bad Check Charges	4,725	5,000	4,500	5,000	0.0%
Total Other Revenues	603,063	531,331	590,959	613,051	15.4%
Total Operating Revenues	\$ 24,697,968	\$ 24,017,381	\$ 24,158,699	\$ 23,908,431	-0.5%

ELECTRIC FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

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	250,000
Telemetry Equipment-C0111 Construction of communication networks to facilitate transmission of data from installed devices in the Electric System.	Electrical System	Improve service, increase system reliability	40,000
System Reconductoring-C0259 Upgrade power in distribution lines.	Poles, Towers & Fixtures, Overhead Devices	Improve service and reliability	20,000
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 or individual customers	100,000
Supplemental Lighting-C0541 Provide for lighting upgrades to designated areas of the city using HLD stock materials in coordination with other city departments.	Street Lighting	To provide adequate street lighting for City residents	20,000
Building & Site Improvements-C0542 Improvements to HLD facility on East Baltimore Street.	Roof Replacement	Cost avoidance, planned improvement, and improved service	675,000
Streetlight Replacement-C0546 Replace direct buried streetlight circuit, obsolete fixtures, and non-standard poles. FY16-Noland Drive	Street Lighting	Unable to provide for replacement materials for uniformity. Existing cable is in poor condition	25,000
A&E District Upgrades-C0591 Provide system upgrades and improvements on the north side of South Potomac Street.	Poles-Towers & Fixtures, O/H Conductors & Devices, Underground Conduit, U/G Conductors & Devices, and Line Transformers	Improved aesthetics and improvements to the A&E district of Downtown Hagerstown	32,000
Test Equipment-C0609 Procure/repair test equipment to improve maintenance programs and power quality for customers.	Station Equipment	Improve reliability of service	7,000
Spare Regulators-C0797 Purchase/refurbish voltage regulators and controllers for substations.	Station Equipment	Replace, refurbish, and repair sub-station voltage regulators as needed to maintain levels within limits mandated by the MD Public Service Commission	15,000

ELECTRIC FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
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.	15,000
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	25,000
Circuit Upgrades-C0842 Construct final section of 34.5 kV subtransmission loop between substations.	Poles, Towers, & Fixtures, and O/H Conductors & Devices	Improve ability to switch load between substations improving service outage restoration times	20,000
SUBTOTAL PROJECT EXPENSES			\$ 1,244,000
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	25,000
5085001-583004 Dist-Poles, Towers & Fixtures	Costs of installation of poles, towers, and fixtures used for supporting overhead distribution conductors and service wires.	To upgrade service to electrical customers and to continue periodic replacement of aged equipment	60,000
5085001-583005 Dist-Overhead Conductors and Devices	Costs of installation of overhead conductors & devices for distribution purposes, including the installation of overhead primary cable, insulators, arrestors, switches and other line hardware.	To upgrade existing facilities and to continue periodic replacement of aged equipment	30,000
5085001-583006 Dist-Underground Conduit	Costs of installation on underground conduit and tunnels used for housing distribution cables or wires.	To meet the need of electrical customers who are upgrading or installing new services	10,000
5085001-583007 Dist-Underground Conductors and Devices	Costs of installation of underground conductors and devices used for distribution purposes.	To upgrade existing primary electrical wires and for the installation of new primary underground conductors to maintain the reliability of the distribution systems	20,000

ELECTRIC FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
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	100,000
5085001-583009 Dist-Services	Costs of installation of overhead & underground conductors leading from a point where wires leave the last pole of an overhead system, or if an underground system, the distribution box of manholes.	To meet the needs of electrical customers who are upgrading their services and building new homes	35,000
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	25,000
5085001-583013 Dist-Street & Signal Lighting	Costs of installation of equipment used wholly for public streets.	To provide adequate street lighting for City residents	75,000
5085001-583014 Tools Shop & Garage Equip	Cost of tools, implements, and equipment used in construction, repair work, general shops and garages.	To maintain and provide miscellaneous improvements to utility construction equipment and facilities	2,500
5085001-5867 Communication Equip	Costs of installation of telephone and wireless equipment for general use in connection with utility operations	To maintain Supervisory Control and Data Control (SCADA), radio communication, telephone service, etc	2,500
5085001-581001 General Plant - Structure	Administrative Building	Replace worn office furniture and computer equipment	5,000
5085001-5860 General Plant - Office Furniture, Fixtures, & Equip	Administrative Building	Replace worn office furniture and computer equipment	5,000
TOTAL CAPITAL OUTLAY			\$ 1,639,000

WATER FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2015/2016

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

- The Water Division supports the Mayor and Council's Goals and Priorities (2015-2016) 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 business in a cost effective manner (Goal 7), the Water Division has entered into a contract with Triad Engineering to investigate the long-term viability of the Edgement Reservoir and the W.M. Breichner Plant. 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 to include the Stage 2 DPBR and the LT2 Enhanced Surface Water Treatment Rule.
- The Water Division is responsible for the treatment and distribution of 11.4 MGD (FY14 average daily demand) of potable water to all City residents and surrounding communities in Washington County. The water system is comprised of approximately 425 miles of water mains, the R.C. Willson and W.M. Breichner treatment plants, four pumping stations and eight water storage tanks. The Division had undergone many improvements over the past 6 years which include the construction of two 6.4 MG tanks, electrical and treatment upgrades at R.C. Willson and new valving and transmission mains leaving the R.C. Willson Plant. These improvements help ensure a reliable cost effective water supply to all customers served by the City of Hagerstown.
- To further assist in our financial commitment to the customers, the Division applied for low interest loans and grants for planned projects to include the replacement of the Traveling Screens at R.C. Willson Water Treatment Plant (\$775,000) and the installation of finished water storage tank mixing systems (\$600,000). The water Fund has submitted a request for additional MDE funding for subsequent upgrades to the W.M. Breichner Plant for compliance with the LT2ESWTR and Stage 2 DBPR. The Water Division will achieve its goal to replace all residential meters by 2016. This will assist with system billing accuracy, the reduction in unallocated water, and reduce customer billing complaints associated with human error. The Department has replaced over 86% of the 28,370 residential meters and we continue to test the 330 commercial meters annually. The Water Division will continue with our \$400,000 budgeted system rehabilitation and main replacement projects through the leak detection program, hydrant and valve program, and through our coordinated efforts with the City/County/State roadway rehabilitation projects. This CIP assists greatly in reducing system operational issues related to water main and equipment failures.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Number of Inside City Customers	13,082	13,049	12,910
Number of Outside City Customers	15,387	15,548	15,458
Million Gallons Produced	4,233	4,569	4,170
Million Gallons Accounted For	3,482	3,607	3,436
Percentage of Unaccounted for Water	17.7%	21.1%	17.6%
Number of Employees	49.5	49.5	51.0
Number of Customers Served per Employee	575	578	556

WATER FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/2016

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 2,724,718	\$ 2,840,590	\$ 3,088,525	\$ 2,937,212	3.4%
Benefits	1,177,635	1,325,048	1,377,261	1,296,941	-2.1%
Overtime	126,512	127,000	141,100	122,000	-3.9%
Personnel Subtotal	4,028,865	4,292,638	4,606,886	4,356,153	1.5%
Contractual Services	407,996	653,631	544,600	465,068	-28.8%
Operating Expenditures	2,965,693	3,261,672	3,373,522	3,426,741	5.1%
Operating Cap Exp (Cap Outlay)	58,468	57,800	59,200	54,700	-5.4%
Other General Expenses	2,832,942	3,767,106	3,458,217	3,881,100	3.0%
Operating Subtotal	6,265,099	7,740,209	7,435,539	7,827,609	1.1%
Total Expenditures	\$ 10,293,964	\$ 12,032,847	\$ 12,042,425	\$ 12,183,762	1.3%
REVENUES BY TYPE					
Departmental Revenue	13,846,590	12,113,956	12,100,420	12,286,121	1.4%
Total Revenues	\$ 13,846,590	\$ 12,113,956	\$ 12,100,420	\$ 12,286,121	1.4%
Expenditures, net of Revenues	\$ (3,552,626)	\$ (81,109)	\$ (57,995)	\$ (102,359)	26.2%

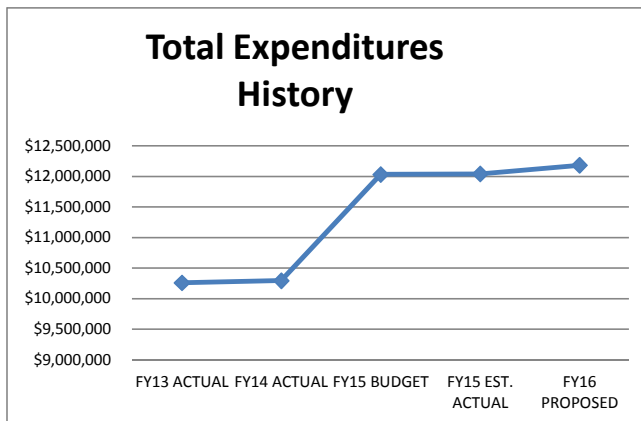
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

The Water Division has reduced staff and currently has 4 positions unfunded for FY15. Vehicle replacement purchases are limited and based on repair cost versus replacement cost, and all external seminars and non-certification training will be monitored. Capital Outlay has been decreased from \$12.4M in FY14 to \$4.9M projected in FY15 due to the completion of Phase IV Improvements for Stage 2 DPBR Compliance at the Willson Plant. From FY14 to FY15 our total operating revenues have decreased from \$13.8M to a projected \$12.1M. As with all businesses who are weathering these tough economic times, the Water Division utilizes common sense approaches related to energy consumption, chemical usage, employee sharing etc.. Number of non-active accounts is 2,400.

FY15 to Proposed FY16

Total personnel expenditures reflect an increase of 6.3% or \$257K as a result of planned COLA increases for FY16 and the settlement of the AFSCME 1540 union contract in FY15. Additionally, it reflects rising employer costs for health and dental insurance, workers compensation, and pension contributions. Total operating expenditures are projected to increase by 2.3% or \$175K as a result of increased depreciation expense associated to the completion of the RC Willson Phase IV Improvements plus rising debt service interest costs. The Water Division continues to work with MDE to secure low interest State Revolving Loans and Drinking Water Grant Funds in an effort to ensure compliance with mandated regulatory requirements. Additionally, FY15 revenue reflect the first year of the recently updated Cost of Service Study Rate Model. Staff will continue to work with Municipal Financial Services to maintain the integrity of the Rate Model. Overall, departmental revenue reflects a decrease due to the reduction of grant funded projects.



STAFFING SUMMARY

	FY15			
	FY14	Budget	Est Act	FY16
Full time	55.02	55.02	55.02	54.52
Less: Unfunded	-4.00	-4.00	-4.00	-4.00
Staffing Total	51.02	51.02	51.02	50.52
Part time Seasonal	0.00	0.00	0.00	1.00
Total Part time	0.00	0.00	0.00	1.00

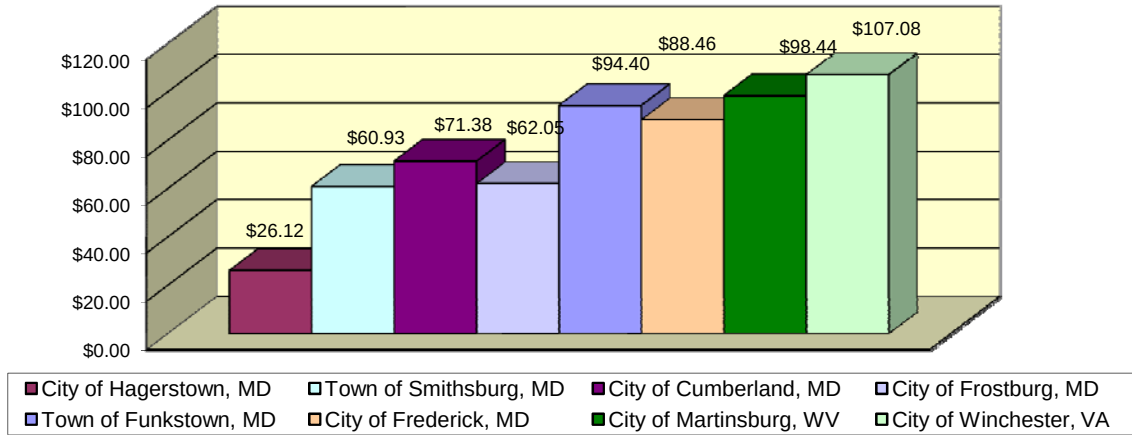
The Division will continue to reduce operational costs through any and all means available through Fiscal Year 16 and beyond through the management of the financial operations while insuring that our recently updated rate model is followed.

WATER FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16 PROPOSED	2015/16 PROPOSED
		BUDGET	EST. ACTUAL		
OPERATING REVENUES					
Service Charges	\$ 10,135,128	\$ 10,492,055	\$ 10,366,300	\$ 10,570,400	0.7%
Other Revenues	982,052	746,300	872,620	852,120	14.2%
Total Operating Revenues	11,117,180	11,238,355	11,238,920	11,422,520	1.6%
OPERATING EXPENSES					
Source of Supply	75,626	68,900	52,850	57,850	-16.0%
Pumping & Water Treatment	3,254,271	3,548,978	3,774,731	3,559,758	0.3%
Transmission & Distribution	1,511,290	1,845,915	1,925,294	1,888,353	2.3%
Selling,General & Administrative	2,619,892	2,802,148	2,831,533	2,796,901	-0.2%
Depreciation	2,403,370	3,160,000	2,900,000	3,300,000	4.4%
Total Operating Expenses	9,864,449	11,425,941	11,484,408	11,602,862	1.5%
Operating Income (Loss)	1,252,731	(187,586)	(245,488)	(180,342)	-3.9%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	2,746	5,000	1,500	1,500	-70.0%
Interest (Expense)	(359,037)	(567,305)	(529,017)	(570,299)	0.5%
Gain (Loss) on Capital Assets	8,355	10,000	10,000	1,500	-85.0%
Total Other Income (Expense)	(347,936)	(552,305)	(517,517)	(567,299)	2.7%
Income Before Contribs. & Transfers	904,795	(739,891)	(763,005)	(747,641)	1.0%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to CIP Fund	(59,875)	(29,000)	(29,000)	-	-100.0%
Total Transfers From (To) Funds	(59,875)	(29,000)	(29,000)	-	-100.0%
CAPITAL CONTRIBUTIONS					
Water Benefit Charges	671,627	500,000	500,000	500,000	0.0%
Grants in Aid of Construction	1,374,579	-	-	-	0.0%
Non-Cash Developer Contributions	661,500	350,000	350,000	350,000	0.0%
Total Capital Contributions	2,707,706	850,000	850,000	850,000	0.0%
Increase (Decrease) in Retained Earnings	3,552,626	81,109	57,995	102,359	26.2%
Add Back Depreciation	2,403,370	3,160,000	2,900,000	3,300,000	4.4%
Capital Outlay/Fixed Assets	(12,399,850)	(5,182,900)	(4,855,000)	(3,114,500)	-39.9%
Repayment of Principal	(1,256,379)	(1,394,638)	(1,268,638)	(1,778,718)	27.5%
Deduct Non-Cash Contributions	(661,500)	(350,000)	(350,000)	(350,000)	0.0%
Changes in Working Capital	1,330,906	-	-	-	0.0%
Bond Proceeds	5,944,650	4,135,000	7,795,804	1,886,000	-54.4%
Net Sources (Uses) of Cash	\$ (1,086,177)	\$ 448,571	\$ 4,280,161	\$ 45,141	-89.9%

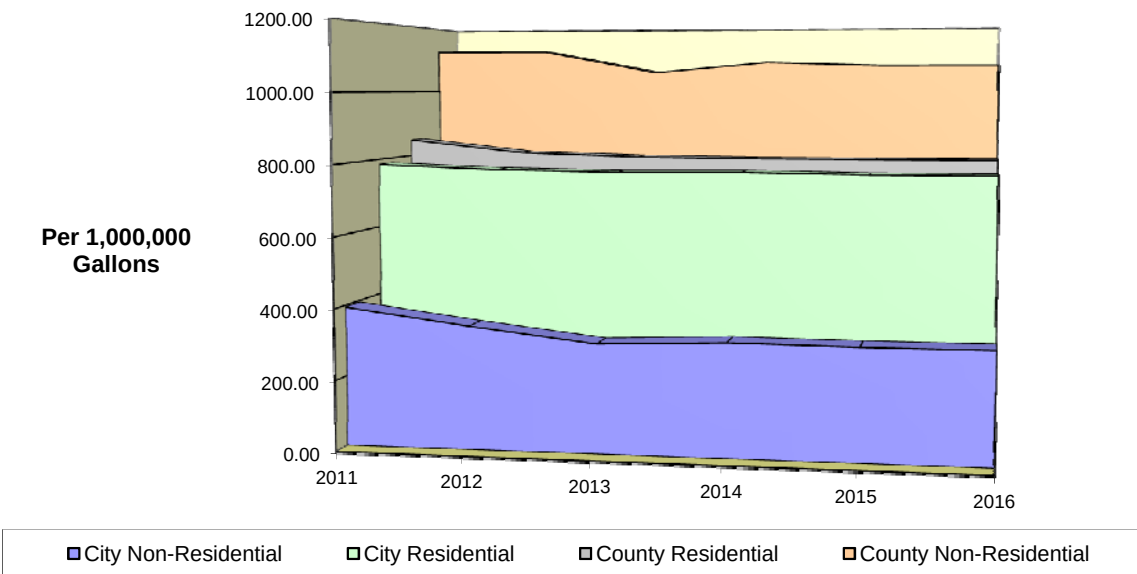
WATER FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2015/2016

SERVICE CHARGE COMPARISON AS OF FEBRUARY 2015
(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 2011 - 2016



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

WATER FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
WATER SERVICES					
Metered Sales-Unbilled	\$ (68,966)	\$ -	\$ -	\$ -	0.0%
Water Fixed Charge - City	477,324	458,780	487,000	496,000	8.1%
Water Fixed Charge - County	1,778,983	1,827,000	1,815,000	1,851,000	1.3%
Metered City Water	1,593,663	1,593,550	1,613,000	1,646,000	3.3%
Metered County Water	6,354,124	6,612,725	6,451,300	6,577,400	-0.5%
Total Service Charges	10,135,128	10,492,055	10,366,300	10,570,400	0.7%
OTHER REVENUES					
Contracted Services	60,389	5,000	10,000	7,500	50.0%
Reconnection Charges	52,865	60,000	70,000	70,000	16.7%
Water Service Application Fee	22,916	15,000	15,000	15,000	0.0%
Water Transfer Fee	35,520	25,000	35,000	32,000	28.0%
W.C.S.D. Consumption Data Service	57,115	55,000	55,000	57,000	3.6%
Review/Inspection Fee	13,682	15,000	12,000	10,000	-33.3%
Insurance Reimbursements	5,574	-	1,500	2,500	100.0%
Rent-City Employees	20,620	18,000	20,620	20,620	14.6%
Late Fees	139,535	75,000	200,000	200,000	166.7%
Miscellaneous Other Revenues	56,196	30,800	30,000	32,000	3.9%
County Debt Service Surcharge	51,645	64,000	50,000	52,000	-18.8%
Cell Tower Rent	10,771	10,000	10,000	10,000	0.0%
Fire Protection	144,593	142,000	142,000	142,000	0.0%
Plumbing	250,480	180,000	180,000	180,000	0.0%
Net Gain/Loss-Scrap Sales	57,676	50,000	40,000	20,000	-60.0%
Bad Check Charges	2,475	1,500	1,500	1,500	0.0%
Total Other Revenues	982,052	746,300	872,620	852,120	14.2%
Total Operating Revenues	\$ 11,117,180	\$ 11,238,355	\$ 11,238,920	\$ 11,422,520	1.6%

WATER FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Water Fund Vehicles-C0117 Replace fleet vehicles.	Unit 210, Unit 212, Unit 213, Unit 232 Unit 237, Unit 244, and Unit PO3	Replace Water Division vehicles	233,500
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	210,000
Willson Transmission Mains-C0167 Begin Engineering design to extend the 36" transmission mains from Bottom Rd to the Creek	Transmission Distribution	Replace deteriorated infrastructure - reliability	500,000
Edgemont Reservoir Improvements-C0168 Continue to monitor reservoir seepage and make required Maryland Department of the Environment (MDE) improvements.	Maintenance	Improve system and increase reliability	250,000
Breichner WTP Improvements-C0405 Begin design for plant upgrades for compliance with Safe Drinking Water Act(Stage2) requirements and the Long Term 2 Enhanced Surface Water Treatment Rule.	Equipment	Replace and/or upgrade aging equipment to achieve compliance and to continue to ensure a back-up water supply	150,000
Administrative & Eng. Equipment-C0648 Upgrade computer equipment and info-water program.	Computer Equipment & Software	Replace/Upgrade engineering computer hardware and software	10,000
Pump Station Improvements-C0651 Replacement of critical equipment at all stations (pumps, SCADA upgrade, etc.)	Construction Engineering	Replace and/or upgrade deteriorating infrastructure reliability	75,000
Distribution Services-C0653 Begin the fire line metering program which will include the evaluation of unmetered fire lines and installation of a fire meter.	Equipment/Meters Distributed Labor	Replace aging equipment to ensure water and sewer rates are an accurate reflection of the required revenue	330,000
Distribution System Rehabilitation-C0709 Continue the leak detection program and replace aging infrastructure throughout the Distribution System.	Construction Equipment Distributed Labor	Replace deteriorating infra- structure, improve safety for workers, and improve customer service	406,000

WATER FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Water SCADA System-C0820 Upgrade MP2 Software and software/hardware required SCADA upgrades.	Construction	Replace and/or upgrade aging equipment and facilities	175,000
RC Willson-Traveling Screen Replacement-C0863 Advertise, bid and replace the existing traveling screens which have exceeded their useful life and have required extensive repairs over the past 3 to 5 years.	Equipment	Replacement of deteriorating equipment. Improve system reliability and reduce short term maintenance expenses.	775,000
SUBTOTAL PROJECT EXPENSES			\$ 3,114,500
5270501-5833 Laboratory Equipment-Willson	Laboratory Equipment	Maintain laboratory equipment	1,000
5270501-5839 Portable Tools/Equipment-Willson	Portable tools and equipment	Replace portable tools and equipment as needed	2,500
5270501-5861 Desks-Chairs-and Tables-Willson	Desks, chairs, table	To replace office furniture as needed	1,500
5270501-5865 Computer Equipment-Willson	Computer equipment	Replace worn equipment as needed	2,500
5270501-5867 Communication Equipment-Willson	Communication equipment	To replace communication equipment as needed	2,500
5270502-5825 Residential Buildings-Pump Stations	Park Ave. Office - facility maintenance	Routine facility maintenance required	2,500
5270502-5833 Laboratory Equipment-Pump Stations	Laboratory Equipment	Replace laboratory equipment	500
5270502-5861 Desks-Chairs-Tables-Pump Stations	Desks, chairs, table	To replace office furniture as needed	1,200
5270502-5865 Computer Equipment-Pump Stations	Computer Equipment	Replace worn equipment as needed	3,000

WATER FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5270502-5867 Communication Equipment-Pump Stations	Communication equipment	To replace communication equipment as needed	3,000
5270503-5861 Desks-Chairs-and Tables-Laboratory	Desks, chairs, table	To replace office furniture as needed	500
5270503-5865 Computer Equipment-Laboratory	Computer equipment	Replace worn equipment as needed	1,500
5271001-5825 Residential Buildings-Source of Supply	To maintain residential/rental properties	Rental property maintenance (3 properties)	6,000
5271001-5830 Non-Portable Equipment-Source of Supply	Non-portable equipment	Replace non-portable equipment	250
5271001-5833 Laboratory Equipment-Source of Supply	Laboratory equipment	To maintain laboratory equipment	250
5271001-5839 Portable Tools/Equipment-Source of Supply	Portable tools and equipment	Replace portable tools and equipment as needed	1,000
5271001-5865 Computer Equipment-Source of Supply	Computer equipment	Replace worn equipment as needed	3,000
5272501-5836 Traffic Lights-Signs-Etc.-Distribution	Traffic control equipment	Replace traffic control equip (signs, light bar, etc.)	2,500
5272501-5839 Portable Tools/Equipment-Distribution	Portable tool and equipment	Replace portable tools and equipment as needed	2,500
5272501-5855 Portable Equipment-Distribution	Portable tools and equipment	Replace portable tools and equipment as needed	2,500

WATER FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5272501-5861 Desks-Chairs-and Tables-Distribution	Desks, chairs, tables	To replace office furniture as needed	500
5272501-5865 Computer Equipment-Distribution	Computer equipment	Replace worn equipment as needed	2,500
5272501-5867 Communication Equipment-Distribution	Communication equipment	To replace communication equipment as needed	1,000
5274001-5861 Desks-Chairs and Tables-Admin & Engineering	Desks, chairs, table	To replace office furniture as needed	500
5274001-5865 Computer Equipment-Admin & Engineering	Computer equipment	Replace worn equipment as needed	5,000
5274502-5861 Desks-Chairs and Tables-Billing	Desks, chairs, table	To replace office furniture as needed	500
5274502-5865 Computer Equipment-Billing	Computer equipment	Replace worn equipment as needed	3,000
5274502-5867 Communication Equipment-Billing	Communication equipment	To replace communication equipment as needed	1,500
TOTAL CAPITAL OUTLAY			\$ 3,169,200

WASTEWATER FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2015/2016

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 that available technology can provide.
- The Wastewater Division is responsible to the conveyance and treatment of an average of 7.29 MG per day of wastewater for calendar year 2014. The collection system is comprised of over 153 miles of gravity sewer and 27 pumping stations which ensures that all customers served by the City of Hagerstown receive consistently reliable service. The Division has undergone many improvements over the past seven years to include the upgrade of the Wastewater Treatment Facility (WwTP) to Enhanced Nutrient Removal technology and eliminated one of the wastewater pumping stations in the collection system. The WwTP is currently permitted to treat an average daily flow of 8.0 MGD. Collectively these improvements help ensure that the City continues to provide a high quality service that is cost effective. Staff continues to refine our processes as they relate to the Enhanced Nutrient Removal (ENR) initiatives at our Wastewater Treatment Plant (WwTP) and we have been awarded \$240,000 from our 2014 Operations and Maintenance Grant submission.
- To further assist in our commitment to the customer, the City has invested approximately \$4 million over the next 4 years (FY15 through FY19) to upgrade the sludge storage and pelletizing facilities at the Wastewater Treatment Plant. These facilities were originally constructed in the early 1980's and are in need of replacement. The Division entered into a 10 year contract extension with Synagro, who will perform the work of designing, procuring, and constructing needed major capital improvements to the Facility, including immediate capital improvements and subsequent capital improvements throughout contract term. Staff has requested grant funding for FY15 and FY16 from the MDE for continuation of the continued efforts to reduce and eliminate Inflow and Infiltration (I&I) from our wastewater collection systems. Large portions of our wastewater collection systems were constructed in the early 1900's and require major rehabilitation to extend the life of the system for years to come. In order to manage our long-term debt, the division will only accept grant funding for the I&I project.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Number of Inside City Customers	13,600	13,528	12,818
Number of Outside City Customers	6,700	6,721	6,502
Annual Million Gallons/Day Treated	8.27	6.55	7.29
Inflow/Infiltration Million Gallons/Day Treated	2.70	2.05	3.16
Available Allocation in Thousand Gallons (carryover)	526	638	667
Number of Employees	45.50	45.50	46.26
Number of Customers Served per Employee	446	445	417

WASTEWATER FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/2016

EXPENDITURE AND REVENUE SUMMARY

	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 2,430,946	\$ 2,479,215	\$ 2,534,449	\$ 2,524,441	1.8%
Benefits	1,257,373	1,228,308	1,253,730	1,268,412	3.3%
Overtime	102,318	87,000	77,800	80,000	-8.0%
Personnel Subtotal	3,790,637	3,794,523	3,865,979	3,872,853	2.1%
Contractual Services	1,577,390	1,903,831	1,657,650	1,653,768	-13.1%
Operating Expenditures	3,641,305	3,996,981	3,967,500	4,018,651	0.5%
Operating Cap Exp (Cap Outlay)	257,000	64,600	9,250	12,100	-81.3%
Other General Expenses	3,341,624	3,491,182	3,459,874	3,543,342	1.5%
Operating Subtotal	8,817,319	9,456,594	9,094,274	9,227,861	-2.4%
Total Expenditures	\$ 12,607,956	\$ 13,251,117	\$ 12,960,253	\$ 13,100,714	-1.1%
REVENUES BY TYPE					
Departmental Revenue	11,604,962	12,768,218	12,622,283	13,015,090	1.9%
Total Revenues	\$ 11,604,962	\$ 12,768,218	\$ 12,622,283	\$ 13,015,090	1.9%
Expenditures, net of Revenues	\$ 1,002,994	\$ 482,899	\$ 337,970	\$ 85,624	-82.3%

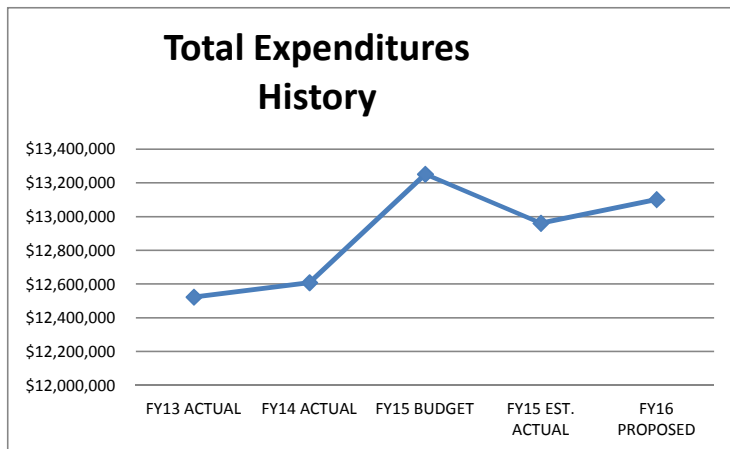
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

The Wastewater Division continues to carry 2 positions unfunded in the Collection System for FY15. Vehicle replacement purchases have been completed to utilize funds left over from the 2013 bond issue. All external seminars and non-certification training continue to be monitored. Capital Outlay has been decreased from \$2.98M in FY15 to \$2.5M projected in FY15 (a 16% reduction) due to the completion of Pump Station 12 elimination project utilizing our in-house labor. From FY13 to FY15 our total operating revenues have increased from \$10.7M to a projected \$12.0M (\$1.3M increase). As with all businesses who are weathering these tough economic times, the Wastewater Division utilizes common sense approaches related to energy consumption, chemical usage, employee sharing, vehicle re-utilization, etc.

Estimated Actual FY15 to Proposed FY16

Total personnel expenditures reflect an increase of approximately \$18K as a result of employee COLA's and rising employer costs for health and dental insurance, workers compensation, and pension contributions. Operating Expenses are projected to remain flat from the Estimated Actual \$9.5M projection to the Proposed FY16 \$9.6M projection. Staff submitted our annual funding request to MDE for the continuation of our multi-year Citywide Inflow & Infiltration Project. This funding request from MDE is for grant funds only.



STAFFING SUMMARY

	FY15			
	FY14	Budg	Est Act	FY16
Full time	47.76	47.76	47.76	48.26
Less: Unfunded	-2.00	-2.00	-2.00	-2.00
Staffing Total	45.76	45.76	45.76	46.26

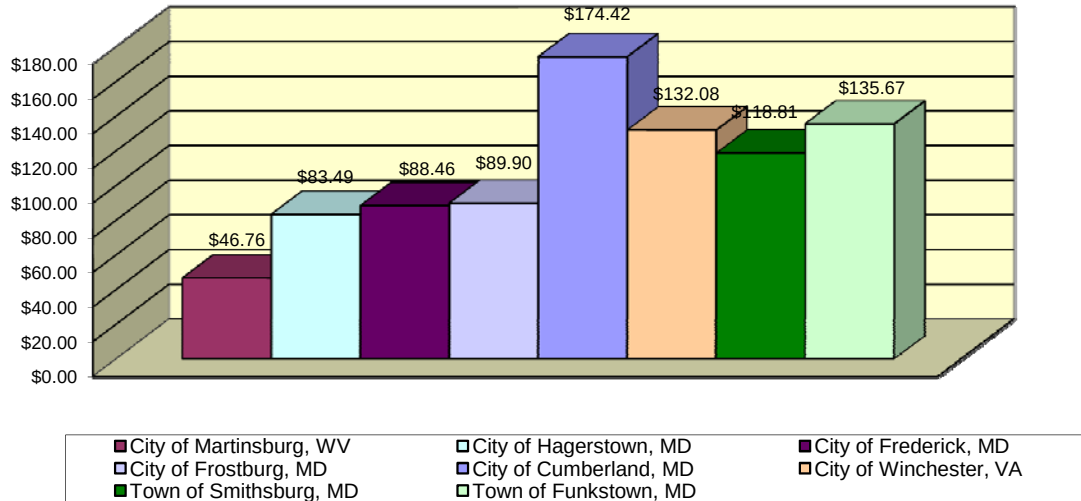
In order to respond to the projected loss of revenue associated with foreclosures and the reduced customer base, the Division will continue to monitor operational costs through any and all means available through Fiscal Year 16 and beyond.

WASTEWATER FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Service Charges	\$ 10,483,362	\$ 11,781,100	\$11,720,515	\$ 12,189,672	3.5%
Other Revenues	298,913	235,165	329,815	273,465	16.3%
Operating Revenues	10,782,275	12,016,265	12,050,330	12,463,137	3.7%
OPERATING EXPENSES					
Plant Expenses	4,740,651	5,097,291	4,837,065	4,830,187	-5.2%
Laboratory Expenses	292,129	343,313	280,749	292,946	-14.7%
Collections	1,120,844	1,289,602	1,306,029	1,265,306	-1.9%
Selling, General & Administrative	3,112,707	3,029,729	3,076,536	3,168,933	4.6%
Depreciation	2,918,357	3,020,000	3,020,000	3,120,000	3.3%
Total Operating Expenses	12,184,688	12,779,935	12,520,379	12,677,372	-0.8%
Operating Income (Loss)	(1,402,413)	(763,670)	(470,049)	(214,235)	-71.9%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	(1,434)	3,000	3,000	3,000	0.0%
Interest (Expense)	(391,064)	(434,229)	(402,921)	(415,389)	-4.3%
Gain (Loss) on Sale of Capital Assets	2,850	1,000	21,000	1,000	0.0%
Total Other Income (Expense)	(389,648)	(430,229)	(378,921)	(411,389)	-4.4%
Income before Contribs. & Transfers	(1,792,061)	(1,193,899)	(848,970)	(625,624)	-47.6%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to CIP Fund	(24,250)	(29,000)	(29,000)	-	-100.0%
Total Transfers From (To) Funds	(24,250)	(29,000)	(29,000)	-	-100.0%
CAPITAL CONTRIBUTIONS					
Wastewater Benefit Charges	579,520	400,000	300,000	300,000	-25.0%
Grants in Aid of Construction	233,797	240,000	240,000	240,000	0.0%
Developers Contributions	-	100,000	-	-	-100.0%
Total Capital Contributions	813,317	740,000	540,000	540,000	-27.0%
Increase (Decrease) in Retained Earnings	(1,002,994)	(482,899)	(337,970)	(85,624)	-82.3%
Add Back Depreciation	2,918,357	3,020,000	3,020,000	3,120,000	3.3%
Capital Outlay/Fixed Assets	(1,192,665)	(2,983,000)	(2,504,626)	(2,198,000)	-26.3%
Repayment of Principal	(1,498,633)	(1,613,133)	(1,583,310)	(1,707,220)	5.8%
Non-Cash Capital Contributions	-	(100,000)	-	-	-100.0%
Changes in Working Capital	823,333	-	-	-	0.0%
Bond Proceeds	1,174,484	1,737,000	1,940,000	1,383,000	-20.4%
Net Sources (Uses) of Cash	\$ 1,221,882	\$ (422,032)	\$ 534,094	\$ 512,156	-221.4%

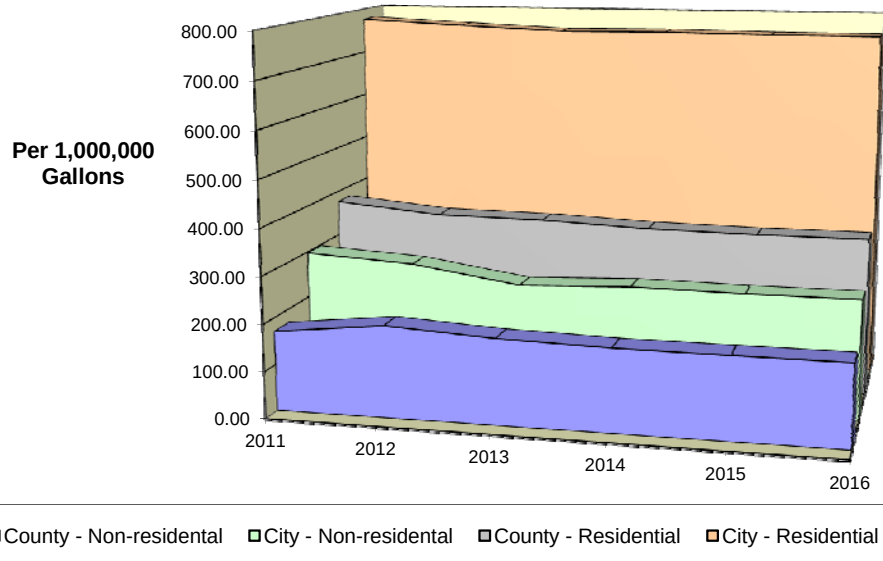
WASTEWATER FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2015/2016

SERVICE CHARGE COMPARISON AS OF MARCH 2015
(Rates presented are strictly City)



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

WASTEWATER CONSUMPTION FROM 2011 - 2016



The wastewater usage analysis shows a slight decline in both City and County customers.

WASTEWATER FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
WASTEWATER SERVICES					
Fixed Service Charge - City	\$ 1,282,420	\$ 1,434,000	\$ 1,436,495	\$ 1,493,955	4.2%
Fixed Service Charge - County	569,033	636,000	637,496	662,996	4.2%
Fixed Service Charge - Joint Service	533,327	593,000	597,424	621,321	4.8%
Service Charges-Unbilled	(58,866)	-	-	-	0.0%
Metered City Wastewater	4,429,173	4,904,400	4,943,400	5,146,000	4.9%
Metered County Wastewater	2,164,419	2,486,700	2,396,700	2,493,400	0.3%
Metered Joint Service Wastewater	1,458,095	1,621,000	1,605,000	1,668,000	2.9%
Low-Pressure System Charge	105,761	106,000	104,000	104,000	-1.9%
Total Service Charges	10,483,362	11,781,100	11,720,515	12,189,672	3.5%
OTHER REVENUES					
Wastewater Application Fees	1,450	1,600	200	150	-90.6%
Wastewater Connection Charges	3,600	2,500	55,000	6,000	140.0%
Review/Inspection Fee	-	1,200	5,000	1,200	0.0%
Industrial Permit Maintenance Fee	5,750	5,000	5,750	5,750	15.0%
Reimbursements	12,159	4,500	4,500	4,500	0.0%
Lab Testing	1,119	2,000	2,000	2,000	0.0%
Industrial Surcharges	106,143	65,000	100,000	100,000	53.8%
Rental Income	365	365	365	365	0.0%
Late Fees	155,938	150,000	150,000	150,000	0.0%
Miscellaneous Revenue	7,973	3,000	3,000	3,000	0.0%
Net Gain/Loss-Scrap Sales	4,416	-	4,000	500	100.0%
Total Other Revenues	298,913	235,165	329,815	273,465	16.3%
Total Operating Revenues	\$ 10,782,275	\$ 12,016,265	\$ 12,050,330	\$ 12,463,137	3.7%

WASTEWATER FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Manhole Raising-C0267 Raise Manholes to meet New Street Grade, Replace 3 inch Thick Lids with Lighter More Accessible Lids	Manhole Raising and Manhole Cover Replace- ment	As part of the City's Annual Pavement Preservation Program	36,000
Pumping Station Improvements-C0299 Replacement and Upgrades to Collection System Pump Stations; these Stations convey Waste- water to Wastewater Treatment Plant from Low Lying Areas.	Pump Station Rehabilitation Project	Reduce Maintenance and Increase Safety and Security of Stations	144,000
Collection System Rehabilitation-C0327 Collection System Personnel to Continue Point Repairs throughout the System	Construction	Reducing the Inflow and Infiltration will Provide Future Recapturing of Allocation for the WWTP	400,000
Buildings and Structures-C0585 Upgrade Heating and Cooling Systems in WW Operations Building	Construction	Aging Structure that Requires Repairs and Improvements	100,000
Oxygen System Improvements-C0657 Specialized Services includes Work by an Outside Consultant to Tie-In Controls for Oxygen Control Panels into SCADA System	Equipment	Improve Reliability, Efficiencies, and Maintain MDE Compliance	10,000
Solids Processing Pelletizer & WWTP Improvements-C0711 Upgrade or Replace Equipment in the Sludge Pelletizing Facility (Synagro)	Equipment	Improve Reliability and Maintain MDE Compliance	50,000
Sludge Storage Phase I Improvement-C0712 Phase I: Planning, Design, and Construction of New Sludge Storage Facilities for the Wastewater Treatment Plant	Sludge Storage Project	Improve Reliability and Maintain MDE Compliance	1,000,000
Collection System Equipment-C0713 Replace Various Aging Equipment. FY16: Rehab Unit 563 CCTV (\$85,000) Camera, Computer; Unit 563 New Software (\$15,000), and Generators Unit 563 and 518 (\$10,500)	Equipment	Improve Reliability of Existing Equipment	111,000

WASTEWATER FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Laboratory Equipment-C0745 Replace Various Aging Equipment	Equipment	Improve Reliability of Existing Equipment	10,000
Grinder Pump Replacement Program-C0767 Replace 20 Grinder Pumps	Equipment	Replace Deteriorating Equipment	162,000
Eliminate Pump Stations-C0832 Design, Permitting, and Construction of Gravity Main and Package Pump Station to Eliminate Pump Station #6	Installation of 12" Gravity Main	Eliminate Annual Operating Cost and Eliminate the Need to Replace the Pumps and Pump Controls	160,000
Truck Lines and Laterals-C0834 Purchase or Transfer of Infrastructure	Infrastructure	Provide Efficient Use of Wastewater Infrastructure throughout System	15,000
SUBTOTAL PROJECT EXPENSES			\$ 2,198,000
5471501-5861 Office Furniture and Equipment	Office Furniture and Equipment	Normal Replacement of Worn Materials	500
5471501-5865 Computer Equipment	Computer Equipment	Replace Worn Equipment	1,500
5471501-5867 Communication Equipment	Two-way Radio's	Operators Safety for 24-7 Operations	1,000
5472601-5865 Computer Equipment	Computer Equipment	Replace Worn Equipment	1,500
5472601-5867 Communication Equipment	Radio's and SCADA System Upgrades	Normal Replacement of Worn Equipment	1,000

WASTEWATER FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5472701-5833 Lab Equipment	WW Lab Equipment	Replace Worn Equipment	2,500
5472701-5861 Office Furniture and Equipment	Office Furniture and Equipment	Normal Replacement of Worn Office Furniture and Equipment	200
5472701-5865 Computer Equipment	Computer Equipment	Replace Worn Equipment	1,500
5474001-5861 Office Furniture and Equipment	Office Furniture and Equipment	Normal Replacement of Worn Office Furniture and Equipment	400
5474001-5865 Computer Equipment	Computer Equipment	Replace Worn Equipment	2,000
TOTAL CAPITAL OUTLAY			\$ 2,210,100

PARKING SYSTEM - PROGRAM DESCRIPTION
FISCAL YEAR 2015/2016

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

- The parking lots are currently on a 5 year schedule for improvements. The Church Street Parking Lot received improvements in FY15. For FY16, the Central Parking Lot will receive pavement enhancements to include crack sealing, partial pavement replacement and slurry seal. The overhead lights will be replaced to LED fixtures to provide a clean, white light while saving electricity.
- Minor repairs and improvements are planned for the University District Parking Deck and the Arts & Entertainment Parking Deck. A new canopy to protect the open stairwell at the A&E Deck will be installed providing some protection for those traveling the stairs while leaving the stair
- Staff will be working with the Arts Council and others to incorporate art into the Arts & Entertainment Parking Deck. The Arts Council office is located on Artist Alley just west of the parking deck. The deck can be utilized to promote art in the community.
- Parking and economic studies indicate that there is no current need for a third parking deck. However, a third deck could be required as new space is either constructed or occupied in the downtown. Planning and design of the third deck is currently programmed for funding in FY17. Staff will work with other city departments and community leaders as discussions continue about the third deck.
- Continue to work with the Department of Community & Economic Development and the downtown businesses to provide parking options for themselves and their customers.

PERFORMANCE INDICATORS

	2013/2014	2014/2015	2015/2016
Parking Decks			
No. of Parking Spaces	625	625	625
No. of Permit Holders	537	560	570
Revenue			
Meters: Fees & Permits	\$383,500	\$371,623	\$368,830
Decks: Fees & Permits	\$440,544	\$427,024	\$427,000
Parking Enforcement	\$86,626	\$98,956	\$99,000
Number of Parking Lots	11	11	11
Number of Parking Lot Permit Holders	370	378	380
Total Parking Spaces (Lots & Street)	1,120	1,027	1,027

PARKING SYSTEM - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/2016

EXPENDITURE AND REVENUE SUMMARY

	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 227,367	\$ 244,253	\$ 244,694	\$ 263,485	7.9%
Benefits	81,756	87,171	85,361	92,830	6.5%
Overtime	856	750	1,200	1,200	60.0%
Personnel Subtotal	309,979	332,174	331,255	357,515	7.6%
Contractual Services	7,876	16,362	13,850	13,318	-18.6%
Operating Expenditures	139,222	116,941	142,822	131,354	12.3%
Operating Cap Exp (Cap Outlay)	1,000	1,000	1,000	1,000	0.0%
Other General Expenses	277,781	328,792	294,847	324,187	-1.4%
Operating Subtotal	425,879	463,095	452,519	469,859	1.5%
Total Expenditures	\$ 735,858	\$ 795,269	\$ 783,774	\$ 827,374	4.0%

REVENUES BY TYPE

Departmental Revenue	872,262	954,680	899,410	880,867	-7.7%
Total Revenues	\$ 872,262	\$ 954,680	\$ 899,410	\$ 880,867	-7.7%

Expenditures, net of Revenues \$ (136,404) \$ (159,411) \$ (115,636) \$ (53,493) -66.4%

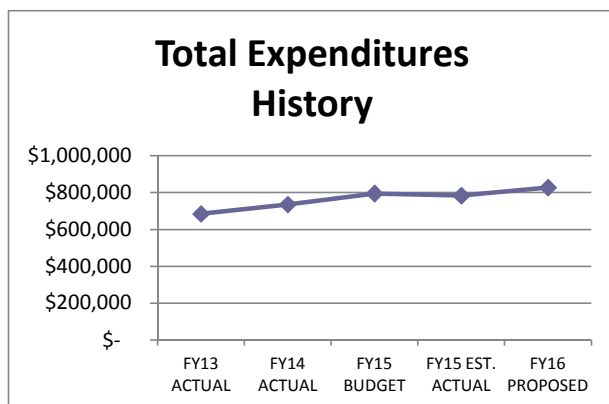
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

Total personnel expenditures for FY15 estimated actual are anticipated to come in slightly under budget by \$919. In total, operating expenses are expected to be 2.28% or \$10,556 lower than budget primarily due to \$29,967 decrease in depreciation expense as a result of assets being fully depreciated during the fiscal year. This reduction is offset by increases in operating expenditures resulting from wage allocations from other departments for work done in the parking areas that were not included in the budget and in general supplies for items such as access cards. Departmental revenues are expected to be 5.79% lower than budget due to lower than anticipated revenues for fines/traffic violations and rental income in both the A&E and University parking decks. Additionally, the reserve for uncollectible parking tickets is anticipated to be higher than budget by \$41,500 due to the uncollectibility of tickets from motorists who live outside of the state.

FY15 to Proposed FY16

Total personnel expenditures for FY16 proposed budget are 7.6% or \$25,341 higher than FY15 budget. This increase reflects the current FY15 COLA and step increases received by employees plus a proposed 1% COLA and steps for FY16. In addition, the FY16 budget reflects an expected increase in health insurance costs. Operating expenditures are anticipated to increase by \$14,413 or 12.3% as a result of budgeting for labor allocations for work performed for parking by other departments. Depreciation expenses is expected to increase over current FY15 budget due to new capital items being included in the FY16 budget (See Section 9 pages 167 - 171). This is the reason for the increase in Other general expenses. Departmental revenues are expected to decline by \$78,813 from the FY15 budget as the trends that occurred in FY15 have been incorporated into the FY16 budget.



STAFFING SUMMARY

	FY15			
	FY14	Budg	Est Act	FY16
Full time	2.20	2.20	2.20	2.40
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	2.20	2.20	2.20	2.40
Part time	9.00	7.00	7.00	9.00

PARKING FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
University District Parking Deck	\$ 226,925	\$ 242,780	\$ 243,500	\$ 230,000	-5.3%
A & E Parking Deck	173,620	183,320	183,481	181,280	-1.1%
Parking Meter Fees	383,500	370,623	370,673	367,830	-0.8%
Net Parking Fines	85,041	145,300	98,000	98,000	-32.6%
Other Revenue	584	10,400	1,999	2,000	-80.8%
Total Operating Revenues	869,670	952,423	897,653	879,110	-7.7%
OPERATING EXPENSES					
University District Parking Deck	153,813	138,016	144,383	154,907	12.2%
A & E Parking Deck	120,968	129,989	150,703	148,107	13.9%
Other Parking Facilities	127,997	150,227	145,252	151,021	0.5%
Parking Enforcement Expenses	55,298	48,244	48,589	49,152	1.9%
Depreciation	212,023	267,166	237,199	274,643	2.8%
Total Operating Expenses	670,099	733,642	726,126	777,830	6.0%
Operating Income (Loss)	199,571	218,781	171,527	101,280	-53.7%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	835	500	-	-	-100.0%
Interest (Expense)	(64,002)	(59,870)	(55,891)	(47,787)	-20.2%
Total Other Income (Expense)	(63,167)	(59,370)	(55,891)	(47,787)	-19.5%
Income Before Contribs. & Transfers	136,404	159,411	115,636	53,493	-66.4%
CAPITAL CONTRIBUTIONS					
Grants in Aid of Construction	-	-	-	-	0.0%
Total Capital Contributions	-	-	-	-	0.0%
Increase (Decrease) in Retained Earnings	136,404	159,411	115,636	53,493	-66.4%
Add Back Depreciation	212,023	267,166	237,199	274,643	2.8%
Capital Outlay/Fixed Assets	(294,170)	(80,000)	(85,006)	(140,000)	75.0%
Principal Payment on Debt	(143,338)	(155,138)	(155,740)	(162,527)	4.8%
Changes in Working Capital	51,489	-	-	-	0.0%
New Bond Proceeds	104,398	-	-	-	0.0%
Net Sources/(Uses)of Cash	\$ 66,806	\$ 191,439	\$ 112,089	\$ 25,609	-86.6%

PARKING FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
UNIVERSITY DISTRICT PARKING DECK					
Parking Deck Permits	\$ 214,959	\$ 220,000	\$ 220,000	\$ 220,000	0.0%
Parking Deck Fees	32,540	33,000	33,000	33,000	0.0%
Downtown Promotions	9,740	8,500	8,500	7,000	-17.6%
Parking Deck Coupons	2,462	1,500	1,500	1,500	0.0%
Validation Fees	20,711	16,000	16,000	16,000	0.0%
Free Parking - Pioneer Vol. Fire Co.	(660)	(720)	-	-	-100.0%
Park N Shop	(4,476)	(2,500)	(2,500)	(2,500)	0.0%
Volume Parking Discount	(48,351)	(33,000)	(33,000)	(45,000)	36.4%
Total University District Deck Revenues	226,925	242,780	243,500	230,000	-5.3%
A&E PARKING DECK					
Parking Deck Permits	121,391	130,000	130,000	130,000	0.0%
Parking Deck Fees	55,086	55,000	55,000	55,000	0.0%
Pep Discounts	(2,857)	(1,680)	(1,519)	(3,720)	121.4%
Total A&E Parking Deck Revenues	173,620	183,320	183,481	181,280	-1.1%
PARKING LOT REVENUES					
Street Meters	113,314	110,000	110,000	110,000	0.0%
Antietam Street Lot Meters	25,801	25,000	25,000	25,000	0.0%
Bryan Center Lot Meters	1,305	350	350	350	0.0%
Central Lot Meters	44,704	50,000	50,000	50,000	0.0%
Hospital Street Meters	-	-	-	-	0.0%
Market House Lot Meters	2,013	3,000	3,000	3,000	0.0%
Rochester Lot Meters	323	250	300	300	20.0%
Central Lot Permits	47,861	50,000	50,000	50,000	0.0%
Church Street Lot Permits	50,879	46,812	46,812	47,940	2.4%
Market House Lot Permits	36,075	32,000	32,000	32,000	0.0%
Rochester Lot Permits	18,702	10,971	10,971	7,000	-36.2%
Departmental Charges-Parking Permits	45,283	45,000	45,000	45,000	0.0%
Free Parking - 41 E Franklin Street	(1,104)	(1,104)	(1,104)	(1,104)	0.0%
Free Parking - 39 E Franklin Street	(1,656)	(1,656)	(1,656)	(1,656)	0.0%
Total Parking Lot Revenues	383,500	370,623	370,673	367,830	-0.8%
PARKING TICKET REVENUES					
Fines-Traffic Violations	5,345	10,800	5,000	5,000	-53.7%
Original Issuance	92,550	93,000	93,000	93,000	0.0%
Adjustments to Original Issuance	-	-	-	-	0.0%
Late fees	80,116	75,000	75,000	75,000	0.0%
Grace Period Adjustments	-	-	-	-	0.0%
Uncollectable Parking Tickets	(92,970)	(33,500)	(75,000)	(75,000)	123.9%
Total Parking Ticket Revenues	85,041	145,300	98,000	98,000	-32.6%
Insurance Reimbursements	-	2,000	2,000	2,000	0.0%
Sale of Assets	-	-	43	-	0.0%
Rental Income	-	8,400	-	-	-100.0%
Miscellaneous Revenue	584		(44)	-	0.0%
Total Other Revenues	584	10,400	1,999	2,000	-80.8%
Total Operating Revenues	\$ 869,670	\$ 952,423	\$ 897,653	\$ 879,110	-7.7%

PARKING FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTISIFCATION	COST
University District Parking Deck-C0749 Caulking of joints in both decks. Construction of shelter roof over A&E stairwell on east side of structure.	Parking Deck Repairs	Continued refurbishments prevent deterioration of the facility. Upkeep and upgrades are required to maintain and improve the parking experience.	30,000
Parking Fund Vehicles-C0829 Replace GEO Tracker #037 (\$25,000)	Vehicle Replacement	Vehicle repair costs and maintenance increase with the age of the vehicle.	25,000
Parking Lot Improvements-C0857 Improve the overall condition of surface parking lots: Central Lot parking lot pavement preservation, sidewalk improvements, and lighting improvements.	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.	60,000
Parking Systems Improvements-C0867 Project could include one or all of the following: kiosk parking for Pay-And-Display; pay by phone through a smart phone application or the installation of new meter heads that accept multiple forms of payment including credit cards.	Parking Systems Improvements	To provide multiple, payment options for those visiting the downtown and parking. Parking includes on-street and off-street lot parking. Different methods of payment provide a driver with options and thus enhance the parking experience.	\$ 25,000
SUBTOTAL PROJECT EXPENSES			\$ 140,000
5674013-5861 Desks-Chairs-Tables	Office Equipment	Replace as needed	1,000
TOTAL CAPITAL OUTLAY			\$ 141,000

GOLF - PROGRAM DESCRIPTION
FISCAL YEAR 2015/2016

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 34 course featuring all the amenities of more expensive courses. Our rates are very economical, the location is convenient off of Route 40, and the course provides for a quick round of golf.

The course itself is in very good condition and the clubhouse was completely renovated in 2012 to provide an area for players to relax and enjoy food and beverages before and after their rounds. New rates went into effect July 1, 2012. In 2013, staff replaced all tee markers with the new course logo, installed yardage markers, and made general improvements to the course. All carts are new and leased in a piggyback on a Washington County contract.

DEPARTMENT / PROGRAM OBJECTIVES

- We propose to increase revenue by adding tournaments, leagues, promotions, and advertising (including on scorecards and tee markers). We will seek to partner with hotels, restaurants, and the CVB to offer golf packages for out-of-town visitors. A part time golf programmer will be hired with an incentive-based contract to develop more revenue.
- We will strive to decrease costs during fiscal year 2015/16 by using contracted services to mow the rough areas so that the limited amount of City staff will focus on the fairways, greens, tees and traps. Overtime is also planned to decrease. There is one fulltime staff in the clubhouse and only two fulltime (March-December) maintenance staff assigned to care for the course.
- In 2014, we plan to install new concrete bridges to replace the deteriorated wooden structures over Hamilton Run, install net adjacent to the Senior Center and develop an access trail between the course and the Senior Center. We also plan to move the number 5 green if funding allows.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Total number of golfers	9,759	10,500	12,000
Average daily rounds of golf	40	42	50
Number of cart rentals	5,540	6,000	7,000
Number of golf leagues	1	2	3
Number of golf tournaments	1	2	7

GOLF - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/2016

EXPENDITURE AND REVENUE SUMMARY

	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 142,890	\$ 132,699	\$ 173,867	\$ 152,375	14.8%
Benefits	74,116	78,158	80,147	79,290	1.4%
Overtime	6,339	6,304	3,095	3,500	-44.5%
Personnel Subtotal	223,345	217,161	257,109	235,165	8.3%
Contractual Services	27,395	25,583	30,575	26,052	1.8%
Operating Expenditures	126,770	125,256	107,975	102,553	-18.1%
Operating Cap Exp (Cap Outlay)	-	-	-	-	0.0%
Other General Expenses	31,849	38,300	38,100	43,000	12.3%
Operating Subtotal	186,014	189,139	176,650	171,605	-9.3%
Total Expenditures	\$ 409,359	\$ 406,300	\$ 433,759	\$ 406,770	0.1%
REVENUES BY TYPE					
Departmental Revenue	396,771	406,300	446,038	410,860	1.1%
Total Revenues	\$ 396,771	\$ 406,300	\$ 446,038	\$ 410,860	1.1%
Expenditures, net of Revenues	\$ 12,588	\$ -	\$ (12,279)	\$ (4,090)	100.0%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

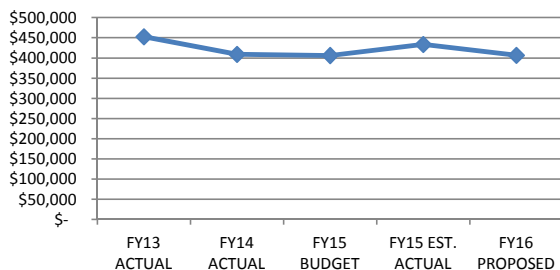
Adopted FY15 to Estimated Actual FY15

Total Expenditures reflect a 6.8% increase or \$27K from the budget. This variance resulted from costs associated with hiring a consultant to evaluate the golf course and work done by Parks and Recreation staff at the course. The cost for the allocation of Parks and Recreation staff is reflected in the Operating Expenditure category above. Operating revenue is projected to be \$39.7K higher than FY15 budget due to anticipated increased revenue from tournaments and specials. Overall departmental revenue is expected to be \$49,267 or 12% higher than FY14 actual.

Adopted FY15 to Proposed FY16

In total, personnel expenditures are planned to increase by 8.3%. Benefit expenses include an increase of 1.4% or \$1,132. Other general expenses are expected to increase by \$4,700 or 12.3%. This increase is a result of the investments the Golf Course continues to make in capital improvements. Departmental revenue reflects a total increase of 1.1% or \$4,560 which reflects an anticipated reduction in the subsidy from the general fund of \$5,000 to \$195K which is offset by increased revenues from tournaments and specials.

**Total Expenditures
History**



STAFFING SUMMARY

	FY15			
	FY14	Budg	Est Act	FY16
Full time	2.37	2.53	2.53	2.52
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	2.37	2.53	2.53	2.52
Part time	2.00	1.00	2.00	2.00
Part time Seasonal	2.00	2.00	2.00	1.00
Total Part time	4.00	3.00	4.00	3.00

GOLF COURSE FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Green Fees	\$ 77,041	\$ 81,900	\$ 84,500	\$ 84,500	3.2%
Cart Rentals	39,836	47,200	43,600	43,600	-7.6%
Tournaments and Specials	59,511	36,500	60,378	58,000	58.9%
Other Revenues	20,370	20,700	25,550	29,750	43.7%
Total Operating Revenues	196,758	186,300	214,028	215,850	15.9%
OPERATING EXPENSES					
Operating Expenses	377,510	368,000	395,659	363,770	-1.1%
Depreciation	31,849	38,300	38,100	43,000	12.3%
Total Operating Expenses	409,359	406,300	433,759	406,770	0.1%
Operating Income (Loss)	(212,601)	(220,000)	(219,731)	(190,920)	-13.2%
NONOPERATING REVENUES (EXPENSES)					
Interest Earned	13	-	10	10	100.0%
Gain (Loss) on Capital Assets	-	-	-	-	0.0%
Total Other Income (Expense)	13	-	10	10	100.0%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers from General Fund	200,000	200,000	212,000	195,000	-2.5%
Transfers from CIP Fund	-	-	-	-	0.0%
Total Transfers From (To) Funds	200,000	200,000	212,000	195,000	-2.5%
CAPITAL CONTRIBUTIONS					
Capital Contributions	-	20,000	20,000	-	-100.0%
Total Capital Contributions	-	20,000	20,000	-	-100.0%
Increase (Decrease) in Retained Earnings	(12,588)	-	12,279	4,090	100.0%
Add Back Depreciation	31,849	38,300	38,100	43,000	12.3%
Capital Outlay/Fixed Assets	(38,900)	(62,000)	(62,000)	(40,000)	-35.5%
Changes in Working Capital	(2,464)	-	-	-	0.0%
Net Sources (Uses) of Cash	\$ (22,103)	\$ (23,700)	\$ (11,621)	\$ 7,090	-129.9%

GOLF COURSE FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
GREENS REVENUES					
Greens Fees-Weekday,Senior,9-Hole	10,400	12,000	12,000	12,000	0.0%
Greens Fees-Weekday,Senior,18-Hole	3,022	3,500	3,500	3,500	0.0%
Greens Fees-Weekday,Regular,9-Hole	21,376	23,000	23,000	23,000	0.0%
Greens Fees-Weekday,Regular,18-H	7,950	9,900	7,500	7,500	-24.2%
Greens Fees-Weekend/Holiday	31,568	30,000	35,000	35,000	16.7%
Season Pass-Senior Individual	600	1,500	1,500	1,500	0.0%
Season Pass- Regular Individual	2,125	2,000	2,000	2,000	0.0%
Total Greens Revenues	77,041	81,900	84,500	84,500	3.2%
GOLF CART REVENUES					
Cart Rentals-Senior, 9-Hole	-	-	-	-	0.0%
Cart Rentals-1/2 Price Senior, 9-Hole	6,751	9,300	7,000	7,000	-24.7%
Cart Rentals-Senior, 18-Hole	-	-	-	-	0.0%
Cart Rentals-1/2 Price Senior, 18-Hole	3,174	4,000	4,000	4,000	0.0%
Cart Rentals-Regular, 9-Holes	-	-	-	-	0.0%
Cart Rentals-1/2 Price, 9-Holes	16,249	17,500	18,000	18,000	2.9%
Cart Rentals-Regular, 18-Holes	-	-	-	-	0.0%
Cart Rentals-1/2 Price, 18-Holes	13,089	15,800	14,000	14,000	-11.4%
Pull Cart Rentals	573	600	600	600	0.0%
Total Golf Cart Revenues	39,836	47,200	43,600	43,600	-7.6%
TOURNAMENTS & SPECIALS	59,511	36,500	60,378	58,000	58.9%
OTHER REVENUES					
Rental of Golf Clubs	510	600	600	600	0.0%
Tee Marker Sponsorship				-	0.0%
Tee Marker/Scorecard Sponsorship	2,500	-	-	-	0.0%
Golf Course Concession Revenues	3,171	3,000	3,500	3,500	16.7%
Golf Course Vending Revenues	8,890	8,000	9,000	9,000	12.5%
Golf Card Revenues	225	400	400	400	0.0%
Gift Certificate Revenues	155	-	-	-	0.0%
Locker Rental	-	-	-	-	0.0%
Golf Course Alcohol Revenues	6,639	7,000	8,000	8,000	14.3%
Property Rent-Golf Course	-	-	-	-	0.0%
Miscellaneous Golf Revenues	(1,720)	1,700	4,050	8,250	385.3%
Total Other Revenues	20,370	20,700	25,550	29,750	43.7%
Total Operating Revenues	\$ 196,758	\$ 186,300	\$ 214,028	\$ 215,850	15.9%

GOLF COURSE FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTISIFCATION	COST
Golf Course -Vehicles/Equipment-C0395 Replace Lightweight Reel Mower #326 (\$30,000), Purchase motor sand trap/rake/edger (\$10,000)	Vehicle and Equipment Replacement Schedule	Replace deteriorated equipment. Maintain reliable and efficient equipment necessary to operate and maintain golf course.	40,000
TOTAL CAPITAL OUTLAY			\$ 40,000

PROPERTY MANAGEMENT FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2015/2016

DEPARTMENT / PROGRAM OVERVIEW

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

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

DEPARTMENT / PROGRAM OBJECTIVES

- The City acquired 60 W. Washington Street in FY 11 and initiated the renovation of the building. The renovation of the business incubator space have been completed utilizing funds from a USDA RBEG Grant. The building is now fully renovated. . The front retail space is currently available for lease and it is anticipated that the space will be leased in 2015. The rear classroom and office space remains occupied by USMH.
- The City acquired 36-40 N. Potomac Street in FY 12 utilizing CDBG funds. The residential renovations in 2013 created four studio apartment units on the upper floors and all apartments are currently leased. CDBG funds and Community Legacy funds were used to complete the residential portion of the project. The art gallery renovations, funded with Economic Redevelopment and Citi Foundation Grant funds, will be completed in the spring of 2015.
- Planned repairs to the Elizabeth-Hager Center include leasehold improvements and continued replacement of HVAC units.
- In FY14, part of the Elizabeth-Hager Center (11, 12, 15, and 16 Public Square) was sold to a private investor. The proceeds from that sale were budgeted and utilized for project work on economic development brick and mortar projects

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Number of leases -			
Elizabeth-Hager Center	10	6	6
Roslyn Building	2	2	2
Fire Police Headquarters	1	1	1
Small Business Incubator (60 W. Washington St)	2	3	1
36-40 North Potomac Street	1	5	5

PROPERTY MANAGEMENT FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2015/2016

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 62,657	\$ 80,837	\$ 65,211	\$ 98,016	21.3%
Benefits	23,454	24,984	25,424	27,733	11.0%
Overtime	-	-	-	-	0.0%
Personnel Subtotal	86,111	105,821	90,635	125,749	18.8%
Contractual Services	20,436	25,238	111,880	27,818	10.2%
Operating Expenditures	317,862	237,346	317,792	321,169	35.3%
Operating Cap Exp (Cap Outlay)	6,989	-	-	-	0.0%
Other General Expenses	642,286	705,000	708,298	499,277	-29.2%
Operating Subtotal	987,573	967,584	1,137,970	848,264	-12.3%
Total Expenditures	\$ 1,073,684	\$ 1,073,405	\$ 1,228,605	\$ 974,013	-9.3%

REVENUES BY TYPE

Departmental Revenue	505,207	352,538	576,058	367,738	4.3%
Total Revenues	\$ 505,207	\$ 352,538	\$ 576,058	\$ 367,738	4.3%

Expenditures, net of Revenues \$ 568,477 \$ 720,867 \$ 652,547 \$ 606,275 -15.9%

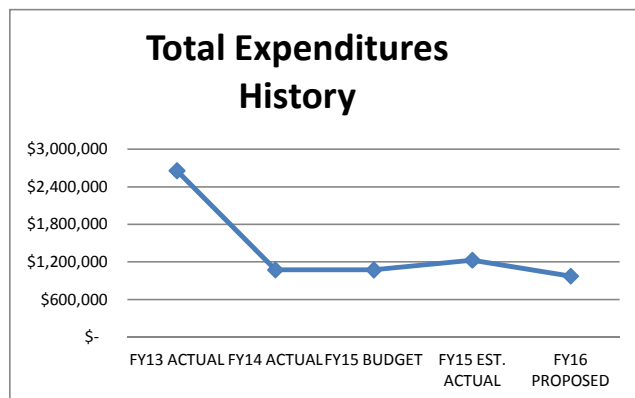
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

Salaries and wages are expected to be \$15K (19%) under budget. The FY15 budget included \$15K for temporary seasonal labor which was not utilized in FY15. In November, the City gave approval to transfer property at 21 W. Antietam to Bowman LLC with the agreement that the property would be demolished and that the City would provide \$75K in funding to assist with the demolition. As a result, contracted services is anticipated to be over budget in FY15. Operating expenditures are anticipated to be over budget by \$80K due to wage allocations from other departments for work done at various properties. The budget for FY15 included \$365K for a transfer to CIP for the MELP project that is not expected to occur in FY15. In addition expenses are expected to be incurred for maintenance and repairs to 14 N. Potomac Street and 17 E. Franklin Street. Departmental revenues are expected to be 63.4% higher than budget due to grants and contributions of \$86K and a \$75K transfer from Economic Redevelopment for 21 W. Antietam that were not contemplated in the FY15 Budget.

Adopted FY15 to Proposed FY16

Salaries and Wages are projected to increase by 18.8% or \$20K in FY16 due to the allocation of an additional position. Contracted services will increase 10.2% over FY15 due to Pest Control and HVAC work at 36-40 N. Potomac and 38 N. Potomac. Operating Expenditures are planned to increase by \$83K or 35.3% as a result of budgeting for labor allocations and increases in utilities. Other general expenses are slated to decrease by 29.2% or \$205K as no losses on disposition of capital assets or transfers to Economic Redevelopment are planned for FY16. Departmental Revenues are expected to increase slightly at 4.3% due to anticipated lease agreements.



STAFFING SUMMARY

	FY15			
	FY14	Budget	Est Act	FY16
Full time	0.9	0.9	0.9	1.1
Less: Unfunded	0.0	0.0	0.0	0.0
Staffing Total	0.9	0.9	0.9	1.1
Part time	0.0	1.0	1.0	1.0
Total Part time	0.0	1.0	1.0	1.0

PROPERTY MANAGEMENT FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Rent from Tenants	\$ 361,661	\$ 327,538	\$ 357,388	\$ 357,738	9.2%
Other Revenues	15,787	3,000	-	-	-100.0%
Total Operating Revenues	377,448	330,538	357,388	357,738	8.2%
OPERATING EXPENSES					
Selling, General and Administrative Expenses	431,399	368,405	520,306	474,736	28.9%
Depreciation	112,779	140,000	128,000	132,000	-5.7%
Total Operating Expenses	544,178	508,405	648,306	606,736	19.3%
Operating Income (Loss)	(166,730)	(177,867)	(290,918)	(248,998)	40.0%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	17,617	-	10,000	10,000	100.0%
Interest (Expense)	-	-	(1,139)	(2,277)	100.0%
Gain (Loss) on Capital Assets	(509,611)	-	(101,755)	-	0.0%
Total Other Income (Expense)	(491,994)	-	(92,894)	7,723	100.0%
Net Income (Loss) Before Transfers	(658,724)	(177,867)	(383,812)	(241,275)	35.6%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to General Fund	(19,895)	(200,000)	(240,105)	-	-100.0%
Transfers to Capital Improvement Fund	-	(365,000)	-	(365,000)	0.0%
Transfers to Econ Redevelopment	-	-	(237,300)	-	0.0%
Transfers from CDBG Fund	70,380	-	75,000	-	0.0%
Transfers from Econ Redevelopment	33,345	22,000	47,248	-	-100.0%
Total Transfers From (To) Funds	83,830	(543,000)	(355,157)	(365,000)	-32.8%
CAPITAL CONTRIBUTIONS					
Grants in Aid of Construction	6,417	-	86,422	-	0.0%
Total Capital Contributions	6,417	-	86,422	-	0.0%
Increase (Decrease) in Retained Earnings	(568,477)	(720,867)	(652,547)	(606,275)	-15.9%
Add Back Depreciation	112,779	140,000	128,000	132,000	-5.7%
Capital Outlay/Fixed Assets	(84,279)	(85,000)	(312,052)	(135,000)	58.8%
Repayment of Principal	-	-	-	(5,500)	100.0%
Changes in Working Capital	763,910	-	-	-	0.0%
Bond Proceeds	-	-	100,000	-	0.0%
Net Sources (Uses) of Cash	\$ 223,933	\$ (665,867)	\$ (736,599)	\$ (614,775)	-7.7%

PROPERTY MANAGEMENT FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16 PROPOSED	2015/16 % CHANGE
		BUDGET	EST. ACTUAL		
Rent - 2-6 N Potomac Street, 1st Floor	\$ 161,830	161,530	161,530	161,530	0.0%
Rent - 14 N Potomac Street, Suite 200A/B	32,992	20,400	33,620	33,620	64.8%
Rent - 14 N Potomac Street, Suite B-2	26,250	27,000	24,063	27,000	0.0%
Rent - 16 Public Square	1,150	-	-	-	0.0%
Rent - 12 Public Square	3,000	-	-	-	0.0%
Rent - 6 N Potomac Street	18,600	18,600	18,600	18,600	0.0%
Rent - 14 N Potomac Street, Suite B-3	27,222	27,222	27,222	27,222	0.0%
Rent - 10 Public Square (Common Area)	444	-	(222)	-	0.0%
Rent - 17 E Franklin Street	8,400	8,512	8,532	8,400	-1.3%
Rent - 14 N Potomac Suite 200B Rm 59	3,434	2,334	2,334	2,334	0.0%
Rent - 14 N Potomac Street, Suite 200B	3,000	-	-	-	0.0%
Rent - 60 W Wash Ste 102	6,460	7,370	-	-	-100.0%
Rent - 790-800 Potomac Avenue	13,342	-	13,000	13,000	100.0%
Rent - 40 N Potomac Street	19,547	19,830	18,569	19,126	-3.6%
Rent - 60 W Washington St Rear	30,240	30,240	30,240	30,240	0.0%
Rent - 38 N Potomac Street	5,750	4,500	19,900	16,666	270.4%
Total Rent from Tenants	361,661	327,538	357,388	357,738	9.2%
Insurance Reimbursements	14,322	-	-	-	0.0%
Other Revenues	1,465	3,000	-	-	-100.0%
Total Other Revenues	15,787	3,000	-	-	-100.0%
Total Operating Revenues	\$ 377,448	\$ 330,538	\$ 357,388	\$ 357,738	8.2%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

Rental income from tenants is anticipated to be \$29K higher than FY15 budget primarily due to the lease with Antietam Fire Company at 790-800 Potomac Avenue which had not been budgeted in the past and the inclusion of \$13K for rental income from Teleworks and NIST. Other revenues will be \$3K under budget as no payments have been received for water/sewer and real estate taxes at 40 N. Potomac.

Adopted FY15 to Proposed FY16

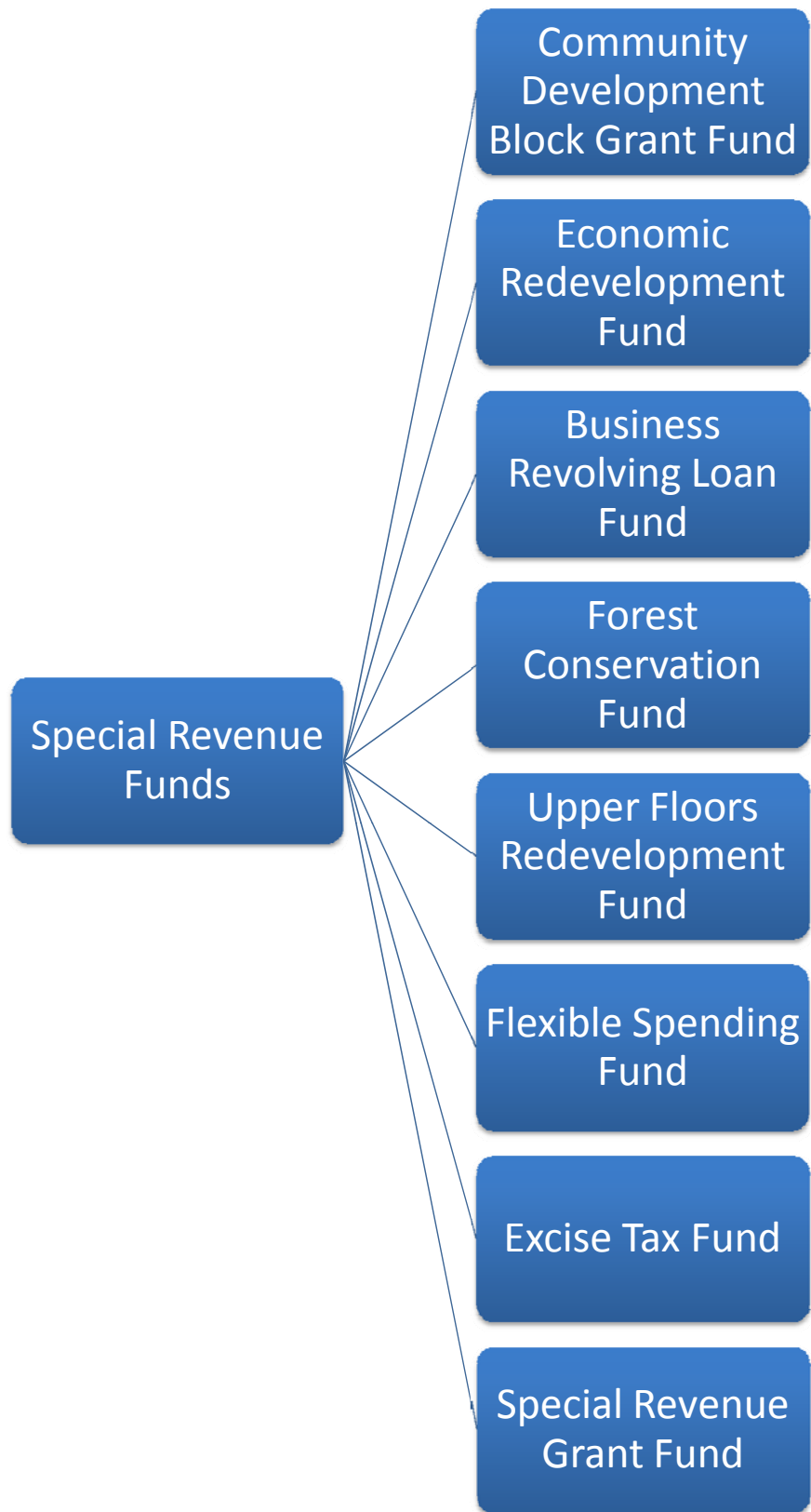
The FY16 budget was prepared to incorporate the changes that occurred in FY15 into the budget. Budgets were established for 790-800 Potomac Avenue and 14 N. Potomac Street. Additionally, other revenues were decreased by \$3K to reflect last year's anticipated actual.

PROPERTY MANAGEMENT FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Roslyn Building Renovation-C0779 Replacement of 66 windows (\$100,000)	Building Renovation	Wood Windows have deteriorated including many window sills along the East and South sides of the building. Need is immediate.	100,000
Elizabeth Hager Center-C0803 Painting, various leasehold improvements and continued replacement of HVAC units.	Office and operation use for City's tenants	New HVAC should be more efficient possibly saving on heating/cooling costs.	20,000
TOTAL CAPITAL OUTLAY			\$ 120,000

SPECIAL REVENUE FUNDS
SECTION 5

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SPECIAL REVENUE FUNDS -COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	CDBG	ECONOMIC REDEV	BUS. REVOLV LOAN FUND	FOREST CONSERV FUND	UPPER FL REDEVELOP FUND	FLEXIBLE SPENDING	EXCISE TAX	SPECIAL REVENUE GRANT	TOTAL
REVENUES									
Grant Revenues	\$ 1,117,183	\$ 275,000	-	\$ -	\$ -	\$ -	\$ -	\$ 308,609	\$ 1,700,792
Excise Tax	-	-	-	-	-	-	-	-	-
Program Income	231,964	-	23,282	-	-	-	-	-	255,246
Investment Earnings	-	200	300	20	100	20	75	-	715
Property Sales	-	-	-	-	-	-	-	-	-
Reforest Fees	-	-	-	40,000	-	-	-	-	40,000
Other Revenues	1,500	21,600	100	-	-	5,300	-	-	28,500
Total Revenues	1,350,647	296,800	23,682	40,020	100	5,320	75	308,609	2,025,253
EXPENDITURES									
Property Acquisition/Renovation	-	-	-	-	-	-	-	-	-
New Loan Expenditures	-	-	150,000	-	-	-	-	-	150,000
Commercial/Industrial Improvements	175,000	-	-	-	-	-	-	-	175,000
Public Facilities and Improvements	345,000	40,000	-	-	-	-	-	-	385,000
Public Services	105,000	-	-	-	-	-	-	-	105,000
Housing	559,000	-	-	-	-	-	-	-	559,000
Administration	163,738	124,387	14,614	-	-	7,990	-	-	310,729
Public Safety	-	-	-	-	-	-	-	356,042	356,042
Incentive for Apartment Unit Reductions	-	37,500	-	-	-	-	-	-	37,500
Comm First Third Grant:Invest Hagerstown	-	500,000	-	-	-	-	-	-	500,000
Downtown Rental Prog:Invest Hagerstown	-	24,800	-	-	-	-	-	-	24,800
Downtown Residency Prog:Invest Hagerstown	-	57,450	-	-	-	-	-	-	57,450
City-wide Residency Prog:Invest Hagerstown	-	31,126	-	-	-	-	-	-	31,126
PEP Subsidized Rent Payments	-	106,000	-	-	-	-	-	-	106,000
USMH Housing Catalyst #3	-	20,400	-	-	-	-	-	-	20,400
Total Expenditures	1,347,738	941,663	164,614	-	-	7,990	-	356,042	2,818,047
Excess of Revenues Over (under) Expenditures	2,909	(644,863)	(140,932)	40,020	100	(2,670)	75	(47,433)	(792,794)
OTHER FINANCING USES									
Operating Transfers In	-	226,000	-	-	-	-	-	-	226,000
General FB Transfers (In) Invest Hagerstown	-	613,376	-	-	-	-	-	-	613,376
Operating Transfers (Out)	-	(8,000)	-	(40,000)	(126,000)	-	(212,240)	-	(386,240)
Total Other Financing Uses	-	831,376	-	(40,000)	(126,000)	-	(212,240)	-	453,136
BUDGETED USE OF FUND BALANCE	-	-	-	-	-	-	-	-	-
Adjust for Balance Sheet Transactions	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	2,909	186,513	(140,932)	20	(125,900)	(2,670)	(212,165)	(47,433)	(339,658)
Beginning Fund Balance	2,899,785	1,159,458	967,828	2,400	176,717	12,971	546,819	34,152	5,800,130
Ending Fund Balance	\$ 2,902,694	\$ 1,345,971	\$ 826,896	\$ 2,420	\$ 50,817	\$ 10,301	\$ 334,654	\$ (13,281)	\$ 5,460,472

COMMUNITY DEVELOPMENT BLOCK GRANT - PROGRAM DESCRIPTION
FISCAL YEAR 2015/2016

DEPARTMENT / PROGRAM OVERVIEW

The Department of Community and Economic Development (DCED) administers the City's Community Development Block Grant Program (CDBG). The primary objective of the 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 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.

Due to Federal Budget cuts, the City's entitlement has been reduced by approximately 40% when compared to past entitlements. The entitlement amount for FY16 is estimated to be \$641,604. This amount is approximately \$5,000 less than the FY15 entitlement amount and continues the trend of reduced entitlements to the CDBG program.

DEPARTMENT / PROGRAM OBJECTIVES

- Consistent with the National Objectives, the FY16 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 projects and City sponsored projects.

- The DCED works in cooperation with other City Departments to carry out neighborhood based projects. Proposed Public Facility projects to be carried out in cooperation with the Department of Parks & Engineering for FY16 include:

Creation of urban parks
Sidewalk accessibility ramp construction
Downtown pedestrian crosswalk enhancements
Washington Street pedestrian walkway

In addition to the above activities, DCED will continue to partner with multiple City Departments and private property owners to carry out various projects and initiatives that will enhance the Franklin Street corridor. Current plans also include replication of this adopt-a-block effort for other areas of the City. These projects, funded by multiple sources, include the following:

Landscaping upgrades
Public art displays
Lighting upgrades

- The FY16 budget also proposes support for local public service providers. Public service providers must carry out eligible activities that meet critical, identifiable, and unmet community needs for low and moderate income City residents. Public Service providers must also have clear goals and specific, measurable, and realistic evaluation criteria.

PERFORMANCE INDICATORS

	2013/14	2014/15	2015/16
Number of Active Loans Outstanding	27	27	31
Value of Active Loans Portfolio (\$000)	\$ 1,549	\$ 1,406	\$ 1,425
Single Family Rehabilitation Projects	16	16	20
Down Payment Assistance Recipients	4	16	10
Rental Subsidy Recipients	2	7	6
Citizens Assisted Through Public Services	2,235	1,250	1,250
Overall Low/Moderate Benefit Ratio (%)	76.2%	70.0%	70.0%
Total Administrative Costs as Percent of Total Expenditures	20.0%	20.0%	20.0%

COMMUNITY DEVELOPMENT BLOCK GRANT - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/2016

EXPENDITURE SUMMARY

	2013/14 ACTUAL	2014/15		2015/16 PROPOSED	2015/16 % CHANGE
		BUDGET	EST. ACTUAL		
Commercial/Industrial Improvements	\$ 93,628	\$ 130,000	\$ 131,579	\$ 175,000	34.6%
Clearance and Demolition	46,944	-	1,000	-	0.0%
Public Facilities and Improvements	177,681	140,000	140,000	345,000	146.4%
Public Services	105,132	100,000	99,200	105,000	5.0%
Cost of Properties Held for Resale	115,515	-	-	-	0.0%
Housing	95,223	348,000	654,737	559,000	60.6%
Administration	165,031	151,863	211,421	163,738	7.8%
Total Expenditures	\$ 799,154	\$ 869,863	\$ 1,237,937	\$ 1,347,738	54.9%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

CDBG funded Homeownership projects and Neighborhood Park projects will span two fiscal years resulting in some expenditures carrying over to FY16.

In FY15, funding was provided for a part-time inspector position focused on improving the quality of life in City neighborhoods. Funding for this position is included in the FY16 budget.

Administrative and Personnel costs associated with various activities will remain under the regulatory cap of 20%.

A cooperative effort with the Parks & Engineering Department lead to the following neighborhood based projects in FY15:

- o Accessibility Ramp Improvements
- o Downtown Sidewalk Cellar Door Replacement
- o Memorial Park Phase II
- o Partial reconstruction and improvements to 43-53 West Washington Street
- o Exterior improvements to 170 West Washington Street

In FY14, the Mayor and City Council created the City-Wide Down Payment and Rehabilitation Program. Through February of 2015, this impactful program has assisted twelve (12) homeowners with transforming a vacant home into an owner-occupied residence.

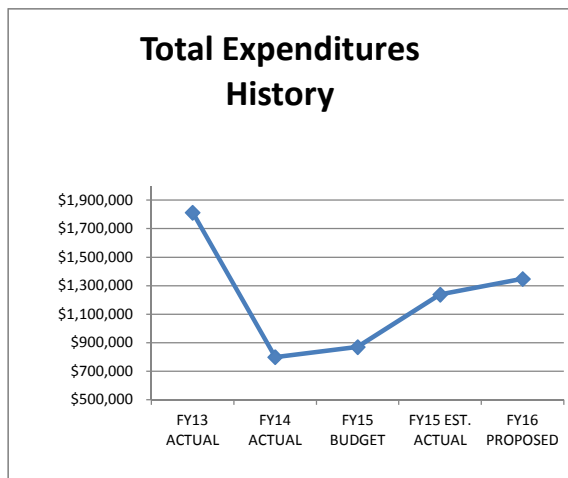
In FY14, the Mayor and City Council also adopted the First Third Grant Program. This unique program offers substantial City incentives for commercial redevelopment, and mixed-use redevelopment. Through calendar year 2014, a total of five (5) projects have been approved for First Third funding resulting in an estimated \$1,900,000 of total investment City-wide.

Estimated Actual FY15 to Proposed FY16

As mentioned above, the City is anticipating a slight reduction in FY16 CDBG entitlement funds due to Federal funding cuts. Although the entitlement for FY16 is lower than FY15, carry over projects spanning both fiscal years will likely result in level expenditure amounts when comparing FY15 and FY16.

The FY16 budget includes funds for moving forward with several initiatives in the Strategic Plan and the Community's City Center Plan including creation of Neighborhood Parks, various Neighborhood Improvements, and Homeownership Acquisition and Resale projects.

In cooperation with multiple City departments, community partners, and Neighborhood 1st groups, efforts will be made to carry out neighborhood based projects throughout the City. This includes projects being carried out with or without CDBG funding.



STAFFING SUMMARY

	FY15			
	FY14	Budget	Est Act	FY16
Full time	2.2	2.21	2.21	2.01
Less: Unfunded	0.0	0.0	0.0	0.0
Staffing Total	2.20	2.21	2.21	2.01

Full time employee count will remain flat for FY16.

COMMUNITY DEVELOPMENT BLOCK GRANT - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2015/2016

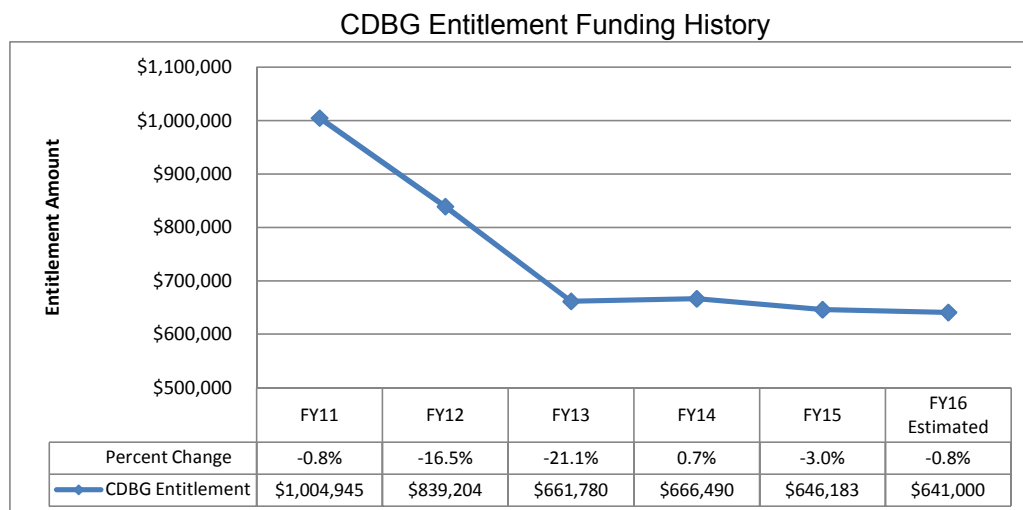
ACCOUNT DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16 PROPOSED	2015/16 % CHANGE
		BUDGET	EST. ACTUAL		
REVENUES					
CDBG Grant Entitlements	\$ 607,724	\$ 846,135	\$ 936,490	\$ 1,117,183	32.0%
Program Income	167,781	185,476	405,833	231,964	25.1%
Other Revenues	2,630	-	1,500	1,500	100.0%
Total Operating Revenues	778,135	1,031,611	1,343,823	1,350,647	30.9%
EXPENDITURES					
Commercial/Industrial Improvements	\$ 93,628	\$ 130,000	\$ 131,579	\$ 175,000	34.6%
Clearance and Demolition	46,944	-	1,000	-	0.0%
Public Facilities and Improvements	177,681	140,000	140,000	345,000	146.4%
Public Services	105,132	100,000	99,200	105,000	5.0%
Cost of Properties Held for Resale	115,515	-	-	-	0.0%
Housing	95,223	348,000	654,737	559,000	60.6%
Administration	165,031	151,863	211,421	163,738	7.8%
Total Operating Expenditures	799,154	869,863	1,237,937	1,347,738	54.9%
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES					
	\$ (21,019)	\$ 161,748	\$ 105,886	\$ 2,909	-98.2%
Beginning Fund Balance	2,814,918	2,793,899	2,793,899	2,899,785	3.8%
Ending Fund Balance	\$ 2,793,899	\$ 2,955,647	\$ 2,899,785	\$ 2,902,694	-1.8%

COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
CDBG GRANT ENTITLEMENTS					
B11 Entitlement	37,400	-	-	-	0.0%
B12 Entitlement	570,324	-	100,000	-	0.0%
B13 Entitlement	-	246,135	666,490		-100.0%
B14 Entitlement	-	600,000	170,000	476,183	-20.6%
B15 Entitlement	-	-	-	641,000	100.0%
Total CDBG Grant Entitlements	607,724	846,135	936,490	1,117,183	32.0%
PROGRAM INCOME					
Sale of Properties	-	25,000	-	75,000	200.0%
Principal Repayments on Loans	115,515	102,348	356,295	105,759	3.3%
Interest Income on Loans	52,266	58,128	49,538	51,205	-11.9%
Total Program Income	167,781	185,476	405,833	231,964	25.1%
OTHER REVENUES					
Administrative Fee Revenues	2,630	-	1,500	1,500	100.0%
Total Other Revenues	2,630	-	1,500	1,500	100.0%
Total Operating Revenues	\$ 778,135	\$ 1,031,611	\$ 1,343,823	\$ 1,350,647	30.9%

The CDBG Entitlement Funding History graph and chart below illustrate the CDBG Entitlement current year amounts awarded to the City for FY11–FY15, and the CDBG Entitlement amount estimated to be awarded to the City for FY16. Each year, funding that has not been expended is carried forward as an operating revenue into the next fiscal year. Subsequently, the amounts reported as "Total CDBG Grant Entitlements" in the above table of Proposed Operating Revenues represent the current year Entitlement funding plus any unspent Entitlement funding from prior years.

From the CDBG Entitlement Funding History graph and chart below, it is evident that there has been a sharp decline in the amount of Federal funding awarded to the City for CDBG Entitlement funds. The City's awarded funding peaked in FY11 at \$1.0 million. The funding amount awarded declined sharply from FY11 to FY13. Although the FY14 entitlement was a slight increase from FY13, additional reductions are anticipated in FY15 and FY16.



COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
ACQUISITION					
City - Downtown Buildings	\$ -	\$ -	\$ -	\$ -	0.0%
Jonathan Street Gateway	-	-	-	-	-
Clarkson Avenue	-	-	-	-	-
Total Acquisition	-	-	-	-	0.0%
COMMERCIAL/INDUSTRIAL IMPROVEMENTS					
Commercial Property Rehab Loan	-	-	-	-	0.0%
Commercial Rehab-Cellar Doors	-	30,000	25,000	30,000	0.0%
Commercial Administration	-	-	-	-	0.0%
Commercial Rehabilitation	-	100,000	100,000	145,000	45.0%
Commercial Rehab-City Owned Property	93,628	-	6,579	-	0.0%
Comm Rehab-City Owned 36-40 N Potomac St	-	-	-	-	-
Total Commercial/Industrial Improvements	93,628	130,000	131,579	175,000	34.6%
CLEARANCE & DEMOLITION					
City - Downtown Buildings	46,944	-	1,000	-	0.0%
Total Clearance & Demolition	46,944	-	1,000	-	0.0%
COST OF PROPERTIES HELD FOR RESALE	115,515	-	-	-	0.0%
PUBLIC FACILITIES & IMPROVEMENTS					
Hagerstown Small Business Center	-	-	-	-	0.0%
Handicap Ramps	74,721	60,000	60,000	60,000	0.0%
Street Construction	-	-	-	35,000	100.0%
Park Circle Improvements	-	-	-	-	0.0%
Neighborhood Parks	29,416	80,000	80,000	250,000	212.5%
Loans	73,544	-	-	-	0.0%
Total Public Facilities & Improvements	177,681	140,000	140,000	345,000	146.4%
PUBLIC SERVICES					
Transfer to CIP Fund	-	-	-	-	0.0%
CAC Housing Counsel	-	-	-	-	0.0%
CAC Crisis Intervention	-	-	-	-	0.0%
REACH Shelter Security	-	-	-	-	0.0%
Neighborhoods 1st	-	-	-	-	0.0%
Public Services	-	800	-	105,000	13025.0%
Neighborhood Services	157	-	-	-	0.0%
Community Free Clinic	39,000	39,000	39,000	-	-100.0%
Adult Daycare(Easter Seals)	-	-	-	-	0.0%
Food & Friends	4,500	4,500	4,500	-	-100.0%
Girl's Inc Supper Program	8,300	8,300	8,300	-	-100.0%
Summer Day Camp (Memorial Recreation Center)	-	-	-	-	0.0%
Fair Housing Services	-	-	-	-	0.0%
Children in Need	4,900	4,900	4,900	-	-100.0%
Big Brothers, Big Sisters	-	-	-	-	0.0%
Girl's Inc.	-	-	-	-	0.0%
Senior Living Alternative Meals	42,500	42,500	42,500	-	-100.0%
Summer Playground Meals	5,775	-	-	-	0.0%
Community Free Clinic - Prescription	-	-	-	-	0.0%
Total Public Services	105,132	100,000	99,200	105,000	5.0%

COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
HOUSING					
Housing Rehabilitation	\$ -	\$ 293,000	\$ -	\$ -	-100.0%
Res Single Fam Emergency Repair	25,274	-	35,000	30,000	100.0%
Homeownership Program	8,897	-	275,000	220,000	100.0%
Commission on Aging	18,750	-	18,000	18,000	100.0%
HNDP Downpayment & Settlement	21,000	-	24,500	18,000	100.0%
Single Family Loan Program	-	-	125,000	50,000	100.0%
Residential Rental Rehabilitation	-	-	200,000	158,000	100.0%
CDBG Administration (Residential Rental)	37	5,000	2,500	10,000	100.0%
CDBG Administration (Home Ownership)	1,066	5,000	2,500	15,000	200.0%
CDBG Administration (Single Family)	760	15,000	2,500	10,000	-33.3%
Contra Expense-Single Family Rehab	(68,775)	-	(60,263)	-	0.0%
Code Admin PT Inspector	17,834	30,000	30,000	30,000	0.0%
Housing Rehab-City Owned	70,380	-	-	-	0.0%
Total Housing	95,223	348,000	654,737	559,000	60.6%
ADMINISTRATION					
Regular Wages - Salaried	91,606	93,200	92,386	107,006	14.8%
Vacation Pay	8,829	-	8,203	-	0.0%
Holiday Pay	5,090	-	5,876	-	0.0%
Sick Leave Pay	2,293	-	3,362	-	0.0%
Personal Leave	1,187	-	1,734	-	0.0%
Overtime Pay	-	-	1,250	-	0.0%
Allocated Labor - Salaried	(8,901)	(25,000)	(20,000)	(25,000)	0.0%
Office Supplies	130	500	250	500	0.0%
Computer Software & Supplies	40	300	150	300	0.0%
Dues, Subscriptions & Periodicals	240	500	350	500	0.0%
Central Maintenance Garage	189	-	-	-	0.0%
Advertising & Printing	1,348	1,000	1,100	1,250	25.0%
Maintenance Agreements	450	-	-	-	0.0%
Legal Fees	1,800	3,000	2,500	3,000	0.0%
Auditing Fees	1,830	3,239	1,875	3,592	10.9%
Consolidated Plan	-	7,500	39,000	-	-100.0%
Public Transportation Expenses	14	100	50	100	0.0%
Lodging & Meals	469	1,000	750	1,000	0.0%
Conference & Seminar Fees	-	1,000	250	1,000	0.0%
Postage Expenses	78	400	200	300	-25.0%
Other General Expenses	(7,177)	-	-	-	0.0%
Photocopy Expenses	3	500	50	250	-50.0%
Retirement Deficit Payment	9,364	9,832	8,381	10,323	5.0%
Retirement Contribution - State	12,207	15,169	15,169	13,594	-10.4%
FICA Taxes	7,676	7,780	7,862	7,536	-3.1%
Life Insurance	184	187	176	182	-2.7%
Workers Compensation	1,241	1,315	1,656	1,730	31.6%
Buildings & Contents Insurance	1,849	1,931	1,811	1,865	-3.4%
Public Officials	291	301	300	310	3.0%

COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14 ACTUAL	2014/15		2015/16 PROPOSED	2015/16 % CHANGE
		BUDGET	EST. ACTUAL		
ADMINISTRATION (continued)					
Health Insurance	20,295	22,667	23,434	22,894	1.0%
Health Insurance-Retiree	-	-	7,052	7,405	100.0%
Dental Insurance	770	876	834	784	-10.5%
General Liability Insurance	160	166	160	167	0.6%
Employee Discounted Parking	656	-	300	-	0.0%
Interest Exp. - Escrowed Taxes	194	-	50	-	0.0%
Communication Expense	3,745	1,150	2,000	1,900	65.2%
Capital Outlay - Office Furniture	-	3,250	2,900	1,250	-61.5%
Office Allocation	6,881	-	-	-	0.0%
Total Administration	165,031	151,863	211,421	163,738	7.8%
Total Expenditures	\$ 799,154	\$ 869,863	\$ 1,237,937	\$ 1,347,738	54.9%

COMMUNITY DEVELOPMENT BLOCK GRANT FUND CAPITAL EXPENSES
FISCAL YEAR 2015/2016

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
1050001-5861 Desks, Chairs, & Tables	Office furniture, cabinets, and shelves	Replace worn equipment	\$ 250
1050001-5865 Computer Equipment	Computer equipment	Replace worn or obsolete equipment	1,000
TOTAL CAPITAL OUTLAY			\$ 1,250

OTHER SPECIAL REVENUE FUNDS - PROGRAM SUMMARY
FISCAL YEAR 2015/2016

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 in the City Center. Additionally, this fund is used for the PEP Program, First Third Program, holding real property for resale, and related development activities. Revenues in this fund consist of periodic transfers from other funds and a proposal to transfer funds from the General Fund to assist in carrying out the strategic revitalization efforts such as building rehabilitation and/or acquisition activities.

BUSINESS REVOLVING LOAN FUND

This fund is designed to assist in the retention, expansion and attraction of businesses within the City. The Business Revolving Loan Fund was initially funded through a grant from the Maryland Department of Business and Economic Development and City Community Betterment Funds. This program provides financing for new and expanding businesses for working capital, equipment, and rehabilitation. In FY14, a partnership with the State of Maryland resulted in a State contribution of \$100,000 to the Revolving Loan Fund. In order to expand loan opportunities, the City will continue to seek funding for the Revolving Loan Fund through this partnership. For FY16, it is anticipated that program income will allow \$150,000 in new loans to be made.

UPPER FLOORS REDEVELOPMENT FUND

This fund was originally envisioned to provide assistance to install elevators and other equipment necessary to make the upper floors of existing downtown buildings attractive for residential or business use. In working to leverage funds, transfers from this fund to the Business Revolving Loan fund are being made as the required match for State of Maryland Funding to the Business Revolving Loan Program. The original purpose of this fund can be carried out through both the Business Revolving Loan Fund and other incentive programs such as the First Third Program.

FOREST CONSERVATION FUND

This fund was created as part of the City's forest conservation program for development within the City of Hagerstown. In lieu of reforestation activities on a development site, developers have the option to pay into a special City forest conservation fund for offsite forestation activities. The proposed fiscal year 2015/16 budget includes the transfer of funds to the CIP Fund for street trees and other forestation activities.

EMPLOYEE FLEXIBLE SPENDING FUND

This fund accounts for the City Employee Flexible Spending Account (FSA) Program. Funds are transferred into this fund on a pre-tax basis for employees participating in the FSA Program for reimbursed medical and dependent care costs. The City's savings in social security and medicare costs from this pre-tax funding are used to pay for the program's administrative cost.

EXCISE TAX FUND

This fund accounts for the City's share of the County Excise Taxes collected by the City. Excise Taxes revenue may be used only for specific purposes and is tracked in order to comply with the purposes permitted. Permitted purposes include roads, new construction or development of parks and recreational facilities, new construction or development of water and wastewater infrastructure and new construction or development of public safety facilities.

SPECIAL REVENUE GRANT FUND

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

ECONOMIC REDEVELOPMENT FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2015/2016

DEPARTMENT / PROGRAM OVERVIEW

The Economic Redevelopment Fund includes several major initiatives in the budget. The three primary initiatives are 170 West Washington Street, 43-53 West Washington Street, and Franklin Street Beautification.

170 West Washington Street:

A property located at the western gateway to the City Center is undergoing enhancements to remedy a blighting influence on the surrounding neighborhood and promote a more positive image of the downtown. The City of Hagerstown purchased the property at 170 West Washington Street from Frederick County Bank in March of 2013. The property had been vacant for a significant amount of time, which was impacting the immediate area, including churches and the St. Mary School. Using Economic Redevelopment funds, the City demolished the rear motel portion of the property, leveling the rear lot to make it ready for either new construction or parking, depending on a subsequent owner's needs. Roof replacement, window replacement, and exterior painting will commence in FY15. These improvements will allow the City to more effectively promote the building for redevelopment. A Community Legacy grant of \$50,000 was awarded in FY15 and this funding will be matched with Economic Redevelopment funds (proceeds from the sale of 11-16 Public Square) to complete the exterior improvements.

Due to the location and historical value of the structure, this property was selected to be one of the City's strategic acquisition and redevelopment projects. The property is currently being marketed for resale back to the private sector for final redevelopment.

170 West Washington Street Funding Sources and Uses

Expenditures	FY14	FY15
Acquisition	\$ 27,500	
Demolition/Construction/Rehabilitation	\$ 87,000	\$ 225,000

Funding Sources	FY14	FY15
Economic Redevelopment	\$ 114,500	\$ 50,000
Community Legacy	\$ -	\$ 50,000
Proceeds - Sale of 11-16 Public Square		\$ 125,000

43-53 West Washington Street:

Two neglected and deteriorating properties located across the street from the University System of Maryland at Hagerstown are now undergoing enhancements to create meaningful change in the downtown. In April of 2013 the City of Hagerstown purchased two buildings located at 43-53 West Washington Street (also known as the Updegraf Buildings). 43-47 West Washington Street is in significant need of repair and stabilization due to years of neglect and exposure to the elements. The City inherited a tenant, The Potomac Bead Company, in the 49-53 building, which has a complete fire suppression system and is otherwise more prepared for complete redevelopment. In 2014, the small two-story section of the rear of this building was demolished, the rear roof was replaced, and the rear wall was rebuilt. Additional work will begin in FY15 and FY16 and includes: façade renovations, a pedestrian walkway, and interior renovations to allow for subdivision of the properties.

The property presents a significant opportunity for an impactful downtown redevelopment project given its location across from the USMH campus and within the heart of the Arts and Entertainment District. The property is currently being marketed for resale back to the private sector for final redevelopment.

43-53 West Washington Street Funding Sources and Uses

Expenditures	FY13	FY14	FY15	FY16
Acquisition	\$ 320,000			
Demolition/Construction/Rehabilitation		\$ 140,550	\$ 293,200	\$ 200,000

Funding Sources	FY13	FY14	FY15	FY16
Economic Redevelopment				
Community Legacy	\$ 100,000		\$ 25,000	\$ 75,000
CDBG	\$ 220,000	\$ 140,550	\$ 155,900	
Proceeds - Sale of 11-16 Public Square			\$ 112,300	\$ 125,000

ECONOMIC REDEVELOPMENT FUND - PROGRAM DESCRIPTION (continued)
FISCAL YEAR 2015/2016

Franklin Street Beautification:

In 2015, the Department of Community and Economic Development will continue implementation of numerous projects and initiatives that will enhance the Franklin Street corridor in the downtown. This comprehensive effort includes cooperation from Parks & Engineering, Utilities, Public Works, HPD, and private property owners. Planned public improvements will consist of street tree box enhancements, sidewalk door replacements, public/private lighting upgrades, and public art displays. Installation of a new gateway sign and updated landscaping for the N. Cannon Ave./E Franklin St. intersection is scheduled for the spring of 2015. Weekly cleanups on Franklin Street provided the opportunity for collaboration and outreach with the Faith Community and local residents. Adopt-a-block efforts for additional areas of the City are planned to begin in FY16. Combined with the existing programs such as the City Center Residency Initiative, Neighborhood Façade Program, and First Third Grant Program, these concentrated efforts will have a significant impact in the downtown and create visible change along Franklin Street.

Economic Redevelopment Fund All Initiatives:

In Fiscal Year 2016, funding for the above initiatives will be a combination of Economic Redevelopment and Community Development Block Grant funds. Additional funding through State and Federal programs will also be pursued.

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. These unique programs offer substantial City incentives for commercial redevelopment, mixed-use redevelopment, and residential investment.

The First Third Grant Program provides grants up to \$250,000 for eligible redevelopment projects in the City Center and up to \$50,000 eligible redevelopment projects City-wide. The City partners with the private sector to assist in moving development forward. Through calendar year 2014, a total of five (5) projects have been approved for First Third funding. This program resulted in a combined private and public investment City-wide estimated at \$1,900,000.

The City-Wide Down Payment/Rehab Incentive Program offers up to \$7,500 for homebuyers purchasing a vacant home within the City of Hagerstown. The program strengthens neighborhoods by encouraging homeownership of older structures that have been vacant for an extended period of time. By the end of FY15, it is projected that thirteen (13) homebuyers will utilize this incentive to transform a vacant home into an owner-occupied home.

The City Center Residency Initiative (CCRI) was created to attract a more diversified population to reside in the City Center. The program consists of two components: a down payment/rehab incentive for homebuyers and a rental subsidy for renters. In FY14, the Mayor and City Council enhanced this program by adopting more substantial incentives for each CCRI component. By the end of FY15, it is projected that seven (7) renters will utilize the CCR rental subsidy incentive and three (3) homebuyers will use the CCRI down payment incentive.

Invest Hagerstown Program Incentives		2013/14	2014/15	2015/16	
Expenditures	Designated	Actual	Estimated	Proposed	Future
Community First Third Grant	\$ 1,200,000	\$ 50,000	\$ 250,000	\$ 500,000	\$ 400,000
Downtown Rental Program	\$ 50,000	\$ -	\$ 25,200	\$ 24,800	\$ -
Downtown Residency Program	\$ 100,000	\$ 12,550	\$ 30,000	\$ 57,450	\$ -
City-Wide Residency Program	\$ 150,000	\$ 17,000	\$ 101,874	\$ 31,126	\$ -
Total Expenditures per Year	\$ 1,500,000	\$ 79,550	\$ 407,074	\$ 613,376	\$ 400,000

ECONOMIC REDEVELOPMENT FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE
REVENUES						
Interest Income from Investments	\$ 247	\$ 500	\$ 200	\$ 200	\$ 200	-60.0%
State Community Legacy Grant	-	150,000	75,000	275,000	275,000	83.3%
Other Revenues	39,400	21,600	21,600	21,600	21,600	0.0%
Total Revenues	39,647	172,100	96,800	296,800	296,800	72.5%
EXPENDITURES						
Administrative Expenditures	-	5,000	1,000	1,500	1,500	-70.0%
Property Acquisition and Renovation						
Costs: Properties Held for Resale	-	50,000	-	-		-100.0%
Comm First Third Grant: Invest Hagerstown	50,000	-	250,000	500,000	500,000	100.0%
Downtown Rental Prog:Invest Hagerstown	-	-	25,200	24,800	24,800	100.0%
Downtown Residency Prog:Invest Hagerstown	12,550	100,000	30,000	57,450	57,450	-42.6%
City-Wide Residency Prog:Invest Hagerstown	17,000	135,000	101,874	31,126	31,126	-76.9%
PEP Subsidized Rent Payments	77,870	120,000	120,000	120,000	106,000	0.0%
Main Street Program	-	15,000	-	-		-100.0%
Incentive for Apartment Unit Reductions	-	50,000	-	75,000	37,500	50.0%
Downtown Streetscape Enhancements	(46)	100,000	50,000	50,000	40,000	-50.0%
Sign and Facade Grants	9,756	12,500	22,000	12,500	-	0.0%
USMH Housing Catalyst #3	-	-	-	20,400	20,400	100.0%
Current Property Expenditures	11,597	16,495	15,877	122,887	122,887	645.0%
Total Expenditures	178,727	603,995	615,951	1,015,663	941,663	68.2%
OTHER FINANCING SOURCES (USES)						
Transfers from General Fund:						
Community Based Initiatives	100,000	-	-	200,000	\$ 100,000	100.0%
Transfers from GF Fund Bal:Invest Hagerstown	79,550	235,000	407,074	613,376	\$ 613,376	161.0%
Transfers from CDBG Fund	140,572	-	100,000			0.0%
Transfers from Property Management Fund	-	-	237,300	-		0.0%
Transfers from Upper Floors Fund	-		-	100,000	\$ 126,000	100.0%
Transfers (to) CIP Fund	-	-	-	(8,000)	(8,000)	100.0%
Transfers (to) Property Mgmt Fund	(33,345)	(22,000)	(122,248)	-		-100.0%
Total Other Financing Sources	286,777	213,000	622,126	905,376	831,376	325.1%
Adjust for Balance Sheet Transactions	-	(50,000)	-	-	-	-100.0%
Net Change in Fund Balance	147,697	(168,895)	102,975	186,513	186,513	-210.4%
Beginning Fund Balance	908,786	1,056,483	1,056,483	1,159,458	1,159,458	9.7%
Ending Fund Balance	\$ 1,056,483	\$ 887,588	\$ 1,159,458	\$ 1,345,971	\$ 1,345,971	51.6%

BUSINESS REVOLVING LOAN FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES & LOAN REPAYMENTS					
Program Income:					
Principal Repayments	\$ -	\$ 57,326	\$ -	\$ -	-100.0%
Interest from Loans	20,725	23,703	20,394	23,282	-1.8%
Interest on Investments	282	350	280	300	-14.3%
State Grants	-	100,000	-	-	-100.0%
Miscellaneous Revenues	100	-	100	100	100.0%
Total Revenues	21,107	181,379	20,774	23,682	-86.9%
EXPENDITURES, NEW LOANS & OTHER WORKING CAPITAL					
Salary, Wages and Benefits	-	17,453	-	11,534	-33.9%
Contractual Services	3,611	4,298	2,325	3,080	-28.3%
Capital Outlay	1,595	-	75	-	0.0%
New Loan Expenditures	(4,915)	125,000	125,000	150,000	20.0%
Total Expenditures	291	146,751	127,400	164,614	12.2%
OTHER FINANCING SOURCES (USES)					
Transfer from Upper Floors Redev Fund	-	50,000	-	-	-100.0%
Total Other Financing Sources	-	50,000	-	-	-100.0%
Net Change in Fund Balance	20,816	84,628	(106,626)	(140,932)	-266.5%
Beginning Fund Balance	1,053,638	1,074,454	1,074,454	967,828	-9.9%
Ending Fund Balance	\$ 1,074,454	\$ 1,159,082	\$ 967,828	\$ 826,896	-28.7%

STAFFING SUMMARY

	FY15		FY16
	Est Act	Budget	Budget
Full time	0.00	0.00	0.16
Less: Unfunded	0.00	0.00	0.00
Staffing Total	0.00	0.00	0.16

UPPER FLOORS REDEVELOPMENT FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 ADOPTED	2015/16 % CHANGE
REVENUES						
Interest on Investments	\$ 90	\$ 350	\$ 90	\$ 100	\$ 100	-71.4%
Total Revenues	90	350	90	100	100	-71.4%
EXPENDITURES						
New Loan (Grant) Expenditures	-	-	-	-	-	0.0%
Total Expenditures	-	-	-	-	-	0.0%
OTHER FINANCING SOURCES (USES)						
Transfers (to) Bus Revolving Loan Fund	-	(50,000)	-	-	-	-100.0%
Transfers (to) Econ. Redevelopment Fund	-	-	-	(100,000)	(126,000)	100.0%
Total Other Financing Sources	-	(50,000)	-	(100,000)	(126,000)	100.0%
Net Change in Fund Balance	90	(49,650)	90	(99,900)	(125,900)	101.2%
Beginning Fund Balance	176,537	176,627	176,627	176,717	176,717	0.1%
Ending Fund Balance	\$ 176,627	\$ 126,977	\$ 176,717	\$ 76,817	\$ 50,817	-39.5%

FOREST CONSERVATION FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	BUDGET	% CHANGE
REVENUES					
Reforest Fees - Unspecified	\$ -	\$ -	\$ 30,579	\$ 40,000	100.0%
Interest Revenue	24	50	25	20	-60.0%
Total Revenues	24	50	30,604	40,020	79940.0%
OTHER FINANCING SOURCES (USES)					
Transfers (to) CIP Fund	-	(8,000)	(70,986)	(40,000)	400.0%
Total Other Financing Sources	-	(8,000)	(70,986)	(40,000)	400.0%
Net Change in Fund Balance	24	(7,950)	(40,382)	20	-100.3%
Beginning Fund Balance	42,758	42,782	42,782	2,400	-94.4%
Ending Fund Balance	\$ 42,782	\$ 34,832	\$ 2,400	\$ 2,420	-93.1%

EMPLOYEE FLEXIBLE SPENDING FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES					
Interest Earned	\$ 1	\$ 75	\$ 20	\$ 20	-73.3%
Employer FICA Savings	4,840	5,000	4,800	4,800	-4.0%
Unreimbursed Employee Deductions	20,006	500	(14,941)	500	0.0%
Total Revenues	24,847	5,575	(10,121)	5,320	-4.6%
EXPENDITURES					
Contractual Services	5,365	5,400	6,410	6,410	18.7%
Other General Expense	800	1,399	825	1,580	12.9%
Total Expenditures	6,165	6,799	7,235	7,990	17.5%
OTHER FINANCING SOURCES (USES)					
Transfers (to) General Fund	-	-	-	-	0.0%
Total Other Financing Uses	-	-	-	-	0.0%
Net Change in Fund Balance	18,682	(1,224)	(17,356)	(2,670)	118.1%
Beginning Fund Balance	11,645	30,327	30,327	12,971	-57.2%
Ending Fund Balance	\$ 30,327	\$ 29,103	\$ 12,971	\$ 10,301	-64.6%

EXCISE TAX FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES					
Revenue for Roads	\$ 46,712	\$ -	\$ -	\$ -	0.0%
Revenue for Other Capital Purposes	10,155	-	-	-	0.0%
Revenue from Nonresidential Projects	12,411	-	-	-	0.0%
Interest Revenue	464	900	125	75	-91.7%
Total Revenues	69,742	900	125	75	-91.7%
OTHER FINANCING SOURCES (USES)					
Transfers (to) CIP Fund	(206,613)	(167,000)	(124,738)	(212,240)	27.1%
Total Other Financing Sources	(206,613)	(167,000)	(124,738)	(212,240)	27.1%
Net Change in Fund Balance	(136,871)	(166,100)	(124,613)	(212,165)	27.7%
Beginning Fund Balance	808,303	671,432	671,432	546,819	-18.6%
Ending Fund Balance	\$ 671,432	\$ 505,332	\$ 546,819	\$ 334,654	-33.8%

SPECIAL REVENUE GRANT FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	2013/14	2014/15		2015/16	2015/16
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES:					
Interest Earned	\$ 144	\$ -	\$ -	\$ -	0.0%
Federal Grants	489,749	258,631	-	58,504	-77.4%
State Grants	317,599	311,840	-	246,105	-21.1%
County Grants	2,760	4,000	-	4,000	0.0%
Program Income	449	-	-	-	0.0%
Other Contributions & Revenues	115	-	-	-	0.0%
Total Revenues	810,816	574,471	-	308,609	-46.3%
EXPENDITURES:					
Salary and Wages	150,007	173,577	5,789	178,403	2.8%
Benefits	29,607	34,412	-	33,001	-4.1%
Overtime	135,311	79,746	-	76,260	-4.4%
Personnel Subtotal	314,925	287,735	5,789	287,664	0.0%
Contractual Services	175,901	59,948	-	59,948	0.0%
Operating Expenditures	8,534	201,183	-	-	-100.0%
Capital Outlay	235,797	21,400	-	-	-100.0%
Other General Expenses	54,258	9,102	-	8,430	-7.4%
Operating Subtotal	474,490	291,633	-	68,378	-76.6%
TOTAL EXPENDITURES	789,415	579,368	5,789	356,042	-38.5%
OTHER FINANCING SOURCES (USES)					
Transfer from General Fund	1,402	65,778	8,816	-	-100.0%
Total Other Financing Sources	1,402	65,778	8,816	-	-100.0%
Net Change in Fund Balance	22,803	60,881	3,027	(47,433)	-177.9%
Beginning Fund Balance	8,322	31,125	31,125	34,152	9.7%
Ending Fund Balance	\$ 31,125	\$ 92,006	\$ 34,152	\$ (13,281)	-114.4%

Activity in this fund is dependent on grants that we receive. The following grants have been included for next year:

		2015/16 PROPOSED
Police Department	FY14 Compliance Checks through WC Health Dept	3,500
	FY15 Lethality Assessment Coordinator	3,500
	FY15 Safe Streets	47,933
	FY15 Hagerstown PD MHSO Traffic Safety Program	3,500
	FY14 JAG Program	4,019
	FY15 JAG Program	12,055
	FY16 Safe Streets	189,439
	FY16 Lethality Assessment Coordinator	16,500
	FY16 Domestic Violence Entry	11,666
	FY16 Hagerstown PD MHSO Traffic Safety Program	10,500
	FY16 GVRG Cease Fire	45,000
	FY16 Coordination of Domestic Violence	8,430
	Total Grant Revenues	\$ 356,042

SERVICE AND TRUST FUNDS
SECTION 6

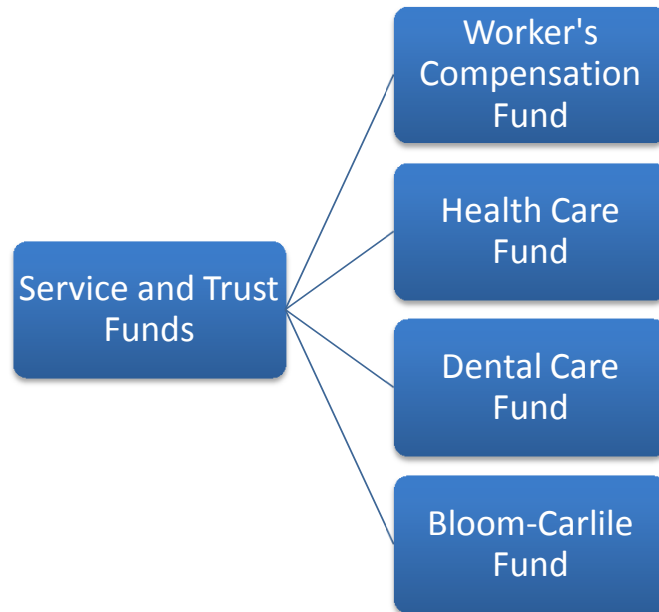
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SERVICE & TRUST FUND - COMBINING STATEMENT
FISCAL YEAR 2015/2016

ACCOUNT DESCRIPTION	WORKERS COMPENSATION	HEALTH CARE	DENTAL CARE	BLOOM- CARLILE	TOTAL
OPERATING REVENUES					
Premium Revenues	\$ 1,089,126	\$ 7,683,381	\$ 408,623	\$ -	\$ 9,181,130
Prescription Rebates	-	80,000	-	-	80,000
Stop Loss Reimbursements	-	14,600	-	-	14,600
Total Operating Revenues	1,089,126	7,777,981	408,623	-	9,275,730
OPERATING EXPENSES					
Medical Loss Reimbursement, Stop					
Loss Reinsurance, & Loss Claims Fees	759,775	6,923,666	361,000	-	8,044,441
Other Post Employment Benefits	-	650,000	-	-	650,000
Legal Fees, Claims Administrative Expenses &					
Injury and Damage Awards	81,041	391,962	25,663	-	498,666
Health Savings Acct Contributions	-	21,250	-	-	21,250
Audit Fees	703	703	702	-	2,108
Community Assistance Expenditures	-	-	-	6,500	6,500
Total Operating Expenses	841,519	7,987,581	387,365	6,500	9,222,965
Operating Income (Loss)	247,607	(209,600)	21,258	(6,500)	52,765
NON OPERATING REVENUES (EXPENSES)					
Investment Earnings	130	1,100	50	25	1,305
Total Other Income (Expense)	130	1,100	50	25	1,305
Net Income before Operating Transfers	247,737	(208,500)	21,308	(6,475)	54,070
Transfers out - General Fund	-	(55,000)	-	-	(55,000)
Increase (Decrease) in Retained Earnings	\$ 247,737	\$ (263,500)	\$ 21,308	\$ (6,475)	\$ (930)
Beginning Fund Balance	611,137	2,065,931	70,952	116,274	2,864,294
Ending Fund Balance	\$ 858,874	\$ 1,802,431	\$ 92,260	\$ 109,799	\$ 2,863,364

SERVICE AND TRUST FUNDS - PROGRAM DESCRIPTION
FISCAL YEAR 2015/2016



WORKERS COMPENSATION FUND OVERVIEW

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

Effective July 1, 2015 the City will transition from a traditional 100% coverage insurance to a self-insurance program. The fund will continue to serve as a conduit to collect charges based on historical allocations from each fund and category of workers and will be used to pay actual claim costs and other fees.

HEALTH CARE FUND OVERVIEW

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

DENTAL CARE FUND OVERVIEW

The Dental Care fund was created in 2006 to manage the City's new self-insurance program for dental care. Under this self-funded plan, the City pays a standard monthly administrative fee for each covered member and processes claims up to a 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. 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 2015/2016

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Loss Claims Expense	\$ -	\$ -	\$ -	\$ 759,775	100.0%
Administrative Expenses	-	-	-	51,039	100.0%
Premium Expense	812,265	1,350,000	1,342,520	-	-100.0%
Audit Fees	350	613	366	703	14.7%
Legal Fees	-	-	-	30,002	100.0%
Other Professional Services Fees	8,400	-	-	-	0.0%
Transfers to General Fund	250,000	-	-	-	0.0%
Total Expenditures & Transfers	\$ 1,071,015	\$ 1,350,613	\$ 1,342,886	\$ 841,519	-37.7%
					(509,094)
REVENUES BY TYPE					
Premium Revenues	909,778	1,350,000	1,378,973	1,089,126	-19.3%
Interest Income from Investments	317	1,255	130	130	-89.6%
Miscellaneous Revenues	-	-	-	-	0.0%
Total Revenues	\$ 910,095	\$ 1,351,255	\$ 1,379,103	\$ 1,089,256	-19.4%
Expenditures, net of Revenues	\$ 160,920	\$ (642)	\$ (36,217)	\$ (247,737)	38488.3%
Beginning Fund Balance	735,840	574,920	574,920	611,137	6.3%
Ending Fund Balance	\$ 574,920	\$ 575,562	\$ 611,137	\$ 858,874	49.2%

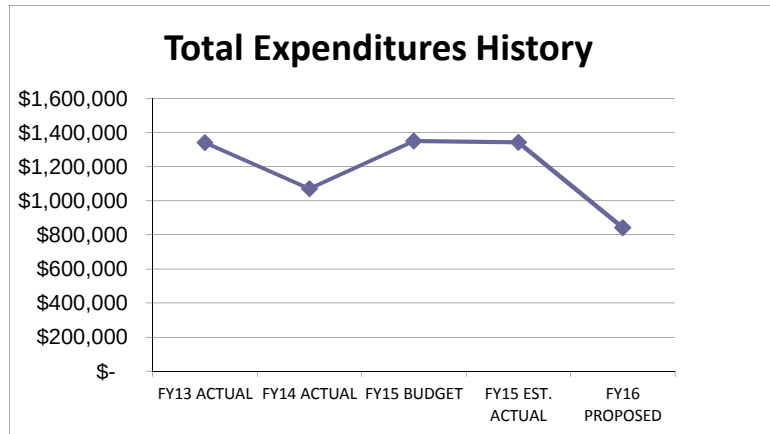
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

Total expenditures for FY15 estimated actual are anticipated to be slightly under FY15 budget by 0.6% or \$7,727. This slight decrease is a result of premium expenses being under budget. In addition, the revenue is anticipated to increase by 2.1% or \$27,848. The premium revenues reflect amounts charged to all other City funds and were established with slightly higher rates based on anticipated expenses.

FY15 to Proposed FY16

Total expenditures for FY16 are projected to decrease by 37.7% or \$509,094 due to the transition from a 100% guaranteed premium insurance to a self-insurance plan. The City retained a consultant, CBIZ, to project and provide the detailed data included in the proposed FY16 budget, including the amount that should be funded. Based on the recommendations from CBIZ, the City anticipates that premium revenue will reflect a decrease of 19.3%.



HEALTH CARE FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/2016

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Medical Loss Reimbursements	\$ 5,303,521	\$ 6,175,483	\$ 6,360,000	\$ 6,499,526	5.2%
Administrative Expenses	438,768	407,172	435,999	391,962	-3.7%
Claims Reserve Expense	(252,545)	75,000	75,000	75,000	0.0%
Audit Fees	778	613	367	703	14.7%
Stop Loss Reinsurance Expense	233,407	249,999	250,000	349,140	39.7%
Health Savings Acct Contributions	21,250	19,500	21,750	21,250	9.0%
Other Post Employment Benefits	650,000	650,000	650,000	650,000	0.0%
Transfers to General Fund	24,834	55,000	55,000	55,000	0%
Total Expenditures & Transfers	\$ 6,420,013	\$ 7,632,767	\$ 7,848,116	\$ 8,042,581	5.4%

REVENUES BY TYPE

Premium Revenues-City	5,466,477	5,836,042	6,069,744	6,332,091	8.5%
Premium Revenues-Employees	1,117,821	1,158,300	1,106,304	1,110,000	-4.2%
Premium Revenues-Retirees	238,776	240,500	241,290	241,290	0.3%
Stop Loss Reimbursement	1,299	16,000	14,600	14,600	-8.8%
Prescription Rebates	83,937	90,000	80,000	80,000	-11.1%
Interest from Investments	2,065	3,000	1,100	1,100	-63.3%
Miscellaneous Revenue	1,399	-	-	-	0.0%
Total Revenues	\$ 6,911,774	\$ 7,343,842	\$ 7,513,038	\$ 7,779,081	5.9%

Expenditures, net of Revenues	\$ (491,761)	\$ 288,925	\$ 335,078	\$ 263,500	-8.8%

Beginning Fund Balance	1,909,248	2,401,009	2,401,009	2,065,931	-14.0%
Ending Fund Balance	\$ 2,401,009	\$ 2,112,084	\$ 2,065,931	\$ 1,802,431	-14.7%

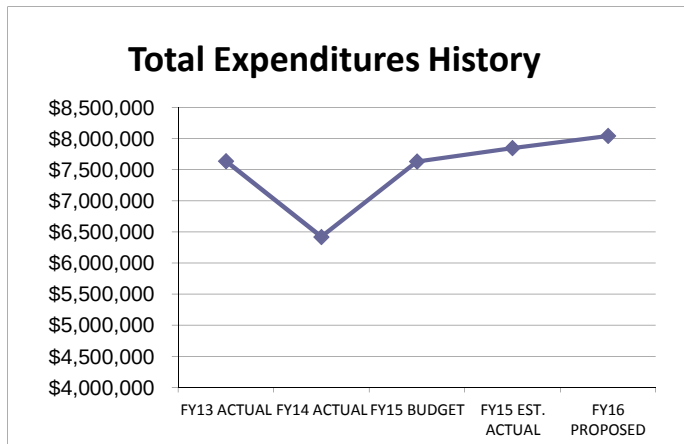
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

As a result of an increase in medical expense claims estimated to be paid in FY15, total expenditures are projected to be approximately 2.8% more or \$215,349 than originally included in the budget. Likewise, the premium revenues charged and paid by the City is expected to increase total revenues by 2.3% or \$169,196.

FY15 to Proposed FY16

As a result of the anticipated increase in medical expense claims and administrative expenses for FY15 and historical data provided by our consultant CBIZ, the expenditures for proposed FY16 are projected to be 5.4% higher or \$409,814. As a result of the projected increase in medical expenses, the revenues charged across all City funds for FY16 will increase and be reflected in the total revenue change of 5.9% or \$435,239. Based on current bargaining agreements, premiums amounts paid by individual employees and retirees are not expected to change.



DENTAL CARE FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/2016

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2014/15 % CHANGE
EXPENDITURES BY TYPE					
Medical Expense Reimbursement	\$ 343,347	\$ 370,000	\$ 363,000	\$ 358,000	-3.2%
Administrative Expenses	21,423	24,038	20,225	25,663	6.8%
Claims Reserve Expense	1,904	5,000	3,000	3,000	-40.0%
Audit Fees	350	614	367	702	14.3%
Total Expenditures & Transfers	\$ 367,024	\$ 399,652	\$ 386,592	\$ 387,365	-3.1%
REVENUES BY TYPE					
Premium Revenues-City	179,105	189,485	189,094	190,629	0.6%
Premium Revenues-Employees	146,728	144,104	156,152	156,152	8.4%
Premium Revenues-Retirees	59,076	61,842	61,842	61,842	0.0%
Interest from Investments	48	400	50	50	-87.5%
Total Revenues	\$ 384,957	\$ 395,831	\$ 407,138	\$ 408,673	3.2%
Expenditures, net of Revenues	\$ (17,933)	\$ 3,821	\$ (20,546)	\$ (21,308)	-657.7%
Beginning Fund Balance	32,473	50,406	50,406	70,952	40.8%
Ending Fund Balance	\$ 50,406	\$ 46,585	\$ 70,952	\$ 92,260	98.0%

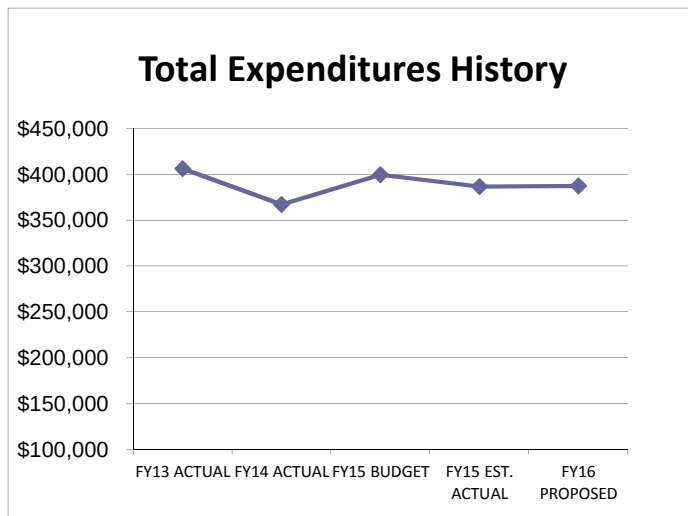
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual FY15

Total expenditures for FY15 estimated actual compared to FY15 budget are lower by 3.3% or \$13,060 as a result of lower actual dental claims paid. However, revenue has increased 2.9% or \$11,307 as a result of more City and employee premium revenues.

FY15 to Proposed FY16

As a result of current trends in dental claims for FY15 and historical data provided by our consultant CBIZ, the expenditures for proposed FY16 are expected to decrease by 3.1% or \$12,287. Also, the revenues are expected to increase by 3.2% or \$12,842.



BLOOM-CARLILE TRUST FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2015/2016

EXPENDITURE AND REVENUE SUMMARY

	2013/14 ACTUAL	2014/15 BUDGET	2014/15 EST. ACTUAL	2015/16 PROPOSED	2015/16 % CHANGE
EXPENDITURES BY TYPE					
Utilities	\$ 1,684	\$ -	\$ 500	\$ 500	100.0%
Shelter	5,529	-	6,030	6,000	100.0%
Community Action Council Award	-	50	-	-	-100.0%
Total Expenditures & Transfers	\$ 7,213	\$ 50	\$ 6,530	\$ 6,500	12900.0%

REVENUES BY TYPE

Utility Benefit Concert Revenue	(11,619)	-	-	-	0.0%
Interest Earned	38	50	25	25	-50.0%
Total Revenues	\$ (11,581)	\$ 50	\$ 25	\$ 25	-50.0%

Expenditures, net of Revenues	\$ 18,794	\$ -	\$ 6,505	\$ 6,475	100.0%

Beginning Fund Balance	141,573	122,779	122,779	116,274	-5.3%
Ending Fund Balance	\$ 122,779	\$ 122,779	\$ 116,274	\$ 109,799	-10.6%

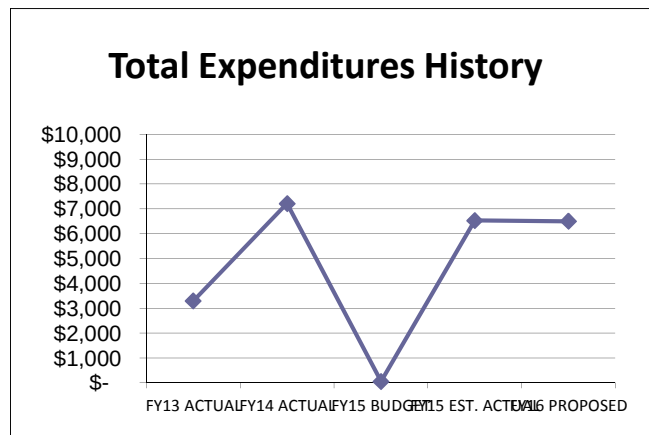
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY15 to Estimated Actual 15

It is anticipated that we will need to appropriate \$6,505 from accumulated prior years earnings to cover the shortfall between FY15 interest earnings and FY15 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 FY15 to Proposed FY16

For many years, the budget limited the pledge to the Community Action Council to the next year's anticipated interest earnings. This limitation withheld assistance to the poor and needy of Hagerstown in economic slumps when the need was the greatest. In addition, interest rates have continued to decline due to the national economy which led to even less interest revenue being generated. Our FY16 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.



FINANCIAL PROJECTIONS
SECTION 7

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ALL FUNDS PROJECTIONS
FISCAL YEAR 2016/2020
INTRODUCTION

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

- Strategically planning for the future by using the FY2015/16 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 13, 2015. Although every effort has been made to be realistic in developing these projections, it is important to note that revenues and expenditures rarely proceed in a totally predictable manner. These projections can, however, provide an important tool for the City's long-term financial planning.

- Percentages of projected changes are indicated in the seventh column. Items without a percentage have been individually projected by year. An "S" indicates that there is a supporting schedule with more detail.
- The interest income rate is projected to be flat for FY2015/16 and remain flat in future years as a result of the national economy and the low interest rates available on our current investments.
- The Wage & Benefits projections assume that employees will receive a Cost of Living Adjustment (COLA) and/or step increases in FY2015/16 based upon individual contracts (see Section 1 page 7 for specific breakdown by employee group). Additionally, the projections include the continuation of combined salary enhancements annually through FY2019/20. The projection includes savings associated with unfunded vacant positions; and no funding is included for the restoration of any of these unfunded vacant positions through FY2019/20. The City has four collective bargaining union groups and three of the four groups have contracts in place through FY2015/16. The fourth group is currently in negotiations for FY2015/16. All union contract provisions are included in the projections.
- The overall average projected increase in employee benefits is 3.7% - 5.5% primarily due to expected increases over the next several years in the City's Health, Dental and Retirement Program costs. It is important to note that FY2015/16 will be the first year that the City transitions to a self-insured workers compensation program versus a guaranteed premium based workers compensation program.
- 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 2.00% - 4.00% interest rate range over a 20 or 30 year term and includes both City issued bonds and MDE issued bonds/loans.
- The City has fully funding the annual required contribution (ARC) for Other Post-Employment Benefits (OPEB) and has continued to include the same funding level into the future projections through FY2019/20.
- In June 2012, GASB issued Statement No. 68 Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27), which requires an employers' unfunded actuarial pension liability to be recorded on the financials. This statement will become effective and will be reflected in the City's financials statements in FY2014/15 and is expected to have a material effect on the combined statements of the City.

GENERAL FUND PROJECTIONS
FISCAL YEAR 2016/2020
ASSUMPTIONS

- In general, total revenue growth (excluding the "NEEDED REVENUE SOURCE" amount) is projected to be relatively flat and increase from 1.4% in FY2016/17 to 3.2% in FY2017/18 dependent on property assessed values. Due to several contributing factors, new and / or increased revenue sources are needed beginning in FY2016/17. The primary factors that impact the projections for FY2016/17 include:
 - o Funding equipment and Capital Improvement Program with annual operating revenue
 - o Minimal growth anticipated in existing City revenue sources
 - o Preliminary projection of 3.7% increase for all salary and related benefits costs
 - o Increasing annual debt service requirements to fund priority projects
 - o Preliminary overall inflation factors on insurance, supplies, and maintenance contracts
- In Fiscal Year 2015/16, the property tax rate is proposed to increase by \$0.05 from current FY2014/15 level of \$0.898 per \$100 of assessed value to \$0.948 per \$100 of assessed value. The proposed increase in tax rate will help financially strengthen the City: to maintain current service levels provided to taxpayers; offset struggling assessed market values until new triennial assessment period in FY2107/18 (see Section 3 page 8 for details); offset increasing salary and benefit costs per collective bargaining contracts; and preserve unassigned fund balance reserve for FY2015/16. For future years, the projections include slight growth in property tax revenue in FY2016/17 based on historical trends experienced after the December 2010 11.2% decrease in assessable base. Additionally, FY2017/18 reflects an estimated 5.0% growth in assessed values for the City's next triennial assessment period after two consecutive decreases.
- The County Tax Rebate was terminated by the County after the 2009/10 fiscal year. It was replaced by a County Tax Rate differential provided directly to City property owners beginning in 2010/11. The County rate in the City is currently \$0.125 cents per \$100 assessed value less than the outside City rate and is estimated to stay the same for 2015/16 and future years.
- From FY2014/15 to FY2015/16 budget, the overall City portion of State & County Shared Taxes is expected to grow by 3.0%. It is projected for overall annual growth to range from 1.4%-2.1% through FY2019/20. The projections include modest continued growth in income tax, admission and amusement tax, and hotel/motel room tax. This reflects the current state of the economy and hopefully the continuation of a modest recovery.
- Most operating grants revenues and related expenditures are separately reflected in the Special Revenue Grants Fund except two federal COPS Hiring Grants (2012 and 2013) secured by the Hagerstown Police Department. The 2012 COPS Hiring grant will reimburse a portion of five (5) sworn officers' salaries over a span of three (3) years with a commitment from the City to continue to pay those positions at 100% for an additional one (1) year thereafter. Likewise, the 2013 COPS Hiring grant will reimburse a portion of two (2) sworn officers' salaries over a span of three (3) years with a commitment from the City to continue to pay those positions at 100% for an additional one (1) year thereafter. Both of the COPS Hiring Grants have a declining federal reimbursement percentage annually which is reflected in the decreasing amounts in the projections beginning in FY2015/16 through FY2018/19.
- The Safe Speed for Students Program (an automated speed camera program) began in phases April 2012. This revenue is included in Fines and Forfeitures and is used to support public safety activities. In FY2015/16 budget, Safe Speed revenue represents 4.1% or \$1.7 million of total operating revenue. The goal of this program is to change driving patterns which is reflected in the declining and flat future revenue projections of \$1.6 million in FY2016/17 and 2017/18 and \$1.5 million in FY2018/19 and 2019/20.
- A municipality has the authority to implement a Stormwater management fee. A study would need to be performed to establish the fee and rate structures. At this time, our projections do not include any revenue from a Stormwater management fee. Due to legislative mandates, the CIP budget does include project expenditures over the next five years and beyond. With no new revenue source anticipated, the funding for these specific projects will be funded with general fund supported debt and is included in the annual debt service requirements in the projections.
- Wage & Benefit projections include four collective bargaining union contracts and non-union employees. The Wage & Benefits projections assume that employees will receive a combination of Cost of Living Adjustment (COLA) and/or step increases in FY2015/16 based upon individual contracts (see Section 1 page 7 for specific breakdown by employee group). Additionally, the projections include the continuation of combined salary enhancements annually through FY2019/20. The projection includes savings associated with 13 unfunded vacant positions in FY2015/16 and holds these positions unfunded through FY2019/20. Approved union contract provisions are included in these projections.
- The overall average projected increase in employee benefits is 3.7% - 5.5% primarily due to expected increases over the next several years in the City's Pension Contributions, and Health and Dental Program costs.
- Annual debt service expenditures represent 5.2% of all general fund expenditures in FY2015/16 budget, or \$2.2 million. As reflected on the debt service schedule on page 12, annual debt service requirements are expected to increase annually from FY2016/17 through FY2019/20 respectively by 13.75, 17.0%, 14.6%, and 15.5%. These increases are a result of investments in the City's infrastructure. The detail on each project that will be funded by future debt issues are reflected in Section 9, page 15.
- 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 2016/2020
INCOME STATEMENT
(IN THOUSANDS)

	2012/13	2013/14	2014/15		2015/16	2015/16	PROJ. CHG%	2016/17 PROJ.	2017/18 PROJ.	2018/19 PROJ.	2019/20 PROJ.
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	ADOPTED BUDGET					
REVENUES											
Property Taxes	\$ 22,512	\$ 22,654	\$ 23,230	\$ 23,978	\$ 25,582	\$ 24,744	S	\$ 25,324	\$ 26,522	\$ 27,169	\$ 27,832
Payments in Lieu of Taxes	2,716	2,711	2,722	2,744	2,727	2,727	S	2,749	2,771	2,793	2,815
Total property taxes	25,228	25,365	25,952	26,722	28,309	27,471		28,073	29,292	29,962	30,648
	4.8%	0.5%	2.3%	3.0%	9.1%	5.9%		2.2%	4.3%	2.3%	2.3%
Income Tax	2,305	2,452	2,305	2,450	2,475	2,475	2.0%	2,525	2,575	2,626	2,679
Police / Fire Protection	573	805	793	764	735	735	0.5%	739	742	746	750
Admission Tax	206	208	200	200	200	200	2.0%	204	208	212	216
Financial Corporations	34	34	34	34	34	34		34	34	34	34
Room Tax - Tourism Promotion	166	176	165	177	177	177	2.5%	181	186	191	195
Enterprise Zone Tax Credits	102	87	87	71	70	70		87	87	80	70
Total State & County Shared Taxes	3,386	3,762	3,584	3,696	3,691	3,691		3,770	3,833	3,890	3,945
	-1.4%	11.1%	-4.7%	3.1%	3.0%	3.0%		2.1%	1.7%	1.5%	1.4%
Total Tax & Shared Revenues	28,614	29,127	29,536	30,418	32,000	31,162		31,843	33,125	33,851	34,593
	4.0%	1.8%	1.4%	3.0%	8.3%	5.5%		2.2%	4.0%	2.2%	2.2%
Grants	242	502	537	631	459	459	S	326	213	213	213
Admin Allocation	2,031	2,031	2,031	2,031	2,031	2,031	2.5%	2,082	2,134	2,187	2,242
Refuse Service Fees	2,479	2,221	2,264	2,234	2,240	2,240	2.5%	2,296	2,353	2,412	2,473
Other Service Charges	680	538	597	647	645	645	2.0%	658	671	684	698
Residential Rental Licenses & Vacant Structure	410	433	430	805	805	805	2.0%	821	838	854	871
Cable TV Franchise	408	407	408	400	400	400	2.0%	408	416	424	433
Other Licenses & Permits	727	685	788	943	901	901	1.0%	910	919	928	938
Interest	30	10	35	5	6	6	3.0%	6	6	7	7
Safe Speed for School Fines	1,560	1,225	1,800	1,700	1,700	1,700		1,600	1,600	1,500	1,500
Other Fines & Forfeitures	100	114	100	151	159	159	3.0%	164	169	174	179
Rental Income	207	227	221	218	217	217		217	218	219	220
Other Revenues	783	639	533	659	341	341	S	296	296	296	296
NEEDED REVENUE SOURCE*	-	-	-	-	-	-		1,667	1,899	2,705	3,316
Total Other Revenues	9,657	9,032	9,744	10,424	9,904	9,904		11,450	11,732	12,604	13,385
Total Revenues	38,271	38,159	39,280	40,842	41,904	41,066		43,293	44,857	46,455	47,978
% Revenue Growth	5.7%	-0.3%	2.9%	4.0%	6.7%	4.5%		5.4%	3.6%	3.6%	3.3%
Appropriated Fund Balance to Econ Redevelopment/Invest Hagerstown	-	-	235	-	613	613		650	250	-	-
Appropriated Fund Balance to CIP Fund/Capital Expenditures	-	-	589	-	-	120		-	-	-	-
Total Other Funding Sources	-	-	824	-	613	733		650	250	-	-
Total Funding Sources	\$ 38,271	\$ 38,159	\$ 40,104	\$ 40,842	\$ 42,517	\$ 41,799		\$ 43,943	\$ 45,107	\$ 46,455	\$ 47,978

*FY17 projections currently estimate additional \$1.67M in changes needed. This \$1.67M reflects funding equipment and CIP transfers with annual operations, combined 1.4% growth in current revenue sources, an overall preliminary estimate of 3.7% increase for all payroll related costs, growing annual debt service to fund priority projects, and cover overall inflation factors on items such as insurance, supplies, and maintenance contracts.

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2016/2020
INCOME STATEMENT
(IN THOUSANDS)

			2014/15		2015/16							
	2012/13	2013/14	REVISED	EST.	PROPOSED	ADOPTED	PROJ.	2016/17	2017/18	2018/19	2019/20	
	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.	
EXPENDITURES												
Salaries and Wages	\$ 17,005	\$ 17,212	\$ 18,051	\$ 18,370	\$ 19,205	\$ 18,887	S	\$ 19,427	\$ 20,010	\$ 20,620	\$ 21,258	
Fringe Benefits -												
Active Employees	6,239	6,828	7,781	7,856	7,841	7,841	S	8,261	8,555	8,856	9,171	
Retirees	1,154	1,340	1,308	1,409	1,477	1,477	S	1,550	1,626	1,706	1,790	
Total Wages & Benefits	24,398	25,380	27,140	27,635	28,523	28,205		29,238	30,191	31,182	32,220	
	-0.8%	4.0%	6.9%	1.8%	5.1%	3.9%		3.7%	3.3%	3.3%	3.3%	
Contracted Services	4,023	4,231	4,405	4,391	4,289	4,289	S	4,372	4,469	4,567	4,668	
Advertising & Printing	284	261	287	270	264	264	2.0%	269	275	280	286	
Rentals	110	109	93	111	97	97		95	95	95	95	
Maintenance & Repairs	605	647	734	751	807	807		735	735	740	745	
Vehicle Expenses	944	1,050	914	1,013	1,014	989	3.0%	1,044	1,076	1,108	1,141	
Materials, Supplies & Utilities	1,943	2,071	2,070	2,129	2,140	2,140	3.0%	2,204	2,270	2,338	2,409	
Professional Development	129	157	114	158	137	137		120	125	130	145	
Communication	298	321	182	312	223	223		250	250	252	254	
Wage & Overhead Allocation	(947)	(1,069)	(983)	(849)	(1,066)	(1,066)		(1,105)	(1,141)	(1,179)	(1,218)	
Other General Expenditures	678	790	624	651	792	792		797	802	807	812	
Insurance	250	202	267	264	271	271	5.0%	285	299	314	329	
Unallocated Gen'l Expenditures	640	626	808	960	547	547		549	551	553	555	
Capital Outlay - Non-CIP	89	178	169	188	268	248		283	298	313	200	
Debt Service	2,032	1,833	1,964	1,926	2,203	2,153	S	2,455	2,882	3,310	3,832	
Operating Transfers to Other Funds	510	301	266	221	395	295	S	487	489	428	428	
Capital Transfers to CIP Fund	1,103	832	230	371	1,000	665		1,215	1,191	1,217	1,077	
Fund Balance Transfers to CIP Fund	-	-	589	557	-	120		-	-	-	-	
Fund Balance Transfers for Invest Hag	-	80	235	407	613	613		650	250	-	-	
Total Expenditures	37,089	38,000	40,108	41,466	42,517	41,789		43,943	45,106	46,456	47,978	
% Expenditures Growth	1.7%	2.5%	5.5%	3.4%	6.0%	4.2%		5.2%	2.6%	3.0%	3.3%	
Surplus / (Deficit)	\$ 1,182	\$ 159	\$ (4)	\$ (624)	\$ 0	\$ 10		\$ 0	\$ 0	\$ (0)	\$ (0)	
Real Estate Tax Rates	\$ 0.788	\$ 0.788	\$ 0.898	\$ 0.898	\$ 0.948	\$ 0.913		\$ 0.913	\$ 0.913	\$ 0.913	\$ 0.913	
Change in Tax Rates	\$ -	\$ -	\$ 0.110	\$ 0.110	\$ 0.050	\$ 0.015		\$ -			\$ -	
Each penny on the real estate tax rate generates additional revenue of	\$ 257	\$ 260	\$ 234	\$ 241	\$ 243	\$ 243		\$ 250	\$ 263	\$ 270	\$ 277	
Personal Property Tax Rates	\$ 1.970	\$ 1.970	\$ 2.245	\$ 2.245	\$ 2.370	\$ 2.283		\$ 2.283	\$ 2.283	\$ 2.283	\$ 2.283	
Change in Tax Rates	\$ -	\$ -	\$ 0.275	\$ 0.275	\$ 0.125	\$ 0.038		\$ -	\$ -	\$ -	\$ -	
Each penny on the personal property tax rate generates additional revenue of	\$ 10	\$ 12	\$ 11	\$ 11	\$ 11	\$ 11		\$ 12	\$ 12	\$ 12	\$ 12	

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2016/2020
PROPERTY TAXES
(IN THOUSANDS)

	2012/13	2013/14	2014/15		2015/16	2015/16	PROJ.	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED	EST.	PROPOSED	ADOPTED	CHG% *	PROJ.	PROJ.	PROJ.	PROJ.
			BUDGET	ACTUAL	BUDGET	BUDGET					
Real Estate - Full Year Levy	\$ 20,228	\$ 20,724	\$ 21,307	\$ 21,950	\$ 23,385	\$ 22,547		\$ 23,117	\$24,277	\$ 24,888	\$25,504
% Increase	2.0%	2.5%	2.8%	3.0%	9.8%	5.8%		2.5%	5.0%	2.5%	2.5%
Personal Property - UnInc	44	36	30	40	40	40	0.5%	40	40	41	41
Personal Property - Corp	2,393	2,292	2,350	2,500	2,650	2,650	0.5%	2,663	2,677	2,690	2,703
Tax Refunds	-	-	-	-	-	-		-	-	-	-
Homestead Tax Credit	(146)	(131)	(130)	(53)	(95)	(95)		(100)	(80)	(80)	(80)
Enterprise Zone Tax Credit Progra	(204)	(173)	(200)	(141)	(100)	(100)		(100)	(100)	(100)	(100)
Residential Rehab Tax Cr Progran	(2)	-	(2)	-	-	-	0.5%	-	-	-	-
Tax Exemption - Real Estate	(97)	(350)	(140)	(253)	(250)	(250)		(250)	(250)	(230)	(198)
Total Current Year's Levy	22,216	22,398	23,215	24,043	25,630	24,792		25,370	26,564	27,209	27,870
Reserve for Uncollect Taxes	150	113	(80)	(125)	(125)	(125)		(125)	(125)	(125)	(125)
Total Adj - Prior Yrs Levies	150	113	(80)	(125)	(125)	(125)		(125)	(125)	(125)	(125)
Current Years Levy	170	171	125	90	108	108		111	116	119	122
Total Interest on Delinq Tax	170	171	125	90	108	108		111	116	119	122
Tax Discounts/Allows - C/Yr	(24)	(28)	(30)	(30)	(31)	(31)		(32)	(33)	(34)	(35)
Total Tax Discounts/Allows	(24)	(28)	(30)	(30)	(31)	(31)		(32)	(33)	(34)	(35)
Total Property Taxes	22,512	22,654	23,230	23,978	25,582	24,744		25,324	26,522	27,169	27,832
% Increase	5.3%	0.6%	2.5%	3.2%	10.1%	6.5%		2.3%	4.7%	2.4%	2.4%
Hag Housing Authority	85	87	87	87	87	87	0.8%	88	88	89	90
Bethel Gardens	10	-	10	22	10	10	0.8%	10	10	10	10
Liberty Property	68	70	70	81	75	75	0.8%	76	76	77	77
CW Brooks Mid-Rise	6	7	7	7	7	7	0.8%	7	7	7	7
Electric Fund	532	532	532	532	532	532	0.8%	536	541	545	549
Water Fund	660	660	660	660	660	660	0.8%	665	671	676	681
Wastewater Fund	1,298	1,298	1,298	1,298	1,298	1,298	0.8%	1,308	1,319	1,329	1,340
Property Management Fund	57	57	58	57	58	58	0.8%	58	59	59	60
Total Pymts in Lieu of Taxes	2,716	2,711	2,722	2,744	2,727	2,727		2,749	2,771	2,793	2,815
% Increase	0.4%	-0.2%	0.4%	0.8%	0.2%	0.2%		0.8%	0.8%	0.8%	0.8%
Total Property Taxes	\$ 25,228	\$ 25,365	\$ 25,952	\$ 26,722	\$ 28,309	\$ 27,471		\$ 28,073	\$29,292	\$ 29,962	\$30,648
% Increase	4.8%	0.5%	2.3%	3.0%	9.1%	5.9%		2.2%	4.3%	2.3%	2.3%

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2016/2020
ASSESSABLE BASE TABLE

	Total Assessable Base Values* (in millions)	Assessable Base - % Change from Prior Year	Real Estate Tax Rate *	Real Estate Tax Rate - % Change from Prior Year	Property Tax Revenue (in thousands)	Property Taxes - % Change from Prior Year
Actual 1982/1983	478	11.4%	0.668	-4.6%	3,959	0.8%
Actual 1983/1984	516	7.9%	0.656	-1.8%	4,208	6.3%
Actual 1984/1985	547	5.9%	0.656	0.0%	4,438	5.5%
Actual 1985/1986	591	8.0%	0.656	0.0%	4,808	8.3%
Actual 1986/1987	615	4.1%	0.656	0.0%	5,170	7.5%
Actual 1987/1988	669	8.7%	0.656	0.0%	5,567	7.7%
Actual 1988/1989	716	7.0%	0.672	2.4%	5,914	6.2%
Actual 1989/1990	782	9.2%	0.684	1.8%	6,478	9.5%
Actual 1990/1991	862	10.3%	0.684	0.0%	6,982	7.8%
Actual 1991/1992	959	11.2%	0.684	0.0%	7,672	9.9%
Actual 1992/1993	1,028	7.3%	0.684	0.0%	8,194	6.8%
Actual 1993/1994	1,063	3.3%	0.684	0.0%	8,397	2.5%
Actual 1994/1995	1,122	5.6%	0.684	0.0%	8,810	4.9%
Actual 1995/1996	1,195	6.5%	0.680	-0.6%	9,156	3.9%
Actual 1996/1997	1,237	3.6%	0.680	0.0%	9,742	6.4%
Actual 1997/1998	1,264	2.2%	0.684	0.6%	9,821	0.8%
Actual 1998/1999	1,278	1.1%	0.696	1.8%	10,210	4.0%
Actual 1999/2000	1,326	3.8%	0.692	-0.6%	10,388	1.7%
Actual 2000/2001	1,380	4.0%	0.692	0.0%	10,756	3.5%
Actual 2001/2002	1,471	6.6%	0.732	5.8%	11,708	8.9%
Actual 2002/2003	1,491	1.4%	0.768	4.9%	12,873	10.0%
Actual 2003/2004	1,550	3.9%	0.783	2.0%	13,555	5.3%
Actual 2004/2005	1,640	5.8%	0.798	1.9%	14,597	7.7%
Actual 2005/2006	1,843	12.4%	0.798	0.0%	16,123	10.5%
Actual 2006/2007	2,103	14.1%	0.798	0.0%	18,200	12.9%
Actual 2007/2008	2,297	9.2%	0.798	0.0%	19,742	8.5%
Actual 2008/2009	2,552	11.1%	0.788	-1.3%	21,676	9.8%
Actual 2009/2010	2,830	10.9%	0.788	0.0%	23,959	10.5%
Actual 2010/2011	2,881	1.8%	0.788	0.0%	24,132	0.7%
Actual 2011/2012	2,559	-11.2%	0.788	0.0%	21,386	-11.4%
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%
Estimated 2014/2015	2,508	-5.9% **	0.898	14.0%	24,043	7.3%
Adopted 2015/2016	2,539	1.2% ***	0.913	1.7%	24,792	3.1%
Projected 2016/2017	2,601	2.5%	0.913	0.0%	25,371	2.3%
Projected 2017/2018	2,731	5.0%	0.913	0.0%	26,564	4.7%

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

**The assessable base value provided on the February 2014 Constant Yield Notice memo reflected an overall decrease of 8.5% for real property values; however, the updated memo received in February 2015 reflects a real property value base to be slightly better than anticipated a year ago.

***The assessable base value per the February 2015 Constant Yield Notice memo reflects a decrease of 0.47%, which includes only real property in the assessable base values. The City chart above includes a calculated assessable base value for both real property and personal property tax and these values are reflected separately on the following page. Additionally, the City chart above assumes a slightly higher average assessable base value for all of FY16 and not just the value estimated to be on July 1.

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2016/2020
ASSESSABLE BASE TABLE
(IN THOUSANDS)

	ACTUAL 2012/13	ACTUAL 2013/14	EST. ACTUAL 2014/15	PROPOSED BUDGET 2015/16	ADOPTED BUDGET 2015/16	PROJECTED 2016/17
For Full Year Levy	\$ 20,228	\$ 20,724	\$ 21,950	\$ 23,385	\$ 22,547	\$ 23,117
Tax Refunds on Current Year Levy	-	-	-	-	-	-
Residential Rehab Tax Cr Program	(2)	-	-	-	-	-
Enterprise Zone Tax Credit Program	(204)	(173)	(141)	(100)	(100)	(100)
Tax Exemption - Real Estate	(97)	(350)	(253)	(250)	(250)	(250)
Homestead Tax Credit Cap	(146)	(131)	(53)	(95)	(95)	(100)
Net Real Estate Taxes	19,779	20,070	21,503	22,940	22,102	22,667
	2.2%	1.5%	8.7%	6.7%	2.8%	2.6%
Unincorporated Personal Property	44	36	40	40	40	40
Corporate Personal Property	2,393	2,292	2,500	2,650	2,650	2,663
Releases and Abatements	-	-	-	-	-	-
Total Personal Property	2,437	2,328	2,540	2,690	2,690	2,703
	19.9%	-4.5%	4.2%	5.9%	5.9%	0.5%
Current Year's Levy	\$ 22,216	\$ 22,398	\$ 24,043	\$ 25,630	\$ 24,792	\$ 25,371
	3.9%	0.8%	8.2%	6.6%	3.1%	2.3%
Real Estate Tax Rate	\$ 0.788	\$ 0.788	\$ 0.898	\$ 0.948	\$ 0.913	\$ 0.913
Business Property Tax Rate	\$ 1.970	\$ 1.970	\$ 2.245	\$ 2.370	\$ 2.283	\$ 2.283
Assessable Base						
Real Property	\$ 2,510,025	\$ 2,546,954	\$ 2,394,543	\$ 2,419,831	\$ 2,420,811	\$ 2,482,696
	2.2%	1.5%	-6.0%	1.1%	1.1%	2.6%
[(Net Real Estate Taxes / Tax Rate)/10]						
Business Personal Property	123,706	118,173	113,140	113,502	117,853	118,444
	19.9%	-4.5%	-4.3%	0.3%	4.2%	0.5%
[Total Personal Property / Tax Rate]						
Total Assessable Base	\$ 2,633,731	\$ 2,665,127	\$ 2,507,684	\$ 2,533,333	\$ 2,538,664	\$ 2,601,140
	2.9%	1.2%	-5.9%	1.0%	1.2%	2.5%

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2016/2020
GRANT AND OTHER REVENUES
(IN THOUSANDS)

GRANT REVENUES

	2012/13	2013/14	2014/15		2015/16		2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED	EST.	PROPOSED	PROJ.	PROJ.	PROJ.	PROJ.	PROJ.
			BUDGET	ACTUAL	BUDGET	CHG%				
Planning Dept. Grants										
Heritage Area Planning Grant	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Other Dept. Grants										
Reimbursement FEMA Grants	3	-	-	-	-		-	-	-	-
All Other Departmental Grants	29	30	30	30	30		-	-	-	-
Police Dept. Grants										
DEA Reimbursed Overtime	21	33	25	118	25		25	25	25	25
COPS Hiring Grants - 2012 and 2014	-	251	294	295	216		113	-	-	-
School Resource Officers Grant	189	188	188	188	188		188	188	188	188
Total Grant Revenues	242	502	537	631	459		326	213	213	213

OTHER REVENUES

	2012/13	2013/14	2014/15		2015/16		2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED	EST.	PROPOSED	PROJ.	PROJ.	PROJ.	PROJ.	PROJ.
			BUDGET	ACTUAL	BUDGET	CHG%				
Sale of Land & Other Propty										
Fire & Police Dept Equipment	4	3	3	3	2		2	2	2	2
Other	13	32	2	12	9		4	4	4	4
Total Land Sale/Other	17	35	5	15	11		6	6	6	6
Contributions & Donations	121	164	118	136	132		120	120	120	120
Miscellaneous Revenues	347	127	125	83	113		85	85	85	85
Other Revenues	468	291	243	219	245		205	205	205	205
Transfers from Economic Redevelopment Fund	20	-	-	-	-		-	-	-	-
Transfers from CDBG Fund	4	18	30	30	30		30	30	30	30
Transfers from Workers Comp	250	250	-	-	-		-	-	-	-
Transfers from Health Ins Fund	25	25	55	55	55		55	55	55	55
Transfers from CIP Fund	-	-	-	100	-		-	-	-	-
Transfers from Property Management Fund	-	20	200	240	-		-	-	-	-
Total Transfers from Other Funds	299	313	285	425	85		85	85	85	85
Total Other Revenues	\$ 783	\$ 638	\$ 533	\$ 659	\$ 341		\$ 296	\$ 296	\$ 296	\$ 296

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2016/2020
PERSONAL SERVICES AND FRINGE BENEFITS
(IN THOUSANDS)

SALARIES AND WAGES

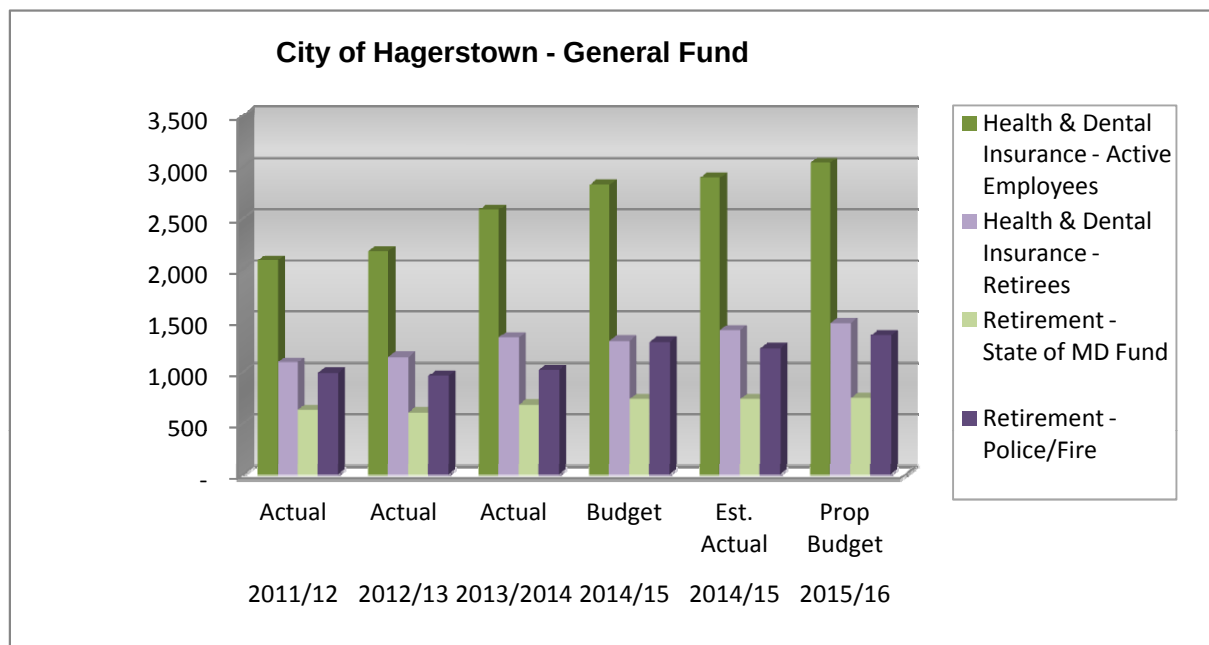
	2012/13	2013/14	2014/15		2015/16	2015/16	PROJ. CHG%	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET		PROJ. 3.000%	PROJ. 3.000%	PROJ. 3.000%	PROJ. 3.000%
BASE WAGES											
Regular Wages-Salaried	\$ 7,644	\$ 7,795	\$ 10,270	\$ 8,127	\$ 10,782	\$ 10,782		\$ 11,105	\$ 11,439	\$ 11,782	\$ 12,135
Regular Wages-Hourly	5,056	5,019	7,029	5,125	7,331	7,331		7,551	7,777	8,011	8,251
Sick Leave Pay	511	419	-	475	-	-		-	-	-	-
Holiday Pay	715	726	-	889	-	-		-	-	-	-
Vacation Pay	1,115	1,033	-	1,468	-	-		-	-	-	-
Compensatory Time Used	103	168	2	207	2	2		-	-	-	-
Personal Leave	184	197	-	176	-	-		-	-	-	-
Temporary & Seasonal	544	627	692	706	705	705		709	712	716	719
Vacation Pay on Termination	73	112	83	80	108	108		85	85	85	85
Furlough Day Savings	-	-	-	-	-	-		-	-	-	-
Unfunded Positions Savings	-	-	(618)	-	(584)	(852)		(852)	(852)	(852)	(852)
Additional Vacancy Savings	-	-	(250)	-	(150)	(150)		(150)	(150)	(150)	(150)
Total Base Wages	15,945	16,096	17,208	17,253	18,194	17,926		18,448	19,011	19,591	20,189
% Increase	-1.5%	0.9%	6.9%	0.3%	5.7%	4.2%		2.9%	3.1%	3.1%	3.0%
% Increase if no additional positions added in FY16					3.4%	2.2%					
ADDITIONAL WAGES											
Overtime Pay	1,036	1,041	842	1,109	1,010	960		979	999	1,029	1,070
Comp Time Earned	24	75	1	8	1	1		-	-	-	-
Total Additional Wages	1,060	1,116	843	1,117	1,011	961		979	999	1,029	1,070
% Increase	31.0%	5.3%	-24.5%	32.5%	19.9%	14.0%		1.9%	2.0%	3.0%	4.0%
Total Personal Services	\$ 17,005	\$ 17,212	\$ 18,051	\$ 18,370	\$ 19,205	\$ 18,887		\$ 19,427	\$ 20,010	\$ 20,620	\$ 21,258
% Increase	0.1%	1.2%	4.9%	1.8%	6.4%	4.6%		2.9%	3.0%	3.0%	3.1%

FRINGE BENEFITS

	2012/13	2013/14	2014/15		2015/16	2015/16	PROJ. CHG%	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	ADOPTED BUDGET		PROJ.	PROJ.	PROJ.	PROJ.
Active Employees											
Holiday/Vacation Buy Back	\$ 17	\$ 21	\$ -	\$ 15	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Retirement Payouts	127	204	202	126	194	194		250	250	250	250
Retirement - State Fund	616	691	742	742	752	752		774	798	822	847
Retirement - Police/Fire	965	1,022	1,299	1,236	1,360	1,360		1,400	1,442	1,486	1,532
Retirement Deficit Payment	145	152	160	162	168	168		168	176	185	194
F.I.C.A. Taxes (7.65%)	1,248	1,290	1,262	1,385	1,373	1,373		1,486	1,531	1,577	1,626
Health Insurance	2,115	2,514	2,749	2,815	2,958	2,958	5.0%	3,106	3,261	3,424	3,595
Dental Insurance	74	76	83	84	85	85	2.5%	87	89	92	94
Life Insurance	25	26	28	28	30	30		30	31	32	33
Long-Term Disability	7	13	8	10	6	6		8	8	8	8
Workmans Compensation	722	686	1,107	1,097	758	758		767	781	795	812
Empty Discounted Parking	58	54	58	51	54	54		58	58	58	58
Unemployment Taxes	91	45	46	60	60	60		85	85	80	75
Employee Assistance Prog	9	9	13	13	13	13		13	13	14	14
HPD Housing Allowance	13	18	18	26	24	24		24	26	27	28
Employee Longevity	7	7	6	6	6	6		5	5	5	5
Total	6,239	6,828	7,781	7,856	7,841	7,841		8,261	8,555	8,856	9,171
% Increase	-4.0%	9.4%	14.0%	1.0%	0.8%	0.8%		5.4%	3.6%	3.5%	3.6%
Retirees											
Health Insurance	1,109	1,294	1,262	1,363	1,431	1,431	5.0%	1,503	1,578	1,657	1,739
Dental Insurance	45	46	46	46	46	46	2.5%	47	48	50	51
Total	1,154	1,340	1,308	1,409	1,477	1,477		1,550	1,626	1,706	1,790
% Increase	5.0%	16.1%	-2.4%	7.7%	12.9%	12.9%		4.9%	4.9%	4.9%	4.9%
Total Fringe Benefits	\$ 7,393	\$ 8,168	\$ 9,089	\$ 9,265	\$ 9,318	\$ 9,318		\$ 9,811	\$ 10,181	\$ 10,562	\$ 10,961
% Increase	-2.7%	10.5%	11.3%	1.9%	2.5%	2.5%		5.3%	3.8%	3.7%	3.8%

GENERAL FUND HISTORICAL TRENDS
FISCAL YEAR 2016/2020
EMPLOYER SHARE OF INSURANCE AND PENSION COSTS
(IN THOUSANDS)

	2011/12 Actual	2012/13 Actual	2013/2014 Actual	2014/15 Budget	2014/15 Est. Actual	2015/16 Prop Budget
Health & Dental Insurance - Active Employees	2,098	2,189	2,590	2,832	2,899	3,043
Health & Dental Insurance - Retirees	1,099	1,154	1,340	1,308	1,409	1,477
Retirement - State of MD Fund	641	616	691	742	742	752
Retirement - Police/Fire	995	965	1,022	1,299	1,236	1,360
	4,833	4,924	5,643	6,181	6,286	6,632
	-4%	2%	15%	10%	2%	7%



GENERAL FUND HISTORICAL TRENDS
FISCAL YEAR 2012 THROUGH FISCAL YEAR 2016
EMPLOYER SHARE OF PENSIONS COSTS AS PERCENT OF SALARY

	2011/12 Actual	2012/13 Actual	2013/2014 Actual	2014/15 Budget	2014/15 Est. Actual	2015/16 Prop Budget
Retirement - State of MD Fund	10.94%	8.99%	10.00%	9.73%	9.73%	8.53%
Retirement - Police/Fire	11.48%	11.29%	12.20%	13.50%	13.50%	13.71%

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2016/2020
CONTRACTED SERVICES AND OPERATING TRANSFERS
(IN THOUSANDS)

CONTRACTED SERVICES

	2012/13	2013/14	2014/15		2015/16	PROJ.	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED	EST.	PROPOSED	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
Medical Services	\$ 46	\$ 25	\$ 50	\$ 49	\$ 27	2.0%	\$ 28	\$ 29	\$ 30	\$ 31
Grounds Services	116	138	142	144	142	2.0%	145	148	151	154
Miss Utility	2	2	3	3	3	2.0%	3	3	3	3
Contracted Staffing	25	88	13	6	11	2.0%	11	11	11	11
Other Contracted Services	1,447	1,419	1,592	1,631	1,470		1,487	1,517	1,547	1,578
Trash Collection	1,882	1,916	2,014	1,974	2,024	2.5%	2,075	2,127	2,180	2,235
Legal Fees	243	307	232	252	249	2.0%	254	259	264	269
Auditing	18	27	40	23	44	2.0%	45	46	47	48
Consulting	35	60	20	15	20	2.0%	20	20	20	20
Engineering	33	45	35	35	35	2.0%	36	37	38	39
Building Services	10	13	20	18	21	2.0%	21	21	21	21
Wellness Program	3	27	55	55	55		55	55	55	55
Safety Program	3	3	4	4	5	2.0%	5	5	5	5
Other Professional Services	160	161	185	182	183	2.0%	187	191	195	199
Total Contracted Services	\$ 4,023	\$ 4,231	\$ 4,405	\$ 4,391	\$ 4,289		\$ 4,372	\$ 4,469	\$ 4,567	\$ 4,668
% Increase	16.3%	5.2%	4.1%	-0.3%	-2.6%		1.9%	2.2%	2.2%	2.2%

OPERATING TRANSFERS TO OTHER CITY FUNDS

	2012/13	2013/14	2014/15		2015/16	PROJ.	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED	EST.	PROPOSED	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
Economic Redevelopment Fund	\$ 200	\$ 100	\$ -	\$ -	\$ 200		\$ 250	\$ 250	\$ 200	\$ 200
Golf Course Fund	272	200	200	212	195		212	214	203	203
Special Revenue Grant Fund	38	1	66	9	-		25	25	25	25
Property Management Fund	-	-	-	-	-		-	-	-	-
Total Operating Transfers	\$ 510	\$ 301	\$ 266	\$ 221	\$ 395		\$ 487	\$ 489	\$ 428	\$ 428

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2016/2020
DEBT SERVICE
(IN THOUSANDS)

	2012/13	2013/14	2014/15		2015/16	2015/16	PROJ.	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED	EST.	PROPOSED	ADOPTED	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
1997 Pub Imprv Bonds											
Interest	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Principal (\$2,140,960)	100	-	-	-	-	-		-	-	-	-
1998/99 Pub Imprv Bonds											
Interest	8	2	-	-	-	-		-	-	-	-
Principal (\$1,675,000)	145	80	-	-	-	-		-	-	-	-
2003/04 Pub Imprv Bonds											
Interest	32	29	25	25	21	21		17	12	8	3
Principal (\$1,395,000)	90	95	100	100	100	100		105	110	115	120
Deferred Costs	-	-	-	-	-	-		-	-	-	-
2004/05 Refunding Bonds											
Interest	-	-	-	-	-	-		-	-	-	-
Principal (\$2,289,120)	-	-	-	-	-	-		-	-	-	-
2004/2005 Public Fac Bonds											
Interest	76	68	59	59	50	50		41	31	21	11
Principal (\$3,800,000)	252	261	271	271	276	276		285	299	309	318
2005/06 Pub Facilities Bonds											
Interest	190	173	156	156	137	137		118	98	78	57
Principal (\$7,490,666)	459	477	492	492	511	511		530	549	571	594
2007 HTC-WCSF Ice Rink Loan											
Interest	1	-	-	-	-	-		-	-	-	-
Principal (\$181,942)	34	-	-	-	-	-		-	-	-	-
2008/09 Pub Imprv Bonds											
Interest	77	70	60	67	54	54		44	36	13	1
Principal (\$3,407,810)	306	316	325	325	339	339		356	375	394	412
Deferred Costs	-	-	-	-	-	-		-	-	-	-
2008/09 Pub Imprv BAB											
Interest	187	188	279	279	279	229		229	229	229	229
Principal (\$5,074,007)	-	-	-	-	-	-		-	-	-	-
Deferred Costs	-	-	-	-	-	-		-	-	-	-
2012 Tote Loan											
Interest	23	21	19	19	17	17		14	15	9	6
Principal (\$600,000)	50	53	54	55	56	56		59	60	64	66
Deferred Costs	-	-	-	-	-	-		-	-	-	-
2014 Pub Imprv Bonds											
Interest (2.50% over 15 years)	-	-	19	11	10	10		10	9	8	8
Principal (\$428,427)	-	-	26	25	26	26		26	27	28	28
2015 Pub Imprv Bonds (Future-April 2015)											
Interest (4.00% over 20 years)	-	-	23	42	84	84		84	84	84	84
Principal (\$3,923,743)	-	-	56	-	203	203		203	203	203	203
2016 Pub Imprv Bonds (Future)											
Interest (4.00% over 20 years)	-	-	-	-	40	40		80	80	80	80
Principal (\$3,760,000)	-	-	-	-	-	-		194	194	194	194
2017 Pub Imprv Bonds (Future)											
Interest (4.00% over 20 years)	-	-	-	-	-	-		60	120	120	120
Principal (\$5,640,000)	-	-	-	-	-	-		-	291	291	291
2018 Pub Imprv Bonds (Future)											
Interest (4.00% over 20 years)	-	-	-	-	-	-		-	60	121	121
Principal (\$5,660,000)	-	-	-	-	-	-		-	-	292	292
2019 Pub Imprv Bonds (Future)											
Interest (4.00% over 20 years)	-	-	-	-	-	-		-	-	78	156
Principal (\$7,300,000)	-	-	-	-	-	-		-	-	-	377
2020 Pub Imprv Bonds (Future)											
Interest (4.00% over 20 years)	-	-	-	-	-	-		-	-	-	61
Principal (\$5,695,000)	-	-	-	-	-	-		-	-	-	-
Total Debt Service											
Interest & Deferred Costs	596	551	640	658	692	642		697	774	849	937
Principal	1,436	1,282	1,324	1,268	1,511	1,511		1,758	2,108	2,461	2,895
Total Debt Service	\$ 2,032	\$ 1,833	\$ 1,964	\$ 1,926	\$ 2,203	\$ 2,153		\$ 2,455	\$ 2,882	\$ 3,310	\$ 3,832

**GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2016/2020
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
2000	1,326,140	37	9,420	0.71%	257	4.90%
2001	1,379,531	37	8,674	0.63%	237	4.70%
2002	1,471,069	37	7,918	0.54%	215	4.60%
2003	1,491,155	37	7,204	0.48%	194	4.30%
2004	1,549,853	38	7,742	0.50%	206	3.60%
2005	1,639,741	38	11,643	0.71%	310	3.70%
2006	1,843,026	38	9,837	0.53%	257	4.77%
2007	2,103,113	39	16,120	0.77%	413	4.73%
2008	2,297,063	40	14,835	0.65%	371	5.42%
2009	2,552,030	40	13,343	0.52%	333	5.16%
2010	2,830,482	40	20,457	0.72%	511	5.25%
2011	2,880,838	40	18,695	0.65%	467	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%
Estimated 2014/15	2,507,684	40	17,814	0.71%	445	4.72%
Proposed 2015/16	2,533,333	40	20,052	0.79%	501	5.26%
Projected 2016/17	2,595,841	40	23,924	0.92%	597	5.67%
Projected 2017/18	2,725,827	40	27,465	1.01%	684	6.42%
Projected 2018/19	2,795,695	40	32,295	1.16%	803	7.13%
Projected 2019/20	2,867,403	40	35,084	1.22%	872	7.99%
City Debt Policy Guidelines				10.00%	1,000	10.00%

ENTERPRISE FUNDS PROJECTIONS
FISCAL YEAR 2016/2020
INTRODUCTION

- Percentages of projected changes are indicated in the seventh column. Items without a percentage have been individually projected by year.
- Operating revenue across the utility funds includes a variety of sources; such as, service charges to customers, rental income from tenants, and green fees to golf. Rate and/or premium increases are included for Water and Wastewater Funds. Most of the other revenue increases included in the projections are based on increased utilization or increased customer base.
- Total operating expenses (excluding depreciation and Electric Fund's purchase power expense category) continue to increase for Electric and Water based on historical trends occurring within these funds but the operating expenses are decreasing for the Wastewater fund from the FY2014/15 budget to the proposed budget in FY2015/16. The overall operating expense increases range from 0.5% through 2.0% for Electric and Water and the decrease for Wastewater is 2.1% and is specifically notated within each individual fund's assumption section that follows. Most of the increases relate to salary and rising employee benefit costs and the decrease relates to a reduction of overtime costs and pension contributions.
- 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 FY2019/20 and to fixed assets that have reached its useful life period.
- The interest income rate is projected to be flat for FY2015/16 and remain flat in future years as a result of the national economy and the low interest rates available on our current investments.
- The debt service requirements vary by fund and are reflected in Interest Expense and Principal Payments in all applicable funds. The future bond issue interest costs vary as some are City issued bonds and some are financed through Maryland Department of the Environment (MDE). Each issue may have different terms as well. In general, the projections for City issued governmental bonds are based on an interest rate of 4.0% primarily for 20 year terms. Typically, MDE bond issues are low interest rates at 2.0% over a 30 year term.
- Capital expenditures are taken directly from Section 9, 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 cash and short term investment balances at the beginning and end of each fiscal year are presented for each fund to assist in analyzing the cumulative impact of the annual surplus or deficit amounts on working capital.

ELECTRIC FUND PROJECTIONS
FISCAL YEAR 2016/2020
ASSUMPTIONS

- The HLD is currently operating under a Power Service Agreement through May 31, 2015 at \$53.90 per megawatt hour (MWh). In 2014, the City accepted a contract extension with a new price point of \$51.50 per MWh to begin June 1, 2015 and end May 31, 2017. This extension represents a reduction of approximately 4.5% based on the electric market fuel and capacity forecast and is reflected in the purchase power section of the operating expense budget. As a result of the reduction in purchase power expenses, HLD customers will realize a reduction of the average Purchase Power Adjustment, which is reflected in the declining revenue budget.
- The decrease in service charge revenue from estimated actuals in FY2014/15 compared to budget FY2015/16 is 1.2% or \$272K and reflects the approval of the Purchase Power contract. With the new contract extension in place, our projections for revenue from FY2015/16 through FY2019/20 will remain flat with no change as a result of the Purchase Power agreement and Public Service Commission regulations.
- Operating expenses, excluding depreciation and purchased power categories, increased by 0.8% from the FY2014/15 budget compared to the budget proposed for FY2015/16. This increase reflects current year COLAs received by employees. Additionally, it includes rising employee benefits. Based on historical data, the projections reflect annual increases of 0.5% from FY2016/17 through FY2019/20.
- The purchased power expense represents approximately 73% of total service revenue charges. Due to the slight 1.2% decrease in Purchase Power revenue from FY2014/15 estimated actuals, the projections for the expenses reflect a similar decrease from FY2014/15 estimated actuals to proposed FY 2015/16 budget. Just like the revenue projections for future years, the purchase power expense category remains flat beginning in FY2015/16 through FY2019/20.
- Depreciation expense for proposed FY2015/16 budget is 1.7% higher than current FY2014/15 budget. This increase is a result of higher than anticipated investments in new capital projects and assets. Beginning in FY2016/17 through FY2019/20, it is anticipated that more investments will be made to capital equipment and infrastructure which causes the following annual increases in the depreciation expenses: 2.4%, 4.0%, 4.3%, and 3.9%.
- The investment interest rate is assumed to remain flat. Additional interest is received from a long term agreement with Cascades Tissue Group MD, LLC. According to the agreement, Cascades is required to reimburse cure costs and facilities charges in 240 months ending in 2024. The agreement carries a 6.5% interest rate per annum and is reflected in interest earned. This combination of items is the reason for the projected remaining flat.
- As reflected in our projections, all capital improvement projects and capital outlay expenditures will be covered by fund balance in the Electric Fund. However, the Electric Fund will receive \$650,000 from a bond issue in FY15 for a roof replacement at its Administrative Office Building. After the completion of this capital improvement project, there is no future debt issues included in projections through FY2019/20.
- Based on the assumptions outlined above for minimal revenue growth and increasing expenses, our net increase (decrease) in retained earnings is estimated to decline from an anticipated gain of \$162K in FY2015/16 to a gain of \$14K in FY2016/17.
- 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 FY15 is closed and audited to determine if any transfer is possible.

ELECTRIC FUND PROJECTIONS
FISCAL YEAR 2016/20
INCOME STATEMENT
(IN THOUSANDS)

	2012/13	2013/14	2014/15		2015/16		2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED BUDGET	ESTIMATED ACTUAL	PROPOSED BUDGET	PROJ. CHG %	PROJ.	PROJ.	PROJ.	PROJ.
Operating Revenues										
Service Charges:										
Residential	\$ 13,628	\$ 12,531	\$ 12,207	\$ 12,068	\$ 11,996	0.0%	\$ 11,996	\$ 11,996	\$ 11,996	\$ 11,996
Commercial	5,504	5,051	5,005	5,050	5,040	0.0%	5,040	5,040	5,040	5,040
Industrial	6,039	5,424	5,455	5,655	5,466	0.0%	5,466	5,466	5,466	5,466
Other Rates	862	1,089	819	795	793	0.0%	793	793	793	793
Total Service Charges	26,033	24,095	23,486	23,568	23,295		23,295	23,295	23,295	23,295
Other Operating Revenues	491	603	531	591	613		613	613	613	613
Total Operating Revenue	26,524	24,698	24,017	24,159	23,908		23,908	23,908	23,908	23,908
Operating Expenses										
Purchased Power	20,943	18,153	17,600	17,676	17,472	0.0%	17,472	17,472	17,472	17,472
Distribution	2,096	2,215	2,092	2,274	2,285	0.5%	2,296	2,308	2,319	2,331
General & Administration	3,128	3,067	3,162	3,232	3,279	0.5%	3,295	3,312	3,328	3,345
Depreciation	859	845	905	870	920		943	980	1,023	1,063
Total Operating Expenses	27,025	24,280	23,758	24,051	23,955		24,006	24,071	24,142	24,210
Operating Income (Loss)	(502)	418	259	107	(47)		(97)	(163)	(233)	(302)
Non-Operating Revenues (Expenses)										
Interest Earned	149	137	130	129	119		119	119	119	119
Interest Expense	(9)	(8)	(7)	(14)	(20)		(19)	(18)	(17)	(16)
Gain (loss) on Sale of Capital Assets	(13)	(15)	(15)	10	10		10	10	10	10
Total Non-Operating Revenue (Expense)	127	114	108	125	109		110	111	112	113
Net Income (Loss) Before Operating Transfers	(374)	533	367	233	62		12	(52)	(122)	(189)
Transfers to Capital Improvements	(40)	(24)	(29)	(29)	-		(34)	(61)	(41)	(41)
Capital Contributions										
Grants in Aid of Construction	52	-	-	-	20		20	20	20	20
Non-cash Developer Contributions	262	80	75	80	80		15	15	15	15
Capital Contributions	314	80	75	80	100		35	35	35	35
Increase (Decrease) in Retained Earnings	(100)	588	413	284	162		14	(78)	(128)	(195)
Adjust to a Cash Flow Basis										
Depreciation	859	845	905	870	920		943	980	1,023	1,063
Current Principal Payments on Debt	(22)	(23)	(23)	(23)	(58)		(59)	(59)	(60)	(62)
Non-Cash Capital Contributions	(262)	(80)	(75)	(80)	(80)		(15)	(15)	(15)	(15)
Changes in Working Capital	250	582	-	-	-		-	-	-	-
Total Adjustments to Retained Earnings	826	1,324	807	767	782		869	906	947	986
Funds Available for Capital Outlay	725	1,913	1,220	1,051	944		883	828	819	791
Capital Outlay	766	536	938	649	1,639		1,408	1,639	1,859	1,473
Cash After Capital Outlay	\$ (40)	\$ 1,376	\$ 282	\$ 402	\$ (695)		\$ (525)	\$ (811)	\$ (1,040)	\$ (682)
Additional Funding:										
City Bond Financing	-	-	-	650	-		-	-	-	-
Net Surplus (Deficit)	(40)	1,376	282	1,052	(695)		(525)	(811)	(1,040)	(682)
Beginning Cash Balance	\$ 3,847	\$ 3,806	\$ 5,183	\$ 5,183	\$ 6,235		\$ 5,540	\$ 5,015	\$ 4,204	\$ 3,164
Ending Cash Balance	\$ 3,806	\$ 5,183	\$ 5,465	\$ 6,235	\$ 5,540		\$ 5,015	\$ 4,204	\$ 3,164	\$ 2,482
Dividend Affordability Formula										
Operating & Maintenance Expenses	\$ 26,166	\$ 23,435	\$ 22,853	\$ 23,181	\$ 23,035		\$ 23,063	\$ 23,091	\$ 23,119	\$ 23,147
Reserved Retained Earnings (2 Months)	\$ 4,361	\$ 3,906	\$ 3,809	\$ 3,864	\$ 3,839		\$ 3,844	\$ 3,849	\$ 3,853	\$ 3,858
Cash in Excess of Reserve after Dividend	\$ (555)	\$ 1,278	\$ 1,656	\$ 2,371	\$ 1,701		\$ 1,171	\$ 355	\$ (689)	\$ (1,376)

ELECTRIC FUND PROJECTIONS
FISCAL YEAR 2016/20
INCOME STATEMENT
(IN THOUSANDS)

	2012/13 ACTUAL	2013/14 ACTUAL	2014/15		2015/16 PROPOSED BUDGET	PROJ. CHG %	2016/17 PROJ.	2017/18 PROJ.	2018/19 PROJ.	2019/20 PROJ.
			REVISED BUDGET	ESTIMATED ACTUAL						
Schedule A - Capital Outlay										
Capital Outlay										
Vehicles-C0090	\$ 37		\$ 150	\$ 125	\$ 250		\$ 184	\$ 210	\$ 225	139
Telemetry Equipment-C0111	25	16	25	25	40		30	20	20	20
Central Substation-C0118	-	-	-	-	-		-	200	500	200
Wesel Boulevard-C0220	-	-	-	-	-		50	50	50	50
Hagerstown Business Park-C0258	-	-	-	-	-		50	50	50	50
System Reconductoring-C0259	-	-	20	30	20		20	20	20	20
Pedestrian Lights-C0388	-	-	10	-	-		100	100	100	100
Underground Replacement-C0540	-	-	-	-	100		100	100	100	100
Supplemental Lighting-C0541	-	-	-	-	20		20	20	20	20
Building & Site Improvements-C0542	-	19	150	100	675		25	25	25	25
Bulldog Substation- C0544	-	-	-	-	-		-	-	20	20
Street Light Replacement-C0546	-	-	-	-	25		25	-	-	-
A&E District Upgrades-C0591	-	-	32	-	32		32	32	32	32
Test Equipment-C0609	-	-	7	-	7		7	7	7	7
Mitchell Substation Third Bay-C0778	-	-	-	-	-		60	100	-	-
Spare Regulators-C0797	12	-	15	15	15		15	15	-	-
Wildlife Protection-C0802	-	14	15	10	15		15	15	15	15
Library Project (Electric Fund)-C0805	34	-	-	-	-		-	-	-	-
Noland Drive Boys and Girls Club-C0818	-	15	52	6	-		-	-	-	-
Hamilton Hotel-C0819	-	8	9	-	-		-	-	-	-
Feeder Coordination-C0833	-	-	25	-	25		25	25	25	25
Bester Elementary School-C0841	26	17	34	29	-		-	-	-	-
Circuit Upgrades-C0842	-	11	20	20	20		150	150	150	150
Other - Non-Specific	632	437	374	290	395		500	500	500	500
Total Capital Outlay	\$ 766	\$ 536	\$ 938	\$ 649	\$ 1,639		\$ 1,408	\$ 1,639	\$ 1,859	\$ 1,473

WATER FUND PROJECTIONS
FISCAL YEAR 2016/2020
ASSUMPTIONS

- Mayor and City Council adopted a five-year rate schedule on March 27, 2014, water service rates are scheduled to increase an average of 2.0% for services provided in the City and an average of 2.0% per year for services provided outside the City. The five-year rate schedule was based on a cost of service study; and, the current rate schedule began on July 1, 2014 and will end June 30, 2019. The projections reflect these average increases through Fiscal Year 2018/19. The Utilities Department updates the Rate Model annually with actual revenues and expenditures to help ensure revenue and expense projections are realized. The rate increases are necessary to offset increasing debt service costs, rising depreciation expenses, and decreasing capital contributions.
- Total operating expenses (excluding depreciation) increased by 0.4% from the FY2014/15 budget compared to the budget proposed for FY2015/16. Primarily, this increase is a result of proposed COLAs and salary enhancements for employees and rising employer costs for health and dental insurance, workers compensation, and pension contributions. All other expenditures are flat or decreasing. Based on historical trends, the projections include increases in future periods as well, and the overall estimated increase for each period from FY2016/17 through FY2019/20 is 2.0%.
- Depreciation expense has increased due to recent capital improvement upgrades and investments. We anticipate that depreciation will continue to increase in future years as investment in significant capital projects continue throughout the City. As a result, depreciation expense reflects an increase of 4.4% from FY2014/15 budget to proposed FY2015/16 budget. This trend will continue to increase at a lower rate in the years that follow based upon current anticipated new projects. In the four years from FY2016/17 through FY2019/20 the increase in expense will be 1.7%, 2.4%, 5.9%, and 5.6%.
- The investment interest rate is assumed to remain flat with no growth calculated due to the current economic market conditions.
- The projection incorporates benefit charge funds. Benefit charge funds are intended to be used for growth related capital projects and debt service from prior year growth related projects. Benefit charges have remained flat due to the economy. From our current FY2014/15 budget to estimated projections for FY2014/15, benefit charges are estimated to remain flat. The projections for FY2016/17 will remain flat with no growth. All remaining projections will remain flat annually through FY2019/20.
- The projections for Maryland Department of the Environment (MDE) Loan Program Bond financing include low interest rates at 2% for thirty year terms. In addition, MDE bonds include an administrative fee of 5.0% of debt service issued annually. The bonds marked as City bonds have an interest rates of 4.0% over spans of 20 - 25 years. The MDE bond financing for the R.C. Willson Plant upgrades includes loan forgiveness of \$1.5 million which will occur in FY2023/24.
- Based on the assumptions outlined above for both revenues and increasing expenses, our net increase (decrease) in retained earnings is estimated to decline from an anticipated gain of \$102K in FY2015/16 to a loss of <\$404K> in FY2016/17.
- Due to the drop in projected new benefit charges, the cost of service rate study recommends that an allocation of cash be included as restricted cash in future years. This allocation would cover a portion of annual service charge revenues for future system repairs, renewal, and replacement.
- The ending total cash balance projection decreased from \$10.6M in FY2015/16 to \$5.4M in FY2019/20 primarily as a result of an increase in annual debt service requirements for infrastructure for the following projects: R.C. Willson Plant Phase IV Improvements completed in FY2014/15 and the Willson Transmission Mains beginning in FY2016/17 (see Section 9-CIP page 142).

WATER FUND PROJECTIONS
FISCAL YEAR 2016/20
INCOME STATEMENT
(IN THOUSANDS)

	2012/13	2013/14	2014/15		2015/16	PROJ.	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
Operating Revenues										
Service Charges										
Metered City Water	\$ 1,953	\$ 2,071	\$ 2,052	\$ 2,100	\$ 2,142	2%	\$ 2,185	\$ 2,229	\$ 2,273	\$ 2,319
Metered County Water	7,739	8,064	8,440	8,266	8,428	2%	8,597	8,769	8,944	9,123
Total Service Charges	9,691	10,135	10,492	10,366	10,570		10,782	10,997	11,217	11,442
Other Operating Revenues	1,167	982	746	873	852		800	800	800	800
Total Operating Revenue	10,858	11,117	11,238	11,239	11,423		11,582	11,797	12,017	12,242
Operating Expenses										
Source of Supply	75	76	69	53	58	2%	59	60	61	63
Pumping & Water Treatment	3,285	3,283	3,549	3,775	3,560	2%	3,631	3,704	3,778	3,853
Transmission & Distribution	1,598	1,483	1,846	1,925	1,888	2%	1,926	1,965	2,004	2,044
Selling, General & Administration	2,590	2,620	2,802	2,832	2,797	2%	2,853	2,910	2,968	3,027
Total Operating Expenses	7,549	7,461	8,266	8,584	8,303		8,469	8,638	8,811	8,987
Cash Operating Income (Loss)	3,309	3,656	2,972	2,655	3,120		3,113	3,159	3,206	3,254
Depreciation	2,296	2,403	3,160	2,900	3,300		3,356	3,438	3,641	3,844
Operating Income (Loss)	1,014	1,253	(188)	(245)	(180)		(244)	(279)	(435)	(589)
Non-Operating Revenues (Expenses)										
Interest Earned	10	3	5	2	2		5	5	5	5
Interest Expense	(364)	(359)	(567)	(529)	(570)		(634)	(747)	(741)	(786)
Gain on Fixed Asset Disposals	1	8	10	10	2		3	3	3	3
Total Non-Operating Revenue (Expense)	(353)	(348)	(552)	(518)	(567)		(627)	(740)	(734)	(779)
Net Income (Loss) Before Operating Transfers	660	905	(740)	(763)	(748)		(870)	(1,018)	(1,168)	(1,368)
Transfers From (To) Other Funds										
Transfers to Capital Improvements Fund	(40)	(60)	(29)	(29)	-		(34)	(61)	(41)	(41)
Total Transfers From (To) Other Funds	(40)	(60)	(29)	(29)	-		(34)	(61)	(41)	(41)
Capital Contributions										
Benefits Charges	294	672	500	500	500		500	500	500	500
Grants in Aid of Construction	128	1,375	-	-	-		-	-	-	-
Developer Contributions	409	661	350	350	350		-	150	550	2,000
Capital Contributions	831	2,708	850	850	850		500	650	1,050	2,500
Increase (Decrease) in Retained Earnings	1,452	3,553	81	58	102		(404)	(429)	(159)	1,091
Adjust to a Cash Flow Basis										
Add Back Depreciation	2,296	2,403	3,160	2,900	3,300		3,356	3,438	3,641	3,844
Changes in Working Capital	(406)	1,331	-	-	-		-	-	-	-
Principal Payments on Long-term Debt	(1,338)	(1,256)	(1,395)	(1,269)	(1,779)		(2,006)	(2,287)	(2,356)	(2,450)
Non-Cash Capital Contributions	(409)	(661)	(350)	(350)	(350)		-	(150)	(550)	(2,000)
Total Adjustments to Retained Earnings	143	1,816	1,415	1,281	1,171		1,350	1,001	735	(606)
Cash Available for Capital Outlay	1,594	5,369	1,496	1,339	1,274		947	572	576	485
Capital Outlay										
Non-Growth Related	3,456	10,101	4,151	4,124	2,525		3,081	3,937	1,735	1,626
Growth Related	290	2,299	1,032	731	590		3,957	4,889	1,142	5,944
Total Capital Outlay	3,746	12,400	5,183	4,855	3,115		7,038	8,826	2,877	7,570
Cash After Capital Outlay	(2,152)	(7,031)	(3,686)	(3,516)	(1,841)		(6,091)	(8,255)	(2,301)	(7,085)
Additional Funding										
MDE Bond Financing	224	5,945	2,650	4,540	1,500		5,425	6,925	625	3,875
City Bond Financing	0	0	1,485	3,256	386		394	410	427	444
Total Additional Funding	224	5,945	4,135	7,796	1,886		5,819	7,335	1,052	4,319
Net Surplus (Deficit)	\$ (1,928)	\$ (1,086)	\$ 449	\$ 4,280	\$ 45		\$ (272)	\$ (920)	\$ (1,249)	\$ (2,766)
Beginning Cash Balance	\$ 9,333	\$ 7,404	\$ 6,318	\$ 6,318	\$ 10,598		\$ 10,643	\$ 10,371	\$ 9,452	\$ 8,203
Ending Cash Balance	\$ 7,404	\$ 6,318	\$ 6,766	\$ 10,598	\$ 10,643		\$ 10,371	\$ 9,452	\$ 8,203	\$ 5,437
Unrestricted Cash Balance - Beginning	\$ 6,190	\$ 4,206	\$ 2,879	\$ 2,879	\$ 7,071		\$ 7,010	\$ 6,689	\$ 5,817	\$ 4,629
Unrestricted Cash Balance - Ending	\$ 4,206	\$ 2,879	\$ 3,239	\$ 7,071	\$ 7,010		\$ 6,689	\$ 5,817	\$ 4,629	\$ 2,052
Restricted Cash Balance - Beginning	\$ 3,142	\$ 3,198	\$ 3,439	\$ 3,439	\$ 3,527		\$ 3,633	\$ 3,683	\$ 3,634	\$ 3,574
Restricted Cash Balance - Ending	\$ 3,198	\$ 3,439	\$ 3,527	\$ 3,527	\$ 3,633		\$ 3,683	\$ 3,634	\$ 3,574	\$ 3,385
Dividend Affordability Formula:										
Operating & Maintenance Expenses	\$ 7,549	\$ 7,461	\$ 8,266	\$ 8,584	\$ 8,303		\$ 8,469	\$ 8,638	\$ 8,811	\$ 8,987
Reserved Retained Earnings (2 Months)	\$ 1,258	\$ 1,244	\$ 1,378	\$ 1,431	\$ 1,384		\$ 1,411	\$ 1,440	\$ 1,469	\$ 1,498
Cash in Excess of Reserve after Dividend	\$ 2,948	\$ 1,635	\$ 1,861	\$ 5,640	\$ 5,626		\$ 5,277	\$ 4,377	\$ 3,161	\$ 554

WATER FUND PROJECTIONS
FISCAL YEAR 2016/20
INCOME STATEMENT
(IN THOUSANDS)

	2012/13	2013/14	2014/15		2015/16	PROJ.	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED	EST.	PROPOSED	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
			BUDGET	ACTUAL	BUDGET					
Schedule A - Capital Outlay										
Capital Outlay										
Water Vehicles-C0117	\$ 182	\$ 169	\$ 358	\$ 350	\$ 234		\$ 310	\$ 327	\$ 254	\$ 223
R.C. Willson Plant Improvements-C0166	94	102	200	200	210		219	229	239	250
Willson Transmission Main-C0167	1	-	500	-	500		3,750	4,650	500	3,850
Edgemont Reservoir Improvements-C0168	-	-	150	50	250		275	275	275	175
Zone 3 Standpipe-C0323	-	-	-	-	-		-	-	-	100
Breichner WTP Improvements-C0405	13	-	300	25	150		900	2,200	50	50
Administrative/Engineering Equip.-C0648	-	-	10	5	10		10	10	10	10
Pump Station Improvements-C0651	143	35	75	75	75		75	225	625	1,975
Distribution Services-C0653	1,852	1,975	1,165	1,150	330		330	330	330	330
Distribution System Rehabilitation-C0709	334	563	400	250	406		418	431	444	457
R.C. Willson Plant - Phase IV-C0740	797	7,250	1,500	2,600	-		-	-	-	-
Water System SCADA Improvements-C0820	332	2,307	525	150	175		750	150	150	150
R.C.Willson Traveling Screen ReplacementC0863	-	-	-	-	775		-	-	-	-
Total Capital Outlay	3,746	12,400	5,183	4,855	3,115		7,038	8,826	2,877	7,570
Schedule B - Capital Outlay Detail										
Capital Outlay										
Non-Growth Related										
Cash Funded										
Water Vehicles-C0117	\$ 182	\$ 169	\$ 358	\$ 350	\$ 234		\$ 310	\$ 327	\$ 254	\$ 223
R.C. Willson Plant Improvements-C0166	71	77	23	30	23		28	28	28	28
Edgemont Reservoir Improvements-C0168	-	-	150	50	150		150	150	150	150
Breichner WTP Improvements-C0405	13	-	-	-	50		50	50	50	50
Administrative/Engineering Equip.-C0648	-	-	8	4	8		8	8	8	8
Pump Station Improvements-C0651	143	35	75	75	75		75	75	75	75
Distribution Services-C0653	1,852	1,975	250	-	330		330	330	330	330
Distribution System Rehabilitation-C0709	334	563	-	-	200		206	212	218	225
R.C. Willson Plant - Phase IV-C0740	335	113	113	113	-		-	-	-	-
Water System SCADA Improvements-C0820	266	692	20	40	60		40	120	120	120
R.C.Willson Traveling Screen Rep -C0863	-	-	-	-	75		-	-	-	-
Total Cash Funding	3,194	3,622	996	662	1,204		1,197	1,300	1,233	1,210
Grants in Aid of Construction										
R.C. Willson Plant - Phase IV-C0740	94	1,031	-	-	-		-	-	-	-
Total Grants in Aid of Construction	94	1,031	-	-	-		-	-	-	-
Contributions by Developers										
Total Contributions by Developers	-	-	-	-	-		-	-	-	-
MDE Bond Funded										
Edgemont Reservoir Improvements-C0168	-	-	-	-	100		125	125	125	25
Breichner WTP Improvements-C0405	-	-	300	25	100		850	2,150	-	-
R.C. Willson Plant - Phase IV-C0740	168	4,294	1,013	1,838	-		-	-	-	-
Water System SCADA Improvements-C0820	-	176	400	80	80		560	-	-	-
R.C.Willson Traveling Screen Rep-C0863	-	-	-	-	700		-	-	-	-
Total MDE Bond Funding	168	4,469	1,713	1,943	980		1,535	2,275	125	25
Benefit Charge Advance(MDE Bond Funding)										
Water System SCADA Improvements-C0820	-	978	-	-	-		-	-	-	-
Total Benefit Charge Advance(MDE Funding)	0	978	0	0	0		0	0	0	0
City Bond Funded (Benefit Charge Advance)										
R.C. Willson Plant Improvements-C0166	-	0	128	120	135		136	144	151	159
Distribution Services-C0653	-	-	915	1,150	-		-	-	-	-
Distribution System Rehabilitation-C0709	-	-	400	250	206		212	219	225	232
Total City Bond Funding	0	0	1,443	1,520	341		348	362	377	391
Total Non-Growth Related Capital Outlay	\$ 3,456	\$ 10,101	\$ 4,151	\$ 4,124	\$ 2,525		\$ 3,081	\$ 3,937	\$ 1,735	\$ 1,626

WATER FUND PROJECTIONS
FISCAL YEAR 2016/20
INCOME STATEMENT
(IN THOUSANDS)

	2012/13	2013/14	2014/15		2015/16	PROJ.	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED	EST.	PROPOSED	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
			BUDGET	ACTUAL	BUDGET					
Growth Related										
Grants in Aid of Construction										
R.C. Willson Plant - Phase IV-C0740	\$ 31	\$ 344	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Total Grants in Aid of Construction	31	344	-	-	-		-	-	-	-
Contributions by Developers										
Zone 3 Standpipe-C0323	-	-	-	-	-		-	-	-	100
New Pump Stations -C0651	-	-	-	-	-		-	150	550	1,900
Total Contributions by Developers	-	-	-	-	-		-	150	550	2,000
Benefit Charges/Restricted Cash Funded										
R.C. Willson Plant Improvements-C0166	24	26	8	10	8		9	9	9	9
Willson Transmission Main-C0167	1	-	-	-	-		-	-	-	-
Administrative/Engineering Equip.-C0648	-	-	2	1	2		2	2	2	2
R.C. Willson Plant - Phase IV-C0740	112	38	38	38	-		-	-	-	-
Water System SCADA Improvements-C0820	66	173	5	10	15		10	30	30	30
Total Benefit Charge Funded	203	236	52	59	25		21	41	41	41
MDE Bond Funded										
Willson Transmission Main-C0167	-	-	500	-	500		3,750	4,650	500	3,850
R.C. Willson Plant - Phase IV-C0740	56	1,431	338	613	-		-	-	-	-
Water System SCADA Improvements-C0820	-	44	100	20	20		140	-	-	-
Total MDE Bond Funding	56	1,475	938	633	520		3,890	4,650	500	3,850
MDE Bond Funded Benefit Charge Advance										
Water System SCADA Improvements-C0820	-	244	-	-	-		-	-	-	-
Total MDE Bond Benefit Charge Advance	-	244	-	-	-		-	-	-	-
City Bond Funded (Benefit Charge Advance)										
R.C. Willson Plant Improvements-C0166	-	-	43	40	45		45	48	50	53
Water System SCADA Improvements-C0820	-	-	-	-	-		-	-	-	-
Total City Bond Funding	-	-	43	40	45		45	48	50	53
Total Growth Related Capital Outlay	290	2,299	1,032	731	590		3,957	4,889	1,142	5,944
Total Capital Outlay	\$ 3,746	\$ 12,400	\$ 5,183	\$ 4,855	\$ 3,115		\$ 7,038	\$ 8,826	\$ 2,877	\$ 7,570

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2016/2020
ASSUMPTIONS

- Service Charge Revenue reflects the adoption of a new five-year rate schedule on March 27, 2014. The five-year rate schedule was based on a cost of service study; and, the new rate schedule will began July 1, 2014 and will end June 30, 2019. The projections reflect the new rates: FY2015/16 - 4% rate increase; FY2016/17 - 4% rate increase; and both FY2017/18 and FY2018/19 – 2% rate increase. Additionally, the projections for FY2019/20 include an additional 2% rate increase. The rate increases are necessary to meet the Wastewater revenue requirements and enable the fund to be self-supporting.
- Total operating expenses (excluding depreciation) decreased by 2.1% from the FY2014/15 budget compared to the budget proposed for FY2015/16. Primarily, this decrease is a result of a reduction of overtime costs, pension contributions, and reduced use of some plant expenses such as chemicals and pelletizing charges. These decreases offset the increase in overall base salaries and total benefit expenditures in FY2015/16 budget. However as a result of historical trends, the projections included increases in future periods. The overall estimated increase for each period from FY2016/17 through FY2019/20 is 2.0%.
- Depreciation expense will fluctuate as a result of capital improvement upgrades, infrastructure investments, and assets reaching the end of its useful life. As a result, it is estimated that depreciation expense from the proposed FY2015/16 budget will be 3.3% more than the current FY2014/15 budget. In addition, we anticipate that depreciation will climb in future years as we invest in various capital projects throughout the City. As a result, depreciation expense will increase in the years that follow based upon current anticipated new projects. In the four years from FY2016/17 through FY2019/20 the increase in expense will be 1.1%, 2.8%, 2.0%, and 1.5%.
- The investment interest rate is assumed to remain flat due to the current market conditions. So, interest revenue projections are flat until FY2019/20.
- Benefit charges are the primary source of funding for capacity growth needs and related capital projects. Benefit charges are also utilized to pay for debt service related to prior year capacity related capital projects. In recent years, revenues from benefit charges have decreased due to the current economy. From our current FY2014/15 budget to estimated projections for FY2014/15, benefit charges are estimated to decrease by 25% or \$100K. However, all of the projections for FY2016/17 through FY2019/20 will remain flat.
- Beginning in FY2014/15, projections assume that all future bonds will be backed by the full faith and credit of the City and issued as general obligation debt, which reflect an interest rate of 4.0% and terms of 20 - 25 years.
- Based on the various estimations mentioned above for both revenues and expenses, our net increase (decrease) in retained earnings is estimated to improve significantly from an anticipated loss of <\$86K> in FY2015/16 to a gain of \$1.125K in FY2016/17.
- The ending total cash balance projections reflect growth from \$4.0M in FY2015/16 to \$5.8M in FY2019/20 primarily as a result of the increase in service charges and maintaining operating and capital expenditures to amounts lower than anticipated revenue growth. This growth is consistent with the five-year rate study that was completed and recommended in March 2014.

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2016/2020
INCOME STATEMENT
(IN THOUSANDS)

	2012/13	2013/14	2014/15		2015/16						
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%	2016/17 PROJ.	2017/18 PROJ.	2018/19 PROJ.	2019/20 PROJ.	
Operating Revenues											
Service Charges											
Metered City Sewer	\$ 5,527	\$ 5,653	\$ 6,338	\$ 6,380	\$ 6,640	4%	\$ 6,906	\$ 7,044	\$ 7,185	\$ 7,328	
Metered County Sewer	2,715	2,733	3,123	3,034	3,156	4%	3,283	3,348	3,415	3,484	
Metered Joint Sewer	1,915	1,991	2,214	2,202	2,289	4%	2,381	2,429	2,477	2,527	
Low -Pressure System Charge	106	106	106	104	104	0%	104	104	104	104	
Total Service Charges	10,263	10,483	11,781	11,721	12,190		12,673	12,924	13,181	13,442	
Other Operating Revenues	437	299	235	330	273		275	275	275	275	
Total Operating Revenue	10,700	10,782	12,016	12,050	12,463		12,948	13,199	13,456	13,717	
Operating Expenses											
Plant Expenses	4,757	4,740	5,097	4,837	4,830	2%	4,927	5,025	5,126	5,228	
Laboratory Expenses	285	292	343	281	293	2%	299	305	311	317	
Collection Systems	1,209	1,121	1,290	1,306	1,265	2%	1,291	1,316	1,343	1,370	
Selling, General & Administration	2,959	3,113	3,030	3,076	3,169	2%	3,232	3,297	3,363	3,430	
Total Operating Expenses	9,209	9,266	9,760	9,500	9,557		9,749	9,943	10,142	10,345	
Cash Operating Income (Loss)	1,491	1,516	2,256	2,550	2,906		3,200	3,256	3,314	3,372	
Depreciation	2,911	2,918	3,020	3,020	3,120		3,154	3,242	3,308	3,359	
Operating Income (Loss)	(1,420)	(1,402)	(764)	(470)	(214)		46	14	6	14	
Non-Operating Revenues (Expenses)											
Interest Earned	4	(1)	3	3	3		5	5	5	5	
Interest Expense	(354)	(391)	(434)	(403)	(415)		(432)	(451)	(462)	(460)	
Gain (Loss) on Sale of Capital Assets	-	3	1	21	1		-	-	-	-	
Total Non-Operating Revenues (Expenses)	(351)	(390)	(430)	(379)	(411)		(427)	(446)	(457)	(455)	
Net Income (Loss) Before Operating Transfers	(1,771)	(1,792)	(1,194)	(849)	(626)		(381)	(432)	(451)	(441)	
Transfers (to) Capital Improvements Fund	(40)	(24)	(29)	(29)	-		(34)	(61)	(41)	(41)	
Capital Contributions											
Benefits Charges	358	580	400	300	300		300	300	300	300	
Grants	246	234	240	240	240		240	240	240	240	
Contributions by Developers	-	-	-	-	-		1,000	300	300	-	
Non-Cash Capital Contributions	681	-	100	-	-		-	-	-	-	
Total Capital Contributions	1,286	813	740	540	540		1,540	840	840	540	
Increase (Decrease) in Retained Earnings	(525)	(1,003)	(483)	(338)	(86)		1,125	347	348	58	
Adjust Retained Earnings to a Cash Flow Basis											
Add Back Depreciation	2,911	2,918	3,020	3,020	3,120		3,154	3,242	3,308	3,359	
Changes in Working Capital	732	823	-	-	-		-	-	-	-	
Principal Payment on Current Long-Term Debt	(1,623)	(1,499)	(1,613)	(1,583)	(1,707)		(1,806)	(1,954)	(2,075)	(2,181)	
Non-Cash Capital Contributions	(681)	-	(100)	-	-		-	-	-	-	
Total Adjustments to Retained Earnings	1,339	2,243	1,307	1,437	1,413		1,348	1,288	1,233	1,178	
Cash Available for Capital Outlay	813	1,240	824	1,099	1,327		2,473	1,635	1,581	1,235	
Capital Outlay											
Non-Growth Related	789	1,086	2,246	1,952	1,629		2,767	1,929	1,649	1,319	
Growth Related	805	105	738	553	569		1,524	849	849	234	
Total Capital Outlay	1,594	1,192	2,983	2,505	2,198		4,291	2,778	2,498	1,553	
Cash After Capital Outlay	(781)	48	(2,159)	(1,406)	(871)		(1,818)	(1,143)	(917)	(318)	
Additional Funding											
MDE Bond Financing	919	-	-	-	-		-	-	-	-	
City Bond Financing	-	1,174	1,737	1,940	1,383		2,317	1,792	1,492	392	
Total Additional Funding	919	1,174	1,737	1,940	1,383		2,317	1,792	1,492	392	
Net Surplus (Deficit)	\$ 138	\$ 1,222	\$ (422)	\$ 534	\$ 512		\$ 499	\$ 649	\$ 575	\$ 74	
Total Cash Balance - Beginning	\$ 1,594	\$ 1,732	\$ 2,954	\$ 2,954	\$ 3,489		\$ 4,001	\$ 4,500	\$ 5,149	\$ 5,723	
Total Cash Balance - Ending	\$ 1,732	\$ 2,954	\$ 2,532	\$ 3,489	\$ 4,001		\$ 4,500	\$ 5,149	\$ 5,723	\$ 5,798	
Unrestricted Cash Balance - Beginning	\$ 1,594	\$ 1,732	\$ 2,954	\$ 2,954	\$ 2,532		\$ 2,532	\$ 4,000	\$ 4,449	\$ 4,923	
Unrestricted Cash Balance - Ending	\$ 1,732	\$ 2,954	\$ 2,532	\$ 3,389	\$ 3,701		\$ 4,000	\$ 4,449	\$ 4,923	\$ 4,898	
Restricted Cash Balance - Beginning	\$ -	\$ -	\$ -	\$ -	\$ 100		\$ 300	\$ 500	\$ 700	\$ 800	
Restricted Cash Balance - Ending	\$ -	\$ -	\$ -	\$ 100	\$ 300		\$ 500	\$ 700	\$ 800	\$ 900	
Dividend Affordability Formula:											
Operating & Maintenance Expenses	\$ 9,209	\$ 9,266	\$ 9,760	\$ 9,500	\$ 9,557		\$ 9,749	\$ 9,943	\$ 10,142	\$ 10,345	
Reserved Retained Earnings (2 Months)	\$ 1,535	\$ 1,544	\$ 1,627	\$ 1,583	\$ 1,593		\$ 1,625	\$ 1,657	\$ 1,690	\$ 1,724	
Cash in Excess of Reserve after Dividend	\$ 197	\$ 1,410	\$ 906	\$ 1,805	\$ 2,108		\$ 2,375	\$ 2,792	\$ 3,233	\$ 3,173	

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2016/2020
INCOME STATEMENT
(IN THOUSANDS)

			2014/15		2015/16							
	2012/13	2013/14	REVISED	EST.	PROPOSED	PROJ.	2016/17	2017/18	2018/19	2019/20		
	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.		
Schedule A - Capital Outlay												
Capital Outlay												
Sewer Vehicles-C0004	\$ 22	\$ 453	307	129	-		438	225	245	750		
Manhole Raising-C0267	-	12	36	36	36		36	36	36	36		
Pump Station Improvements-C0299	-	-	218	150	144		75	75	75	75		
Collection System Rehabilitation-C0327	417	213	400	300	400		1,600	400	400	400		
East End Pump Station-C0565	-	-	-	-	-		375	300	300	-		
WWTP/Enhanced Nutrient Removal-C0571	85	-	-	-	-		-	-	-	-		
WWTP Equipment-C0584	11	47	150	275	0		125	100	100	0		
Buildings & Structures-C0585	-	61	100	100	100		25	25	25	25		
WWTP - Phase III - Disinfection-C0657	-	-	10	10	10		0	0	0	0		
WWTP/Phase V/Solids Processing-C0711	13	15	50	200	50		50	50	50	0		
Sludge Storage Phase I Improvement-C0712	-	-	1,000	1,000	1,000		1,000	1,000	1,000	0		
Collection System Equipment-C0713	-	83	98	98	111		80	80	80	80		
Edgewood Intersection (SHA)-C0744	19	-	-	-	-		-	-	-	-		
Laboratory Equipment-C0745	53	-	10	10	10		10	10	10	10		
WWTP Disinfection Improvments-C0748	50	-	-	4	-		-	-	-	-		
Grinder Pump Replacement-C0767	96	96	162	162	162		162	162	162	162		
SSES City Wide-C0800	588	(11)	300	0	0		0	0	0	0		
Eliminate Pump Station #12-C0832	-	134	127	30	160		300	300	0	0		
New Laterals-C0834	239	-	15	1	15		15	15	15	15		
Final Clarifiers 4 & Weir Covers 6-C0845	-	89	-	-	-		-	-	-	-		
Total Capital Outlay	\$ 1,594	\$ 1,193	\$ 2,983	\$ 2,505	\$ 2,198		\$ 4,291	\$ 2,778	\$ 2,498	\$ 1,553		
Schedule B - Capital Outlay Detail												
Capital Outlay Non-Growth Related												
Cash Funded												
Sewer Vehicles-C0004	\$ -	\$ -	\$ 307	\$ 129	\$ -		\$ 438	\$ 225	\$ 245	\$ 750		
Manhole Raising-C0267	-	12	36	36	36		36	36	36	36		
Pump Station Improvements-C0299	-	-	164	113	108		56	56	56	56		
Collection System Rehabilitation-C0327	-	-	100	-	200		100	100	100	100		
WWTP Equipment-C0584	-	-	-	-	-		-	-	-	-		
Buildings & Structures-C0585	-	61	100	100	100		25	25	25	25		
WWTP Phase III Disinfection-C0657	-	-	7	7	7		-	-	-	-		
WWTP/Phase V/Solids Processing-C0711	9	11	-	-	35		35	35	35	-		
Collection System Equipment-C0713	-	-	-	8	-		-	-	-	-		
Laboratory Equipment-C0745	-	-	10	10	10		10	10	10	10		
WWTP Disinfection Improvements-C0748	-	-	-	3	-		-	-	-	-		
Grinder Pump Replacement-C0767	26	30	50	112	50		50	50	50	50		
Eliminate Pump Station #12-C0832	-	14	-	5	-		-	-	-	-		
Final Clarifiers 4 & Weir Covers 6-C0845	-	89	-	-	-		-	-	-	-		
Total Cash Funding	35	216	774	522	546		750	537	557	1,027		
Grants in Aid of Construction												
SSES City Wide-C0800	-	(5)	150	-	-		-	-	-	-		
Total Grant in Aid of Construction	-	(5)	150	-	-		-	-	-	-		
Contributions by Developers												
Collection System Rehabilitation-C0327	-	-	-	-	-		350	-	-	-		
Total Developer Contributions	-	-	-	-	-		350	-	-	-		
MDE Bond Funded												
WWTP/Enhanced Nutrient Removal-C0571	60	-	-	-	-		-	-	-	-		
WWTP Disinfection Improvements-C0748	35	-	-	-	-		-	-	-	-		
SSES City Wide-C0800	294	-	-	-	-		-	-	-	-		
Total MDE Bond Funding	389	-	-	-	-		-	-	-	-		
City Bond Funded (Benefit Charge Advance)												
Sewer Vehicles-C0004	22	453	-	-	-		-	-	-	-		
Collection System Rehabilitation-C0327	208	106	100	150	-		350	100	100	100		
WWTP Equipment-C0584	11	47	150	275	-		125	100	100	-		
WWTP/Phase V/Solids Processing-C0711	-	-	35	140	-		-	-	-	-		
Sludge Storage Phase I Improvement-C0712	-	-	700	700	700		700	700	700	-		
Collection System Equipment-C0713	-	83	98	90	111		80	80	80	80		
Laboratory Equipment-C0745	53	-	-	-	-		-	-	-	-		
Grinder Pump Replacement-C0767	70	66	112	50	112		112	112	112	112		
Eliminate Pump Station #12-C0832	-	120	127	25	160		300	300	-	-		
Total City Bond Funding	364	877	1,322	1,430	1,083		1,667	1,392	1,092	292		
Total Non-Growth Related Capital Outlay	\$ 789	\$ 1,087	\$ 2,246	\$ 1,952	\$ 1,629		\$ 2,767	\$ 1,929	\$ 1,649	\$ 1,319		

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2016/2020
INCOME STATEMENT
(IN THOUSANDS)

	2012/13	2013/14	2014/15		2015/16		2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%	PROJ.	PROJ.	PROJ.	PROJ.
Growth Related										
Grants in Aid of Construction										
SSSES City Wide-C0800	\$ -	\$ (5)	\$ 150	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Total Grants in Aid of Construction	-	(5)	150	-	-		-	-	-	-
Contributions by Developers										
Collection System Rehabilitation-C0327	-	-	-	-	-		350	-	-	-
New Laterals-C0834	239	-	-	-	-		-	-	-	-
East End Pump Station-C0565	-	-	-	-	-		300	300	300	-
Total Developer Contributions	239	-	-	-	-		650	300	300	-
Benefit Charges/Restricted Cash Funded										
Pump Station Improvements-C0299	-	-	55	38	36		19	19	19	19
Collection System Rehabilitation-C0327	-	-	100	-	200		100	100	100	100
East End Pump Station-C0565	-	-	-	-	-		75	-	-	-
WWTP - Phase III - Disinfection-C0657	-	-	3	3	3		-	-	-	-
WWTP/Phase V/Solids Processing-C0711	4	5	-	-	15		15	15	15	-
Edgewood Intersection (SHA)-C0744	19	-	-	-	-		-	-	-	-
WWTP Disinfection Improvements-C0748	-	-	-	1	-		-	-	-	-
New Laterals-C0834	-	-	15	1	15		15	15	15	15
Total Benefit Charge Funding	23	5	173	43	269		224	149	149	134
MDE Bond Funded										
WWTP/Enhanced Nutrient Removal-C0571	26	-	-	-	-		-	-	-	-
WWTP Disinfection Improvements-C0748	15	-	-	-	-		-	-	-	-
SSSES City Wide-C0800	294	-	-	-	-		-	-	-	-
Total MDE Bond Funding	335	-	-	-	-		-	-	-	-
City Bond Funded										
Collection System Rehabilitation-C0327	208	106	100	150	-		350	100	100	100
WWTP/Phase V/Solids Processing-C0711	-	-	15	60	-		-	-	-	-
Sludge Storage Phase I Improvement-C0712	-	-	300	300	300		300	300	300	-
Total City Bond Funding	208	106	415	510	300		650	400	400	100
Total Growth Related Capital Outlay	805	105	738	553	569		1,524	849	849	234
Total Capital Outlay	\$ 1,594	\$ 1,193	\$ 2,983	\$ 2,505	\$ 2,198		\$ 4,291	\$ 2,778	\$ 2,498	\$ 1,553

PARKING FUND PROJECTIONS
FISCAL YEAR 2016/2020
ASSUMPTIONS

- Parking rates were increased on July 1, 2014. Currently, the rates are as follows: deck rates are \$62/month or maximum \$8.00/day; lot rates are \$48/month; and after hours deck rates are \$2 after 4 pm weekdays and Saturday. Sunday is free parking in both the decks. The University District Deck and Parking lots provide volume discounts of 10% for 10 passes/vehicles and 25% for 25+ passes/vehicles. Future revenues do include an estimate for increased usage by 1.5% annually beginning in FY17 through FY20.
- Based on an economic study by Urban Partners in 2014, a future need for a third parking deck may occur through the development of new retail office space in the downtown (Catalyst Project #1). The projections include the assumption that this third parking deck would be completed and operational for half of FY20. The revenue calculation is based on 50% utilization of 250 available spaces in the new deck for a portion of the year in FY20. The estimations for the third deck revenue also include usage being primarily composed of daily rates and not monthly rentals of group spaces based on current development around the City. Additionally, new parking deck expenses and fees are included in the projections and are based on average expenditure trends reflected in our existing two decks. With the inclusion of a third parking deck, it is anticipated that there will be a deficit in FY20 which will begin to deplete the Parking Fund cash balances.
- Total operating expenses (excluding depreciation) increased by 7.9% from the FY15 budget compared to the budget proposed for FY16. Primarily, this increase reflects the projected COLA and step increases for all non-union staff effective in July and the negotiated increases for AFSCME 1540 members. Based on historical trends, the projections include increases in future periods as well. The overall increase for each fiscal year from FY17 to FY19 is estimated to be 2.5% annually. The increase in FY20 is estimated to be 17.9% with the inclusion of a third parking deck for half of the year.
- Depreciation expense has increased in our current fiscal year. This trend continues and is reflected in the 2.7% increase from FY15 to FY16 budget. This increase is a result of new equipment investments, parking lot improvements, and improvements made to an existing deck infrastructure. We anticipate that depreciation will increase significantly in FY20 upon projected completion of the third parking deck (#56-C0173 in CIP section 9). In this year, depreciation is expected to nearly double the depreciation budget in FY19.
- The investment interest rate is assumed to remain flat with no growth calculated due to the current economic market conditions.
- The future bond interest rates for the new parking deck are estimated at a rate of 4% over 20 years. Our projections include City issued governmental bonds to fund the construction of the third parking deck. The debt service impact is reflected in our interest expense and principal repayment figures.
- Based on the assumptions outlined above for both revenues and increasing expenses, our net increase (decrease) in retained earnings is estimated to decline from an anticipated gain of \$116K in FY15 to a loss of \$457K in FY20 due to significant increases in depreciation and debt service expenses for a third parking deck.

PARKING FUND PROJECTIONS
FISCAL YEAR 2016/2020
INCOME STATEMENT
(IN THOUSANDS)

	2012/13	2013/14	2014/15	2015/16						
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%	2016/17 PROJ.	2017/18 PROJ.	2018/19 PROJ.	2019/20 PROJ.
Operating Revenues										
Parking Deck Revenues										
University District Parking Deck										
Parking Deck Permits	222	215	220	220	220	1.5%	223	227	230	233
Parking Deck Fees	49	53	49	49	49	1.5%	50	50	51	52
Downtown Promotions	7	10	9	9	7	0.0%	7	7	7	7
General Free Parking	(34)	(53)	(36)	(36)	(48)	1.5%	(48)	(49)	(50)	(50)
Parking Deck Coupons	5	2	2	2	2	1.5%	2	2	2	2
Arts & Entertainment Parking Deck										
Parking Deck Permits	121	121	130	130	130	1.5%	132	134	136	138
Parking Deck Fees	56	55	55	55	55	1.5%	56	57	58	58
Downtown Promotions	-	-	-	-	-	1.5%	-	0	-	0
PEP Parking Discount	(3)	(3)	(2)	(2)	(4)	1.5%	(4)	(4)	(4)	(5)
Parking Deck III										
Parking Deck Fees	-	-	-	-	-	-	-	-	-	94
Total Parking Deck Revenue	422	401	426	427	411		417	423	430	529
Parking Meter & Lot Revenues										
Street Meters	104	113	110	110	110	1.5%	112	113	115	117
Free Parking	(3)	(3)	(3)	(3)	(3)	0.0%	(3)	(3)	(3)	(3)
Market House Lot	41	38	35	35	35	1.5%	36	36	37	37
Church Street Lot	47	51	47	47	48	1.5%	49	49	50	51
Rochester Lot	13	19	11	11	7	1.5%	7	8	8	8
Central Lot	93	93	100	100	100	1.5%	102	103	105	106
Antietam St. Lot	25	26	25	25	25	1.5%	25	26	26	27
Hospital Streets	3	-	-	-	-	1.5%	-	-	-	-
Bryan Centre Lot	0	1	0	0	0	0.0%	0	0	0	0
Departmental Charges	38	45	45	45	45	1.5%	46	46	47	48
Total Parking Meter & Lot Revenue	359	384	371	371	368		373	379	385	391
Parking Enforcement	155	85	145	98	98	1.5%	99	101	102	104
Other Operating Revenues										
Other Revenues	-	1	10	2	2	-	2	2	2	2
Total Other Operating Revenue	0	1	10	2	2		2	2	2	2
Total Operating Revenue	936	870	952	898	879		892	905	919	1,026
Operating Expenses										
University District Parking Deck	114	154	138	144	155	2.5%	159	163	167	171
Arts & Entertainment Parking Deck	112	121	130	151	148	2.5%	152	156	159	163
Parking Deck III	-	-	-	-	-	2.5%	-	-	-	84
Parking Lots	129	128	150	145	151	2.5%	155	159	163	167
Parking Enforcement Expenses	57	55	48	49	49	2.5%	50	52	53	54
Total Operating Expense	413	458	466	489	503		516	529	542	639
Cash Operating Income (Loss)	524	412	486	409	376		376	377	377	387
Depreciation	202	212	267	237	275	-	282	297	363	709
Operating Income (Loss)	322	200	219	172	101		94	79	14	(322)
Non-Operating Revenue (Expense)										
Interest Earned	1	1	1	-	-	-	1	1	1	1
Interest Expense	(69)	(64)	(60)	(56)	(48)	-	(39)	(30)	(37)	(135)
Total Non-Operating Revenue (Expense)	(68)	(63)	(59)	(56)	(48)		(39)	(30)	(37)	(135)
Net Income (Loss) Before Operating Transfers	254	136	159	116	53		56	50	(23)	(457)
Capital Contributions										
Grants in Aid of Construction	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-		-	-	-	-
Increase (Decrease) in Retained Earnings	254	136	159	116	53		56	50	(23)	(457)

PARKING FUND PROJECTIONS
FISCAL YEAR 2016/2020
INCOME STATEMENT
(IN THOUSANDS)

	2012/13	2013/14	2014/15	2015/16						
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%	2016/17 PROJ.	2017/18 PROJ.	2018/19 PROJ.	2019/20 PROJ.
Adjust to a Cash Flow Basis										
Add Back Depreciation	\$ 202	\$ 212	\$ 267	\$ 237	\$ 275		\$ 282	\$ 297	\$ 363	\$ 709
Changes in Working Capital	(21)	51	-	-	-		-	-	-	-
Prin. Pay on Current Long-Term Debt.	(172)	(143)	(155)	(156)	(163)		(170)	(182)	(189)	(283)
Total Adjustments to Retained Earnings	9	120	112	81	112		113	115	174	426
Cash Available for Capital Outlay	263	257	271	197	166		168	165	151	(31)
Capital Outlay										
Arts & Entertainment Parking Deck	-	-	-	-	-		-	-	-	-
Parking Facilities 3rd Parking Deck - C0173	-	-	-	-	-		-	-	1,575	8,425
University District Parking Deck - C0749	-	294	30	30	30		30	200	30	200
Vehicles/Equipment - C0829	20	-	20	25	25		35	-	-	-
Parking Way Finding Signs - C0848	-	-	-	-	25		-	-	-	-
Parking Lot Improvements - C0857	-	-	30	30	60		30	30	15	10
Total Capital Outlay	20	294	80	85	140		95	230	1,620	8,635
Cash After Capital Outlay	243	(38)	191	112	26		73	(65)	(1,469)	(8,666)
Additional Funding										
Bond Financing	-	104	-	-	-		-	-	1,575	8,425
Total Additional Funding	-	104	-	-	-		-	-	1,575	8,425
Net Surplus (Deficit)	\$ 243	\$ 67	\$ 191	\$ 112	\$ 26		\$ 73	\$ (65)	\$ 106	\$ (241)
Beginning Cash Balance	\$ 154	\$ 397	\$ 464	\$ 464	\$ 576		\$ 601	\$ 674	\$ 610	\$ 716
Ending Cash Balance	\$ 397	\$ 464	\$ 655	\$ 576	\$ 601		\$ 674	\$ 610	\$ 716	\$ 474

GOLF COURSE FUND PROJECTIONS
FISCAL YEAR 2016/2020
ASSUMPTIONS

- The last rate increases implemented at the Golf Course were on July 1, 2012. There are no other rate increases included in the projections through FY20. However, higher revenues are expected as a result of adding tournaments and leagues and increased promotions and advertising efforts. The operating revenue proposed in FY16 budget remains relatively flat compared to estimated actuals for FY15. However, increases are anticipated annually in FY17 through FY20. It is expected that revenues will increase by 3.3%, 1.6%, 1.7% and 1.7% respectively.
- Total operating expense (excluding depreciation) dropped slightly by 1.1% from current FY15 budget to proposed FY16 budget. Salaries increased by 12% from FY15 budget to FY16 budget; however, this increase was offset by a 31% decrease in supplies and materials. Beginning in FY17, the increase in total expenses range annually from 4.3%, 3.8%, 3.2%, and 3.6% in FY20. The increase reflects annual salary enhancements of 3% in each consecutive year as well as associated benefits. In addition, several category of expenses (Material, Supplies, & Utilities; Maintenance & Repairs; Vehicle Operating Expenses; and Contracted Services) are anticipated to increase based on historical trends and inflation factors.
- Depreciation expense is a reflection of investment in capital infrastructure and renovation. Therefore, the projections for depreciation reflect an increase of 12.3% or \$4,700 from FY15 to FY16 budget. This increase is due to the purchase of additional vehicles for the golf course. In FY17 through FY20, depreciation is anticipated to increase 4.1%, 3.4%, 2.2% and 2.1% in each respective year as new equipment is added.
- The investment interest rate is assumed to remain flat with no growth calculated due to the current market conditions. As a result of the low cash balances within the Golf Course fund, interest earned will stay well below \$1,000.
- The Golf Course currently has no debt service and is not estimated to incur any through FY20.
- Currently, the Golf Course receives a subsidy from the general fund. It will be necessary to continue this subsidy through FY20 based on the projections and trends. The proposed budget for FY16 is \$5K less than current FY15 projections indicating a declining dependence on the general fund subsidy in that year. However, the anticipated subsidy increases again in FY17. It is expected that the subsidy necessary to operate the Golf Course will remain relatively the same in future years and range from \$203K to \$214K.
- Based on the assumptions outlined above for both revenues and increasing expenses, our net increase (decrease) in retained earnings is estimated to grow slightly from \$1K in FY15 budget to \$4K in FY16 budget.

GOLF COURSE FUND PROJECTIONS
FISCAL YEAR 2016/2020
INCOME STATEMENT
(IN THOUSANDS)

	2012/13	2013/14	2014/15		2015/16	PROJ.	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
Operating Revenues										
Green Fees	\$ 84	\$ 77	\$ 82	\$ 85	\$ 85		\$ 90	\$ 92	\$ 95	\$ 98
Cart Rentals	45	40	47	43	43		44	44	44	44
Tournaments & Specials	37	60	37	60	58		58	58	58	58
Other Revenues	12	20	21	26	30		32	33	34	35
Total Operating Revenues	178	197	187	214	216		224	227	231	235
Operating Expenses										
Salaries & Wages	164	149	139	177	156		160	165	170	175
Wage & O/H Allocation	11	15	(22)	(17)	(21)		(20)	(20)	(22)	(24)
Fringe Benefits	58	75	78	80	79		86	90	94	98
Materials, Supplies, & Utilities	111	57	87	61	61	3.0%	62	64	66	68
Maintenance & Repairs	2	1	4	6	4	2.0%	4	4	4	4
Vehicle Operating Expenses	23	13	18	18	18	1.5%	19	19	20	20
Advertising & Printing	9	7	8	8	10		8	8	8	8
Machinery & Equipment Rentals	17	13	18	17	17		20	21	21	22
Contracted Services	15	27	26	31	26	2.5%	27	28	28	29
Professional Development	-	-	-	-	-					
Other General Expenses	10	18	9	11	10		10	11	11	12
Insurance	2	2	3	3	3		3	3	3	3
Communication Expenses	1	1	-	1	1		1	1	1	1
Operating Capital Expenditures	-	-	-	-	-		-	-	-	-
Depreciation	30	32	38	38	43		45	46	47	48
Total Operating Expenses	453	410	406	434	407		425	440	451	465
Operating Income (Loss)	(275)	(213)	(219)	(220)	(191)		(201)	(213)	(220)	(230)
Non-Operating Revenues (Expense)										
Interest Earned	-	-	-	-	-		-	-	-	-
Gain (Loss) on Capital Assets	1	-	-	-	-		-	-	-	-
Total Non-Operating Revenue (Expense)	1	-	-	-	-		-	-	-	-
Transfers From (To) Other Funds										
Transfers from General Fund	272	200	200	212	195		212	214	203	203
Transfers from CIP Fund	3	-	-	-	-					
Total Transfers From (To) Other Funds	275	200	200	212	195		212	214	203	203
Capital Contributions										
Grants in Aid of Construction	-	-	20	20	-		-	-	-	-
Non-cash Developer Contributions	-	-	-	-	-		-	-	-	-
Total Capital Contributions	-	-	20	20	-		-	-	-	-
Increase (Decrease) in Retained Earnings	1	(13)	1	12	4		11	1	(17)	(27)
Adjust to Cash Flow Basis										
Add Back Depreciation	30	32	38	38	43		45	46	47	48
Prior Year Bond Proceeds	-	-	-	-	-		-	-	-	-
Non-Cash Capital Contributions	-	-	-	-	-		-	-	-	-
Changes in Working Capital	(19)	(2)	-	-	-		-	-	-	-
Total Adjustment to Retained Earnings	11	30	38	38	43		45	46	47	48
Cash Available for Capital Outlay	12	17	39	50	47		56	47	30	21
Capital Outlay										
Vehicle/Equipment Replace - C0395	29	39	-	-	40		35	30	20	20
Golf Course Bridge Replace - C0669	-	-	30	30	-		-	-	-	-
Golf Course Net - C0670	-	-	32	32	-		-	-	-	-
Clubhouse Improvements - C0824	5	-	-	-	-		-	-	-	-
Golf Cart Storage Pavilion - C0825	-	-	-	-	-		-	-	-	-
Total Capital Outlay	34	39	62	62	40		35	30	20	20
Net Surplus (Deficit)	\$ (22)	\$ (22)	\$ (23)	\$ (12)	\$ 7		\$ 21	\$ 17	\$ 10	\$ 1
Beginning Cash	\$ 56	\$ 34	\$ 12	\$ 12	\$ 0		\$ 7	\$ 29	\$ 46	\$ 55
Ending Cash	\$ 34	\$ 12	\$ (11)	\$ 0	\$ 7		\$ 29	\$ 46	\$ 55	\$ 56

PROPERTY MANAGEMENT FUND PROJECTIONS
FISCAL YEAR 2016/2020
ASSUMPTIONS

- Overall, rental revenue projections are estimated to increase slightly by 9.3% due to budgeting for the Antietam Fire (790-800 Potomac Ave.) and NIST (14 N. Potomac) leases in FY2015/16. Currently, there are two (2) tenants that have lease expiration dates during FY2014/15 and one during FY2015/16; however, the projections reflect continued rental income from all currently occupied spaces through FY2019/20 as leases will either be renegotiated or new tenants will be found. At this time, there are several areas that are occupied for just a \$1.00 per year or for no cost (Fire Police Headquarters on Valley Road, City of Hagerstown Police Auxiliary, Hagerstown Neighborhood Development Partnership Home Store, and City Ballet school storage space).
- Total operating expenses (excluding depreciation) are expected to increase by 28.9% over the FY2015/16 budget. This increase is a result of wage allocations, increases in contracted services costs for pest control and HVAC work, and increases in utility costs. Based on historical trends, the projections include increases beginning in FY2016/17. The overall estimated increase for each consecutive year from FY2016/17 to FY2019/20 is 2.0%.
- Depreciation expense is expected to decrease by 5.7% or \$8,000 from the FY2014/15 budget due to timing and completion of improvements at various properties. It is estimated that depreciation will increase slightly by 2% in FY2016/17; 6.2% in FY2017/18 due to planned improvements at the Elizabeth Hager Center; no increase in FY2018/19; and 3.5% increase in FY2019/20 based on timing of various building improvements.
- The investment interest rate is assumed to remain flat with no growth calculated due to the current market conditions.
- The City took out a bond issue in April 2015. Included in this issue was \$100,000 for Property Management for the replacement of 66 windows in the Rosalyn Building. The FY2015/16 budget reflects debt service expenditures for the repayment of these bonds. Debt service is calculated for 20 years at 4% interest. Another borrowing is anticipated in FY2017/18.
- Based on the assumptions outlined above for both revenues and expenses, our net increase (decrease) in retained earnings is estimated to improve from an anticipated loss of <\$737K> in FY2014/15 to a loss of < \$615K> in FY2015/16.
- The ending total cash balance is projected to be a negative balance of <\$287K> beginning in FY2014/15. This negative cash balance is a result of multiple factors: higher annual operating expenditures over rental income; selling properties at financial losses in consecutive years beginning with the Armory Property in FY2012/13, Public Square Building in FY2013/14, and 19-23 Antietam Street in FY2014/15; and utilizing the cash proceeds received from the sale of properties at a loss to fund economic redevelopment projects such as The Maryland Theatre's HVAC capital project, proposed development of A&E Trail, and capital improvements at 43-53 West Washington Street property.

PROPERTY MANAGEMENT FUND PROJECTIONS
FISCAL YEAR 2016/2020
INCOME STATEMENT
(IN THOUSANDS)

			2014/15		2015/16					
	2012/13	2013/14	REVISED	EST.	PROPOSED	PROJ.	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
Operating Revenues										
Rent - 2-6 N Potomac Street, 1st Floor	\$ 157	\$ 162	\$ 162	\$ 162	\$ 162		\$ 162	\$ 166	\$ 166	\$ 166
Rent - 14 N Potomac Street, Suite 200A/B	46	33	20	34	34		34	35	35	36
Rent - 14 N Potomac Street, Suite B-2	26	26	27	24	27		28	28	28	28
Rent - 16 Public Square	14	1	-	-	-		-	-	-	-
Rent - 12 Public Square	11	3	-	-	-		-	-	-	-
Rent - 6 N Potomac Street	19	19	19	19	19		19	19	19	19
Rent - 14 N Potomac Street, Suite B-3	27	27	27	27	27		27	27	28	28
Rent - 10 Public Square (Common Area)	3	0	-	(0)	-		-	-	-	-
Rent - 17 E Franklin Street	8	8	9	9	8		8	9	9	9
Rent - 14 N Potomac Street, Suite 200B Room 59	2	3	2	2	2		2	2	2	2
Rent - 14 N Potomac Street, Suite 200B	6	3	-	-	-		-	-	-	-
Rent - 60 W Washington Street, Suite 102	7	6	7	-	-		7	8	8	8
Rent - 790-800 Potomac Avenue	14	13	-	13	13		13	13	13	13
Rent - 40 N Potomac Street	18	20	20	19	19		19	20	20	21
Rent - 60 W Washington Street, Rear	23	30	30	30	30		30	30	32	32
Rent - 38 N Potomac Street	-	6	5	20	17		20	20	20	20
Miscellaneous Revenues	5	16	3	-	-		-	-	-	-
Total Operating Revenues	386	377	331	357	358		370	376	379	381
Operating Expenses										
Rental Properties Operational Expense	502	431	368	520	475		487	496	506	516
Depreciation	163	113	140	128	132		135	143	143	148
Total Operating Expenses	665	544	508	648	607		621	639	649	664
Operating Income (Loss)	(279)	(167)	(178)	(291)	(249)		(252)	(263)	(270)	(283)
Non-Operating Revenues (Expenses)										
Interest Earned	17	18	-	10	10		10	10	10	10
Interest Expense	-	-	-	(1)	(2)		(2)	(2)	(5)	(5)
Loss on Disposal of Capital Assets	(1,371)	(510)	-	(102)	-		-	-	-	-
Total Non-Operating Revenues (Expenses)	(1,354)	(492)	-	(93)	8		8	8	5	5
Net Income (Loss) Before Operating Transfers	(1,633)	(659)	(178)	(384)	(242)		(244)	(255)	(264)	(278)
Transfers From (To) Other Funds										
Operating Transfers from Other Funds	22	22	22	22	-		-	-	-	-
Capital Transfers from Other Funds	621	82	-	100	-		-	-	-	-
Operating Transfers to Other Funds	-	(20)	(200)	(240)	-		-	-	-	-
Capital Transfers to Other Funds	-	-	(365)	(237)	(365)		-	-	-	-
Total Transfers From (To) Other Funds	643	84	(543)	(355)	(365)		-	-	-	-
Capital Contributions										
Grants in Aid of Construction	116	6	-	86	-		-	-	-	-
Total Capital Contributions	116	6	-	86	-		-	-	-	-
Increase (Decrease) in Retained Earnings	\$ (875)	\$ (568)	\$ (721)	\$ (653)	\$ (607)		\$ (244)	\$ (255)	\$ (264)	\$ (278)
Adjust to a Cash Flow Basis										
Add Back Depreciation	163	113	140	128	132		135	143	143	148
Changes in Working Capital	1,924	764	-	-	-		-	-	-	-
Bond Proceeds	-	-	-	100	-		-	100	-	-
Principal Payments on Long-term Debt	-	-	-	-	(6)		(6)	(6)	(11)	(11)
Total Adjustments to Retained Earnings	2,087	877	140	228	127		129	238	132	137
Cash Available for Capital Outlay	1,212	308	(581)	(425)	(480)		(115)	(18)	(132)	(141)
Capital Outlay										
Roslyn Building - C0779	-	-	-	-	100		-	100	-	-
Elizabeth Hager Center - C0803	-	-	50	50	20		20	20	20	20
Hagerstown Small Business Center - C0828	565	4	-	52	-		5	90	-	-
36-40 N Potomac Street - C0836	526	80	35	108	15		-	-	-	-
Antietam Street	-	-	-	102	-		-	-	-	-
Total Capital Outlay	1,091	84	85	312	135		30	210	20	20
Net Surplus (Deficit)	\$ 122	\$ 224	\$ (666)	\$ (737)	\$ (615)		\$ (145)	\$ (228)	\$ (152)	\$ (161)
Beginning Cash Balance	\$ 104	\$ 226	\$ 450	\$ 450	\$ (287)		\$ (902)	\$ (1,047)	\$ (1,274)	\$ (1,427)
Ending Cash Balance	\$ 226	\$ 450	\$ (216)	\$ (287)	\$ (902)		\$ (1,047)	\$ (1,274)	\$ (1,427)	\$ (1,587)

HEALTH CARE FUND PROJECTIONS
FISCAL YEAR 2016/2020
ASSUMPTIONS

Health Care Fund Coverage

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

Health Insurance Plan Options

Active employees have the option of choosing between the City's Level Medical Plan (low deductible and copays), and the Plus Medical Plan (a high-deductible 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 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). A stipend of up to \$4,800 per person is allocated to pay toward these plans. The HRA plan allows retirees to "opt out" of the Medicomp coverage and purchase their own secondary coverage and receive reimbursement for their eligible premiums, deductibles and copays.

Claims ("Run Out") Reserve Policy

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

Estimated Actual Projections

At the end of Fiscal Year 2014/15, the City projects cash balances of \$3.1 million which will provide future funding for any required Claims Reserve. Additionally, our fund balance reserve is estimated to decrease slightly over FY 2013/14 to \$2.1 million.

Proposed Fiscal Year 2015/16 Budget

We project a deficit in Fiscal Year 2015/2016. We anticipate growing premiums and claims costs to rise as the overall national trend in healthcare coverage and costs climbs. At the end of Fiscal Year 2015/16, we estimate a fund balance reserve of \$1.8 million and cash of approximately \$2.8 million.

Four Year Forecast Beyond Proposed Fiscal Year 2015/16 Budget

As a result of our recent claims expense trends and uncertainty regarding the financial impact of Healthcare Reform, the projections into the future include 5.0% increases for actual medical expense claims.

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. In fiscal year (2008/09), the City had to conform to new accounting rules from GASB 43 to remain in compliance with generally accepted accounting procedures. These accounting rules changed how the City accounts for the cost of its post employment benefits. Instead of recognizing these expenses when paid, we had to begin to recognize the expenses as they are earned. The City annually contracts with an actuarial firm, CBIZ Benefits & Insurance Services, Inc., to calculate the City's Annual Required Contribution (ARC). The additional annual required contribution (ARC) for the City to fund our OPEB liability is reflected as a separate line item in our financial projections. The City included \$650,000 in Fiscal Year 2014/15 estimated actual for this additional annual required contribution. Based on the current structure of our Health Insurance Fund's plan, we expect that the required ARC will remain flat.

HEALTH CARE FUND PROJECTIONS
FISCAL YEAR 2016/2020
PROPOSED EXPENSES & REVENUES
(IN THOUSANDS)

			2014/15		2015/16					
	2012/13	2013/14	REVISED	EST.	PROPOSED	PROJ.	2016/17	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
							5.00%	5.00%	5.00%	5.00%
Premium Revenues										
Premium Revenues - City	\$ 4,705	\$ 5,466	\$ 5,836	\$ 6,070	\$ 6,332		\$ 6,649	\$ 6,981	\$ 7,330	\$ 7,697
Premium Revenues - Employees	1,123	1,118	1,158	1,106	1,110		1,132	1,189	1,248	1,311
Premium Revenues - Retirees	220	239	241	241	241		253	266	279	293
Total Premium Revenue	6,048	6,823	7,235	7,417	7,683		8,034	8,436	8,857	9,300
Interest From Investments	4	2	3	1	1	1.5%	1	1	1	1
Prescription Rebates	64	84	90	80	80	2.5%	82	84	86	88
Stop Loss Reimbursement	76	1	16	15	15		20	25	30	35
Miscellaneous Revenue	-	1	-	-	-	0.0%	-	-	-	-
Total Revenue	6,192	6,911	7,344	7,513	7,779		8,137	8,546	8,975	9,425
Administrative & Audit Expenses	342	440	408	436	393	3.0%	405	417	429	442
Stop Loss Reinsurance Expenses	205	233	250	250	349	3.0%	359	370	381	393
Medical Expense Reimbursement	5,593	5,304	6,175	6,360	6,500	5.0%	6,825	7,166	7,525	7,901
Health Savings Account Contributions	19	21	20	22	21		24	26	29	31
Claims Reserve Expense	803	(253)	75	75	75	2.0%	77	78	80	81
Transfer to General Fund	25	25	55	55	55		55	55	55	55
Other Post Employment Benefits Contributions	650	650	650	650	650	0.0%	650	650	650	650
Total Expenses	7,637	6,420	7,633	7,848	8,043		8,394	8,762	9,148	9,553
Operating Income (Loss)	(1,445)	491	(289)	(335)	(264)		(257)	(217)	(174)	(129)
Increase (Decrease) in Retained Earnings	\$ (1,445)	\$ 491	\$ (289)	\$ (335)	\$ (264)		\$ (257)	\$ (217)	\$ (174)	\$ (129)
Beginning Fund Balance	3,355	1,909	2,401	2,401	2,066		1,802	1,545	1,328	1,154
Ending Fund Balance	1,909	2,401	2,112	2,066	1,802		1,545	1,328	1,154	1,025
Ending Cash Balance	\$ 3,285	\$ 3,447	\$ 3,158	\$ 3,112	\$ 2,848		\$ 2,591	\$ 2,374	\$ 2,200	\$ 2,071

DENTAL INSURANCE FUND
FISCAL YEAR 2016/2020
PROPOSED EXPENSES & REVENUES
(IN THOUSANDS)

			2014/15		2015/16						
	2012/13	2013/14	REVISED	EST.	PROPOSED	PROJ.	2016/17	2017/18	2018/19	2019/20	
	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.	
							2.50%	2.50%	2.50%	2.50%	
Premium Revenues											
Premium Revenues - City	\$ 180	\$ 179	\$ 189	\$ 189	\$ 191		\$ 196	\$ 201	\$ 206	\$ 211	
Premium Revenues - Employees	144	147	144	156	156		160	164	168	172	
Premium Revenues - Retirees	58	59	62	62	62		64	65	67	68	
Total Premium Revenue	382	385	395	407	409		419	430	440	451	
Interest From Investments	-	-	-	-	-		1	1	1	1	
Total Revenue	382	385	395	407	409		420	431	441	452	
Administrative & Audit Expenses	43	22	24	20	27	3.0%	28	29	30	30	
Medical Expense Reimbursement	348	343	370	363	358	2.5%	367	376	386	395	
Claims Reserve Expense	16	2	5	3	3		-	-	-	-	
Total Expenses	407	367	399	386	388		395	405	415	426	
Increase (Decrease) in Retained Earnings	\$ (25)	\$ 18	\$ (4)	\$ 21	\$ 21		\$ 25	\$ 26	\$ 26	\$ 27	
Beginning Fund Balance	57	32	50	50	71		92	117	143	170	
Ending Fund Balance	32	50	46	71	92		117	143	170	197	
Ending Cash Balance*	\$ 70	\$ 109	\$ 105	\$ 130	\$ 151		\$ 176	\$ 202	\$ 229	\$ 256	

*Ending Cash balance includes \$31,300 currently on deposit with United Concordia.

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

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SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2015/2016

NAME OF FEE/PURPOSE	EFF DATE	FY15 RATE	FY16 PROPOSED	FY14 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
CITY CLERK						
01030022 - 4271 Auctioneer-to Conduct an Auction Annual Fee	1992	\$25	\$25	\$ 3,220	Baltimore County: \$180	Ordinance
Peddler:						Ordinance
Peddler (Door-to-Door) Annual Fee	2014	\$250	\$250		Cumberland \$200/yr, \$75/day	
Vendor (Stand or Truck) Annual Fee	2014	\$250	\$250		Salisbury: \$25 + \$1,000 Surety Bond	
Temporary Peddler Daily Fee	2014	\$25	\$25			
Transient Dealer Annual Fee	2014	\$1,000-\$3,500	\$1,000-\$3,500			Ordinance
Parade Per Event Fee	1992	\$125	\$125		Baltimore \$170	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 Utility License Annual Fee	2007	\$4,500	\$4,500	\$ 15,060	For all private & City owned utilities	Resolution
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	\$37.50	37.5	\$ 683	\$35-\$39 Area Banks	Admin Order
01072062 - 4490 Pay-By-Phone Transaction Fee	2012	\$7	\$7	\$ 22,130	Potomac Edison \$7	Admin Order
01072062-449001 Credit Card Convenience Fee	2014	\$2	\$2	\$ -		Admin Order
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
10000002 - 441596 Loan Application Fees: Multifamily Residence Mixed Use or Commercial Economic Development	1986	\$50 \$50 \$100	\$50 \$50 \$100	\$ 2,630	Cumberland - No Fees Frederick - No similar program. They outsource to their local Community Action Council.	Admin Order
BUSINESS REVOLVING LOAN FUND						
14000001 - 4899 Miscellaneous Revenue Based on loan request amount:	2001			\$ 100		Admin Order
\$5,000- 50,000		\$100	\$100		Frederick - \$200 Flat Fee	
\$50,001- 100,000		\$150	\$150			
\$100,001- 150,000		\$200	\$200			
\$150,001 - 200,000		\$250	\$250			
PLANNING						
01090012 - 441131 Subdivision: Simplified Plat, Condo Plat, Replat	2006	\$300	\$355	\$ 840	Washington County-\$365	Admin Order
01090012 - 441122 Subdivision: Final Plat	2006	\$500+\$40/lot	\$590+\$50/lot	\$ 1,040	Washington County: \$665+\$250/lot (<50 lots) \$665+\$150/lot (>50 lots)	Admin Order
01090012-44124 Subdivision: Sketch Plans				\$ -		
Nonresidential - 2 ≤ acres	2013	\$500	\$590		N/A	Admin Order
Nonresidential - > 2 acres	2013	\$1,000	\$1,200		N/A	Admin Order
Residential - < 50 lots	2013	\$500	\$590		N/A	Admin Order
Residential - ≥ 50 lots	2013	\$1,000	\$1,200		N/A	Admin Order
01090012 - 441121 Subdivision: Development Plan	2006	\$1000+\$40/Lot	\$1,200+\$50/lot	\$ -	Washington County -\$915+\$100/Lot	Admin Order
01090012 - 441125 Minor Subdivision	2012	\$300	\$355	\$ 300	Washington County-\$365	Admin Order
01090012 - 441126 Subdivision Variance/Waiver Request	2012	\$0	\$100	\$ -	Washington County-\$115	Admin Order

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2015/2016

NAME OF FEE/PURPOSE	EFF DATE	FY15 RATE	FY16 PROPOSED	FY14 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PLANNING (continued)						
01090012 - 441161 Concept Plan/Sketch Plans: CR Sketch Plan Multi-Family Development	2006 2012	\$1,000 \$1,000	\$1,200 \$1,200	\$ -		Admin Order Admin Order
01090012 - 441119 BZA Filing Fee: Special Exception Variances: Residential Non-Residential Residential Fence Variance Nonconforming Uses: Change Expansion Administrative Appeals	2006 2012 2012 2006 2006 2012 2012 2012	\$500 \$150 \$300 \$150 \$500 \$500 \$225	\$590 \$155 \$310 \$155 \$590 \$590 \$250	\$ 2,975	Washington County-\$500 Washington County-\$150 Washington County-\$300 Washington County-\$150 Washington County-\$500 Washington County-\$500 Washington County-\$150	Admin Order Admin Order Admin Order Admin Order Admin Order Admin Order Admin Order
01090012 - 441112 Rezoning Fees: Preliminary Consultation Rezoning Filing Fee Local Conversation District PUD Master Plan	2006 2006 2010 2006	\$500 \$2,000 + \$10/APO \$500 \$2,000 + \$10/APO	\$590 \$2,400+\$15/APO \$590 \$2,400+\$15/unit	\$ -	Washington County-\$515+\$20/acre Washington County - \$2015+\$20/acre Washington County - \$1030+\$30/lot	Admin Order Admin Order Admin Order Admin Order
01090012 - 441102 Full Site Plan Fees: Concept Plan for Environmental Site Design Residential Nonresidential	 2006 2006	0 \$1000 + \$15/unit \$1000 + \$50/acre	0 \$1000 + \$15/unit \$1000 + \$50/acre	\$ 2,770	Washington County - \$215 Washington Co - Res. \$765+\$10/unit Washington Co -Non \$765+\$50/acre	Admin Order Admin Order Admin Order
01090012 - 441101 Minor Site Plan	2006	\$500	\$590	\$ 3,500	Washington Co - Res. \$665	Admin Order
01090012 - 441103 Site Plan Variance/Waiver Request	2012	\$0	\$100	\$ -	Washington County-\$115	Admin Order
01090012 - 441111 Zoning Certificate Fees: Home Work Stations & CC-MU All other commercial Zoning Verification Letter: One SFR Zoning Verification Letter: All Others Fence Permits: Residential: Single Family, Two-Family Commercial, Industrial, Multi-Family	2012 2012 2004 2006 2005 2005	\$25 \$100 \$25 \$100 \$25 \$100	\$50 \$125 \$50 \$100 \$40 \$125	\$ 14,275	Washington Co - \$65 Washington Co - \$165 Washington Co - \$100 Washington Co - \$100 Washington Co - Res. \$50 Washington Co -Non \$165	Admin Order Admin Order Admin Order Admin Order Admin Order Admin Order
01090012 - 489603 Comprehensive Plan	2012	\$5 (disc only)	\$25	\$ -	Washington County - \$50 (\$5 on CD)	Admin Order
01090012 - 489604 Land Management Code Design Review Guidelines	2013 2013	\$5 (disc only) \$5 (disc only)	\$25 \$25	\$ -	Washington County - \$20 zoning; \$12 subdivision Washington County - \$100	Admin Order Admin Order
01090012 - 441141 Zoning Text Amendment Subdivision Text Amendment	2006 2006	\$2,000 \$2,000	\$2,400 \$2,400	\$ -	Washington County - \$2,015 Washington County - \$2,015	Admin Order Admin Order
01090012 - 4899 Copies of Recorded Meetings	2006	\$25/mtg. + \$10/tape	\$30/mtg + \$12/tape	\$ 92		Admin Order
01090012 - 426902 Forest Conservation Fee: Delineation Final Plan & Easements Forest Conservation Waiver/Variance Request Forest Conservation Exemption Certification	2006 2006 2006 2008	\$250 \$500+\$10/acre \$25 \$25	\$290 \$590+\$15/acre \$30 \$0	\$ 300	Washington Co-\$265 Washington Co. \$750+\$10/acre Washington Co-\$40 Washington Co-\$25	Admin Order Admin Order Admin Order Admin Order
01090012 - 441151 Pre-Annexation Agreement Review Fees: Infill residential lot - 1 or 2 units Minor residential development - ≤ 5 units Major residential development - ≥ 5 units Nonresidential	2012 2012 2012 2012	\$150 \$500 \$1,000 +\$15/unit \$1,000+\$50/acre	\$150 \$500 \$1,000 +\$15/unit \$1,000+\$50/acre	\$ 3,879	N/A N/A N/A N/A	Admin Order Admin Order Admin Order Admin Order
CODE ADMINISTRATION						
01140012 - 441502 Pre-Sale Inspections, First unit Each Add'l Unit	2011	\$100 \$40	\$100 \$40	\$ 100		Admin order
01140012 - 4210 Building Permits: Application Fee Tech Fee Commercial & New Residential: up to \$10,000 \$10,000 and greater Misc Residential: up to \$10,000 \$10,000 and greater	2011	\$20 \$20 \$8.50 / thousand \$5.00 / thousand \$8.50 / thousand \$3.50 / thousand	\$20 \$20 \$8.50 / thousand \$5.00 / thousand \$8.50 / thousand \$3.50 / thousand	\$ 148,843	Washington County: Comm app \$150+ \$15 tech fee+ \$0.15 per sq ft Res app \$65 + \$15 tech + \$.10 per sq ft. Frederick City: Comm \$0.009 x cost (\$128 min) Res SFD \$0.20, Multi \$0.15 per sq ft. (\$64 min) Frederick County: Comm app \$35 + \$0.21 per sq ft Res app \$35 + \$741 SFD < 4000 sq ft / \$395 per multi unit	Ordinance

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2015/2016

NAME OF FEE/PURPOSE	EFF DATE	FY15 RATE	FY16 PROPOSED	FY14 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
CODE ADMINISTRATION (continued)						
01140012 - 421101 Plumbing Permits: Application Fee: Residential/Comm/Apmt Tech Fee Fixture fees (varies) Single fixture (app fee is waived)	2011	\$50/\$100/\$100 \$20 \$4- \$40 Tech fee + fixture only	\$50/\$100/\$100 \$20 \$4- \$40 Tech fee + fixture only	\$ 78,889	Wash.Co.\$65 Res/\$125Comm+\$15 tech fee Fred City: \$30 single fix, \$10 each additional Fred Co: \$45 Res/\$110 Comm min + \$10 enhance fee, fixture fees vary	Ordinance
01140012 - 4202 Plumbers license/registration (Biannual): Master Journeyman Apprentice If license has lapsed more than 30 days	2007	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New: \$95/ Renew: \$70 New: \$85/ Renew: \$60 New rate is charged	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New: \$95/ Renew: \$70 New: \$85/ Renew: \$60 New rate is charged	\$ 7,745	Wash. Co.(2 yr) Master \$50/res, \$100 non-res Journeyman \$20/\$40 Apprentice \$15/\$30 Fred City (2 yr): Master \$100, Journeyman \$30, Apprentice \$10 Fred Co (2 yr). Master \$150 Journeyman \$55	Ordinance
01140012 - 421102 Electrical Permits Application Fee: Residential/Comm/Apmt Tech Fee Fixture fees (vary)	2011	\$50/\$100/\$100 \$20 \$3-\$50	\$50/\$100/\$100 \$20 \$3-\$50	\$ 113,685	Wash Co: \$65 Res/ \$125 Comm+\$15 tech+ \$15-\$50 fixture fees Fred City: Min chg \$61 Res or Comm.(Most over \$122) Fred Co: \$45 Res/ \$147 Comm min + \$10 enhance fee fixture fees vary	Ordinance
01140012 - 421103 Mechanical Permits: Application Fee: Residential/Comm/Apmt Tech Fee Fixture fees (vary)	2011	\$50/\$100/\$100 \$20 \$5-\$30	\$50/\$100/\$100 \$20 \$5-\$30	\$ 40,755	Wash Co: \$65Res/\$125Comm+\$15 tech+ \$3-\$60 fixture fees additional enhance fee fixture fees vary Frederick City : Same as plumbing Frederick County: Same as Plumbing	Ordinance
01140012 - 4203 Contractor's Licenses (Biennial)	2011	(\$40 of fee is tech fee) \$125	(\$40 of fee is tech fee) \$125	\$ 14,660	Wash Co Mechanical (2yr): \$50/res, \$100 non-res Fred City: Heat/Nat.gas/propane(2 yr): \$100 Fred Co: Appliance installer (2 yr): \$125	Ordinance
01140012 - 4204 Electrician's Licenses (Biennial) Master/ Restricted Master If license has lapsed more than 30 days	2007	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New rate is charged	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New rate is charged	\$ 5,870	Wash Co (3 yr): Mstr or low volt \$150, inactive \$50 Fred City (2 yr): \$240 Fred Co (2 yr):\$150 (all types)	Ordinance
01140012 - 441593 Administrative Fee for Excise Tax	2005	2% of 72% of excise tax	2% of 72% of excise tax	\$ 3,967		Admin Order
01140012 - 450102 Municipal Infractions: Fee Per Citation	2008	\$25-\$1,000	\$25-\$1,000	\$ 20,109	Most citations are \$200-\$1,000; however, trash citations start at \$25	Ordinance
01140012 - 4205 Rental Registration Fee Per Unit Fee Per Rooming House + Per Unit Fee	2008	\$50 \$100+\$10	\$50 \$100+\$10	\$ 455,300	Cumberland: \$25 per unit (annual) Gaithersburg: \$150 per unit (Biennial) Mont Co: \$98 per unit (annual)/ \$56 per multi-unit bldg Howard Co: \$93.50 per unit (Biennial). Incl roomers	Ordinance
01140012 - 4504 CAD Administrative Fees: Snow Removal Fee All Others: Fee + Tech Fee Refuse Pickup Admin Fee Refuse Pickup Tech Fee Trash Pickup Fee Trash Pickup Tech Fee	2003 2011 2013 2013 2013 2013	\$50 \$100+\$20 \$50 \$20 \$5 per bag \$20	\$50 \$100+\$20 \$50 \$20 \$5 per bag \$20	\$ 26,520		Admin Order
01140012 - 441503 Reinspection fee	2011	\$50	\$50	\$ 600	Wash Co: 1st- \$50, 2nd- \$75, 3rd- \$100 Fred City: 1st- \$75, 2nd- \$200, 3rd- \$500; Fred Co: \$45/ea	Admin Order
01140012 - 441504 Property Abatement Billings: Grass/High Weed Removal Trash and Debris Removal Securing of Vacant Structures Snow Removal From Public Sidewalks Admin Fee	2001 2001 2008 2004	\$100-\$1,000+ \$50-\$1,500+ \$100 \$25-\$250+ \$50-\$100	\$100-\$1,000+ \$50-\$1,500+ \$100 \$25-\$250+ \$50-\$100	\$ (16,818)		Ordinance Ordinance Admin Order Admin Order
01140012 - 441512 Vacant Structures, Residential	2007	\$100	\$100	\$ 9,100		Ordinance
01140012 - 441513 Vacant Structures, Commercial	2007	\$250-\$1,000	\$250-\$1,000	\$ -		Ordinance
01140012 - 441594 Secure Vacant Structure: Fee Per Building Admin fee Tech fee Material fees	2007 2011	\$100 \$100 \$20 Various	\$100 \$100 \$20 Various	\$ (400)		Ordinance
01140012 - 441595 Technology Fees	2004	\$20	\$20	\$ 31,005		Admin Order
01140012 - 449001 Credit Card Convenience Fee	2013	\$2	\$2	\$ 1,059		Ordinance
01140012 - 449101 Rental License Late Fee, Per Incident	2011	\$50	\$50	\$ 21,150		Ordinance

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2015/2016

NAME OF FEE/PURPOSE	EFF DATE	FY15 RATE	FY16 PROPOSED	FY14 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
MARKET HOUSE						
01402042-481005 Market House Stall Rentals: Annual Rates: Reg Space: 6ft Quarterly Fee Reg Space: 6ft Monthly Fee Reg Space: 3ft Quarterly Fee Reg Space: 3ft Monthly Fee Prem Space: 6ft Quarterly Prem Space: 6ft Monthly Prem Space: 3ft Quarterly Prem Space: 3ft Monthly Electric Monthly Fee Seasonal Rates: Reg Space: 6ft Quarterly Fee Reg Space: 6ft Monthly Fee Reg Space: 3ft Quarterly Fee Reg Space: 3ft Monthly Fee Prem Space: 6ft Quarterly Prem Space: 6ft Monthly Prem Space: 3ft Quarterly Prem Space: 3ft Monthly Electric Monthly Fee		\$57 \$19 \$29 \$10 \$69 \$23 \$35 \$12 \$11 \$63 \$21 \$32 \$11 \$75 \$25 \$38 \$12.50 \$11	\$57 \$19 \$28.50 \$9.50 N/A N/A N/A N/A \$12 \$63 \$21 \$31.50 \$10.50 N/A N/A N/A N/A N/A \$12	\$ 26,823	Washington County Farmer's Market - \$15.24/ft Stall Washington County Farmer's Market \$10 per day Wed. & Sat. Receive 10% discount if choose to be a part of the entire season	Admin Order
01402042-489905 City Farmer's Market Mugs		None	None	\$ -		Admin Order
ENGINEERING						
01140012 - 4505 Appeals Fee-Board of Code Appeals Fee Per Case	2002	\$50	\$50	\$ 50	Annapolis/Rockville/Mont Co \$75/case Wash Co \$250/case	Admin Order
01090042 - 421202 Street Cutting Permits Per Cut Minimum Fee Tech Fee	2010	\$25-\$650 \$25 & \$150 \$25	Varies \$25 to \$1500	\$ 71,979	Some street can cost thousand's depending on situation Washington County \$35/cut	Ordinance
01090042 - 4899 Sale of Construction Standards Sale of Construction Documents	Varies Per Contract	Varies from \$5-\$200	Varies from \$5-\$200	\$ 3,260	Frederick City \$20 Washington Co \$25-50	Admin Order Admin Order
01090042 - 4896 Sale of Maps Sale of Prints/Copies	2012	Increase & Update	Increase & Update	\$ 170	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	\$ 14,435	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	\$ 16,852	Fred Co \$109 Minor,\$239 Major or 1.5% Wash Co \$25 minor,5 acre min-\$20 ac	Admin Order
01090042 - 421201 General Street Construction Permit Fee: Flat Fee Plus % of Total Work Cost Plus Tech Fee	2003	\$25 2% \$25	\$25 2% \$25	\$ -	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	\$ -	Based on % so rate adjusts automatically as project costs change	Admin Order
01090042 - 441201 Engineering Review Fees Fee Per Lot - Subdivision Fee Per AC-Site Plan Sim. Plats	2013	\$150 + \$200/acre for <10 acres \$150+\$200/acre \$100	\$150 + \$200/acre for <10 acres \$150+\$200/acre \$100	\$ 2,835	Washington County - Min Fee of \$600: \$150 + \$280/acre (<10 acres) - \$150 + \$140/acre (>10-<50 acres) \$150 +	Admin Order
01090042 - 421206 Right of Way Closure Permit Application Fee Tech Fee Closure Fee	2005	\$10 \$5 Fee Varies	\$10 \$5 Fee Varies	\$ 3,729	None - Washington County	Admin Order

SCHEDULE OF FEES & SERVICE CHARGES
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NAME OF FEE/PURPOSE	EFF DATE	FY15 RATE	FY16 PROPOSED	FY14 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PARKS & RECREATION						
Various Accounts Golf Course						
Greens Fees at Hamilton Run	2012			\$ 86,797	Town of Waynesboro:	Admin Order
9 Hole/18 Hole		\$11/\$14	\$11/\$14		\$10.75/\$14.75	
Senior 9 Hole/Senior 18 Hole		\$9/\$12	\$9/\$12		\$10.25/\$13.75	
Twilight/Youth		\$8	\$8		N/A	
Weekend or Holiday 9 Hole/18 Hole		\$14/\$17	\$14/\$17		\$12.50/\$17.25	
Season Pass (City Residents Only)	2012			\$ 2,725		Admin Order
Individual		\$425	\$425		\$450	
Senior Individual		\$300	\$300		\$400	
Coupon Book for (9) Greens Fee	2007					Admin Order
Regular Rate		\$60	\$60			
Senior Rate		\$50	\$50			
Tournaments & Specials	2011	Varies	Varies	\$ 47,032		Admin Order
Cart Rentals, Per Person:	2012			\$ 39,835		Admin Order
9 Hole/18 Hole	2012	\$6.50/\$11	\$7.50/\$12		\$6/\$9.50	
Senior 9 Hole/Senior 18 Hole	2012	\$5.50/\$9	\$6.50/\$10		\$5.50/\$8.50	
Pull Cart Fee		\$2	\$2.50			
01450002 - 481011				\$ 6,485		
Municipal Stadium-Facility Reservations:						Admin Order
Field-No Lights: Rate Per Game	2012	\$250/Youth; \$350/Non-Profit and \$600 Other	\$250/Youth; \$350/Non-Profit and \$600 Other		Frederick \$500/day,\$660/night game	
Field-With Lights: Add'l Rate Per Game		\$100	\$100			
Parking Lot Rental	2009	\$50	\$50		Frederick \$250	
01450002 - 481013				\$ 20,050		
Pavilion Facility Reservations:	2006	\$50	\$50		Washington Co: Residents \$50; Nonresidents \$70	Admin Order
Bandshell Facility Reservations:	2013				Arts Pavilion \$70/\$90	Admin Order
All Day Rate		\$100	\$100		Pen-Mar \$125/\$135	
01450002 - 481012				\$ -		
Softball Field Facility Reservation:	2013					
All Day Rate (City Park) - Private/Public		\$75/\$225	\$75/\$225			
01450002 - 481010				\$ 4,025		
Fairground Park Multipurpose Fields	2013	\$75/\$175	\$75/\$175			Admin Order
Facility Reservations:						
Non-Tournament - All Day		\$75	\$75			
Tournament		\$175	\$175			
Stable Rental - All Day Rate	2013	\$275	\$275			Admin Order
01450002 - 481011				\$ 6,485		
Fairground Park Special Event Rentals						
Special Events:	2013					Admin Order
Walk-A-Thon		\$75	\$75			
5K		\$225	\$225			
Entire Park		\$1,025	\$1,025			
Tennis/Basketball/Hockey Courts and all other areas:						
All Day Rate	2013	\$75	\$75			Admin Order
01404023-4711				\$ 1,789		
Hager House	2014				Miller House: \$8/adult,\$5/senior Less than 16 yrs old/Free	Admin Order
Adults		\$3	\$3			
Senior Citizens; Students: Age 13-17		\$2	\$2			
Children: Age 6-12		\$1	\$1			
Children: 5 & Under		Free	Free			
Group		\$2/person	\$2/person			
01402022 - Various Accounts				\$ 44,769		
Potterfield Pool:				Total Fees		
Daily Rates:	2011				County Pool:	Admin Order
2 and Under/Pre-school		Free/\$1.50	Free/\$1.50		Free/\$1.50	
Youth: Ages 5-12		\$3	\$3		\$3 (ages 5-17)	
Adult: 13 and Older		\$3.50	\$3.50		\$3.50 (ages 18-61)	
Senior: 62 and Older		\$3	\$3		\$3 (age 62+)	
Season Pass - City Residents:	2011				County Pool:	
Age 2 & Under		Free	Free		\$60/child,\$80/Adult,\$150/Family (max 5 + \$20/pp additional)	
Pre-school/Youth		\$25/\$55	\$25/\$55			
Adult/Senior		\$75/\$50	\$75/\$50			
Family		\$125	\$125			
Season Pass - Non-City Residents:	2011					
Age 2 & Under		Free	Free			
Pre-school/Youth		\$40/\$80	\$40/\$80			
Adult/Senior		\$100/\$70	\$100/\$70			
Family		\$175	\$175			

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NAME OF FEE/PURPOSE	EFF DATE	FY15 RATE	FY16 PROPOSED	FY14 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PARKS & RECREATION (continued)						
Pool Rentals: 1-50 People Hourly Rate 51-75 People Hourly Rate 76-100 People Hourly Rate Over 100 People Swim Lessons Fitness Swim (3 or 4 days a week, Lap or water workouts)	2014 2014 2014	\$75 \$125 \$150 Special Quote \$50 \$2/person	\$75 \$125 \$150 Special Quote \$50 \$2/person		6:30pm - 8:30pm (rates are for 2 hrs): 0-75 \$140 76+ \$200 Progressive \$40R/\$45NR	Admin Order
01404032 - 448601 202 Train Exhibit Adults Seniors; Students - Age 13-17 Children: 6-12/5 & Under Group Tours	2014	\$2 \$1 \$0.50/Free \$1	\$2 \$1 \$0.50/Free \$1	\$ 1,049		Admin Order
RECYCLING AND TRASH COLLECTION						
01300012 - 4416 Recycling & Refuse Collection Quarterly Fee - Residence Quarterly Fee - Commercial	2012	\$39.00 \$50.00	\$39.00 \$50.00	\$ 2,221,881	Private Contract Hauler \$106/Qtr plus \$25/Mo for Yard Waste	Admin Order
01300012 - 4417 Bulk Trash Pick-up and Disposal Fee: Per Load Fee Appliance with Freon Fee	2008	\$25 \$25	\$25 \$25	\$ 5,150		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	\$ 28,470		Ordinance
POLICE DEPARTMENT						
01100012 - 4896 Copy Charges Fee Per Page	2012	\$0.25	Accident reports: Free to involved parties if emailed or received at HPD; mailing costs if printed and mailed. All others: \$0.25 plus mailing costs if applicable.	\$ 6,545	WCSO-\$5/1st page,\$1/each add'l page	Admin Order
01100012 - 441301 Electronic Media Duplication	2004	Cost of Media + External Cost	Cost of Media + External Cost	\$ -	WCSO-\$10/1st hour, \$5 each add'l hour.	Admin Order
01104012 - 441331 Special Assignments- Hrly Fee (Dance, School Event, etc)	2014	115% of Top Officer's Pay Rate	115% of Top Officer's Pay Rate	\$ 69,566	Fluctuates with Top Officer's Pay Rate per AFSCME 3373 Barg. Agrmt (Art 5; Sect 8)	Barg. Agrmt
01100012 - 4503 Vehicle Storage Fee Per Day Storage, Towed Vehicles, Public Auctions	2007	\$20	\$20	\$ 50,043	WCSO - \$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 \$25 \$100 \$10/\$20	\$25 \$100 \$25 \$100 \$10/\$20	\$ 10,508	<u>Annapolis</u> <u>Frederick</u> \$100 red, \$35 yellow \$ 30 yellow \$100 \$100 \$100 \$100 \$100 \$100	Ordinance
01104072 - 4509 Speed Camera Fine	2012	\$40 (\$35 if paid within 7 days of issuance)	\$40 (\$35 if paid within 7 days of issuance)	\$ 1,267,913	<u>Annapolis</u> <u>Frederick</u> \$40 \$40	Ordinance
01104072-4552 Speed Camera Fine Late Fee	2012	\$20	\$20	\$ 187,117		Ordinance
FIRE DEPARTMENT						
01120012 - 441402 False Call/Failure to notify FD working	2012	\$250	\$250	\$ 3,504		Ordinance
01120012 - 421302 Blasting Permits	2012	\$50	\$50	\$ 240		Ordinance
01120012 - 4210 GBSD Permit Assembly Permit Building Permits: % of Total Building Permit Fee	2012 2012 2013	\$250 \$50 25%	\$250 \$50 25%	\$ 38,653	State Fire Marshal Assembly Permit: 1,000>\$360; 301-1000: \$240; 50-300: \$120 Fairgrounds/Parks: 9 bldgs or less \$240; 10 bldgs>\$480	Ordinance Ordinance
01120012 - 421301 Firework Permits	2007	\$250	\$250	\$ 1,750		Ordinance
01120012 - 441401 Reinspection Fee Plan Review & Inspection for Fire Protection System Installation Per System	2012	\$150 \$100 with add'l chgs per system fixture or \$1.50 per device	\$150 \$100 with add'l chgs per system fixture or \$1.50 per device	\$ 1,898	State Fire Marshal 1st \$200; 2nd \$250 State Fire Marshal \$150/system with add'l charges per system fixture or device \$2.00	Ordinance Ordinance

SCHEDULE OF FEES & SERVICE CHARGES
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NAME OF FEE/PURPOSE	EFF DATE	FY15 RATE	FY16 PROPOSED	FY14 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
FIRE DEPARTMENT (continued)						
01120012 - 4507 Fire Code Violations	2007	\$250 or Court Ordered amount	\$250 or Court Ordered amount	\$ 11,449		Ordinance
01120012 - 4899 Technical Assistance Hourly Fee Municipal Infractions & Misc. Revenues Fire Report Fee	2013 2006 2004	\$50 Various \$5 for 4 pages	\$50 Various \$5 for 4 pages	\$ 9,389	State Fire Marshall Office \$75/hr	Ordinance Ordinance Admin Order
01120012 - 441403 Juvenile Intervention Program	2004	\$150	\$150	\$ 300		Admin Order
01120012 - 441404 Fire Call Service Charges: Engine Hourly Rate Utility Hourly Rate Officer Hourly Rate Fire Marshall Hourly Rate Truck Hourly Rate	2011	\$150 \$100 \$50 \$50 \$150	\$150 \$100 \$50 \$50 \$150	\$ (23)		Ordinance
01120012 - 441405 Responding to Motor Vehicle Collisions Engine: Hourly Rate (Min Billing Amt) Utility: Hourly Rate (Min Billing Amt) Officer: Hourly Rate (Min Billing Amt) Truck: Hourly Rate (Min Billing Amt)	2012 2012 2013 2012	\$150 \$100 \$50 \$150	\$150 \$100 \$50 \$150	\$ 10,833		Ordinance
PUBLIC WORKS						
01160012 - 483006 Signal-State Highway Administration Fee Per Intersection	2005	\$1,500	\$1,500	\$ 52,500	\$1,500 each	Admin Order
PARKING FACILITIES						
56740112 - 4451 56740122 - 4451 Parking Deck Permits - Monthly Fee: Regular Customers Personally Assigned Space Late Fee Parking Deck Permit	2014	\$62 \$120 \$15	\$62 \$120 \$15	\$ 336,350 Total	Annapolis: \$175/\$225 month Cumberland: \$55/\$90 month Winchester: \$42/\$50 month Frederick: \$97 month	Resolution Resolution Admin Order
56740112 - 4452 56740122 - 4452 Parking Deck Fees Minimum Fee Half Hour Fee Maximum Daily Rate Monthly Exiting Fee Between 4pm-6am weeknights & Saturdays Sundays	2010 2010 2012 2014 2014 2014	\$1 \$0.50 \$8 \$62 \$2 Free	\$1 \$0.50 \$8 \$62 \$2 Free	\$ 87,625 Total	Annapolis: \$2 for 1st hr up to \$20 for hours 6 - 8; \$20 max Cumberland: \$1/hr, \$8 max Winchester: \$0.50/hr; \$10 max Frederick: \$1/hr; \$11 max; \$2 afterhours rate	Resolution
56740112 - 4453 Special Event Parking (i.e. Blues Fest)		\$5	\$5	\$ 9,740	Annapolis: Market Rate Pricing Frederick: Market Rate Pricing depends on event	
56740112 - 4454 Parking and Shop Hourly Fee	2010	\$0.80	\$0.80	\$ 2,462		Resolution
56740132 - 4457, 445701, 445702 445703, 445704, 445705, 445706 Parking Meter Fees Twelve (12) Minutes Thirty (30) Minutes Sixty (60) Minutes Thirty Minute Parking Meters Six (6) Minutes Twelve (12) Minutes Thirty (30) Minutes	2012 2012 2012 2003 2003 2003	\$0.10 \$0.25 \$0.50 \$0.10 \$0.20 \$0.50	\$0.10 \$0.25 \$0.50 \$0.10 \$0.20 \$0.50	\$ 187,460 Total Fees	Annapolis: \$1.00/hour Cumberland: \$.50/hour Winchester: \$0.50 - \$.075/hour Frederick: \$1/hour	Resolution Resolution
56740132 - 445801, 445802 445803, 445804 Monthly Permit Fees Parking Lots: Central Lot Church Street Lot Market Lot Rochester Lot	2014	\$48 \$48 \$48 \$48	\$48 \$48 \$48 \$48	\$ 153,517 Total Fees	Annapolis: \$60 - \$225/month Cumberland: \$35/month Winchester: not available Frederick: \$50 - \$75/month	Resolution

SCHEDULE OF FEES & SERVICE CHARGES
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NAME OF FEE/PURPOSE	EFF DATE	FY15 RATE	FY16 PROPOSED	FY14 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PARKING FACILITIES (continued)						
56740132 - 445899 Department Charges Monthly Fee	2012	\$46.50	\$46.50	\$ 45,283		Admin Order
56740142 -4551, 455101, 4552, 455201 4553, 4559, 483005, 4899 Parking/Expired Meter Fire Hydrant Non-Meter/All Other Handicap Zone Parking Boot Fee	2003	\$10/\$25/\$35 \$100/\$110/\$120 \$15/\$25/\$35 \$100/\$110/\$120 \$100	\$10/\$25/\$35 \$100/\$110/\$120 \$15/\$25/\$35 \$100/\$110/\$120 \$100	\$ 85,626 Total Fees	Annapolis: \$20/expired,\$100/handicap Cumberland: \$25/expired Winchester: \$10/expired,\$100 handicap Frederick: \$15/expired,\$100/handicap	Ordinance Resolution
ELECTRIC DEPARTMENT						
50000002 - 442101 50000002 - 442102 Residential - All KWH Base rate Purchased Power Adj. Rate (Est Ave rate)	2005	\$0.06263 \$0.01310	\$0.06263 \$0.01293	\$ 12,531,329 Total Fees	Potomac Edison bill Dec 2014 \$0.096625/kWh	Maryland PSC
50000002 - 442201 50000002 - 442202 General and Commercial 1st 700 KWH >700 KWH Demand over 7.5 KW Purchased Power Adj. Rate (Est. aver. rate)	2005	\$0.08314 \$0.05257 \$4.06817 \$0.01310	\$0.08314 \$0.05257 \$4.06817 \$0.01293	\$ 5,050,884 Total Fees	Potomac Edison: Distribution Charge \$.01627 to \$.05958 Trans Charge \$.00216 to \$.00580/kwh Electric Supp \$.04038 to \$.10511/kwh Co Generation Purpa \$.00775/kwh Empower +Demand Resource \$.00247/kwh Energy Cost&Admin Credit \$.00376	Maryland PSC
50000002 - 442301 Industrial-Low Load 1st 100,000 KWH Over 100,000 KWH Demand all KW Purchased Power Adj. Rate (Est. ave. rate)	2005	\$0.05040 \$0.04220 \$3.4090 \$0.01310	\$0.05040 \$0.04220 \$3.4090 \$0.01293	\$ 2,103,030	AP Schedule "PP" No comparison due to AP Large Industrial customers experiencing hourly load pricing	Maryland PSC
50000002 - 442302 Industrial-High Load 1st 100,000 KWH Over 100,000 KWH Demand all KW Purchased Power Adj. Rate (Est. ave. rate)	2005	\$0.04052 \$0.03606 \$6.26929 \$0.01310	\$0.04052 \$0.03606 \$6.26929 \$0.01293	\$ 3,321,039	AP Schedule "PH" No comparison due to AP Large Industrial customers experiencing hourly load pricing	Maryland PSC
50000002 - 4424 Outdoor Lighting 175 Watt Monthly Fee 250 Watt Monthly Fee 400 Watt Monthly Fee Purchased Power Adj. Rate (Est. ave. rate)	1996	\$5.25 \$6.96 \$10.03 \$0.01310	\$5.25 \$6.96 \$10.03 \$0.01293	\$ 23,168	No comparison, due to Structuring difference	Maryland PSC
50000002 - 442501 Street & Highway Lighting Per KWH Purchased Power Adj. Rate (Est. ave. rate)	2005	\$0.06842 \$0.01310	\$0.06842 \$0.01293	\$ 627,546	No comparison	Maryland PSC
50000002 - 442502 Traffic Lights Per KWH 1st 700 KWH >700 Purchased Power Adj. Rate (Est. ave. rate)	1996	\$0.06749 \$0.03865 \$0.01310	\$0.06749 \$0.03865 \$0.01293	\$ 21,830	No comparison	Maryland PSC
50000002 - 442303 High Voltage-Cascades Per KW Per KWH Per KWH	1995	\$10.5380 \$0.01092 \$0.02597	\$10.5380 \$0.01092 \$0.02597	\$ 133,949	AP Schedule"PP", No comparison	Maryland PSC
50000002 - 481813 Pole Rental - Fee Per Pole Pole Rental (Prior 2001 grandfathered)	2001 1966	\$20.00 \$4.50	\$20.00 \$4.50	\$ 20,332		Maryland PSC
50000002 - 481815 Central Maintenance Garage Monthly Fee	2012	\$3,167	\$3,250	\$ 38,000	N/A	Admin Order
50000002 - 489908 Reimbursed Line Dept. Overtime Call out charge-Reconnect Call out Charge-Pole Reconnect	1984	Actual Cost \$85 Est. Actual Cost	Actual Cost \$85 Est. Actual Cost	\$ 7,323	AP \$80	Maryland PSC
50000002 - 4238 Connection Fees Reconnection Fees	1992	\$10 \$15	\$10 \$15	\$ 87,230	AP \$0 AP \$16	Maryland PSC
50000002 - 4493 Utility Monthly Late Fee	2014	Max of 5% of unpaid bill	Max of 5% of unpaid bill	\$ 154,787		Ordinance

SCHEDULE OF FEES & SERVICE CHARGES
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NAME OF FEE/PURPOSE	EFF DATE	FY15 RATE	FY16 PROPOSED	FY14 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
WATER DEPARTMENT						
52000002 - 4249 Contracted service-payment for services rendered not w/in the existing level Labor Fee Plus (Schedule)	1991	\$2.64 Multiplier Material, 25% Equip	\$2.64 Multiplier Material, 25% Equip	\$ 60,389	Frederick - Labor 38.5%,Material 10%	Admin Order
52000002 - 4231 52000002 - 4245 Water Plan Review/Inspection Fee Per Application Fee Plus Fee Per Ft Main Review Inspection Fee Per Ft PS Fee Per Gallon (Minimum of PS Capacity)	2006	\$50 \$50 0.50 \$3 \$14	\$50 \$50 0.50 \$3 \$14	\$ 36,598 Total Fees		Ordinance
52000002 - 4235 Non-Utility Misc-payment for providing consumption data to WCWSD Annual Fee Per Account	Annual Per Agreement 2012	\$11.56	\$11.79	\$ 57,115		Admin Order
52000002 - 481002 Rent-City Employee Willson (Tenants Pay Fuel) Smithsburg (Tenants Pay Fuel) Edgemont (Tenants Pay Fuel) Ritchie Rd (Tenants Pay Fuel)	2008 2008 2008 2008	\$0 \$495 \$505 \$700	\$0 \$495 \$505 \$700	\$ 20,620	Wheaton Park \$207 Funkhouser Park \$427 Hager Park \$290	Admin Order
52000002 - 481003 Cell Tower Rental	2007	\$897/month	\$897/month	\$ 10,771		Motion
52000002 - 4899 Misc. Other Revenues Hunting Permits Maps (Free with Permit)	2006	\$10 \$1	\$10 \$1	\$ 19,603	N/A	Admin Order
52000002 - 4240 Transfer Fee Meter Testing Fee	2007 2007	\$30 \$30	\$30 \$30	\$ 35,520	Frederick City \$50 for property transfer	M&C
52000004 - 4722 Benefit charges-charged to new customers for impact of additional demand to major system components Fee Per Gallon of Average Daily Usage Fee Min 200 Gallon	2006	\$12.50 \$2,500	\$12.50 \$2,500	\$ 667,343	Washington County: Initial alloc is part of connection fee / additional alloc is \$1,950 per EDU	Ordinance
52000002 - 443201 52000002 - 443101 Metered Sales - City: Residential: Consumption: Per K, 1st 18,000 Consumption: Per K, Over 18,000 Fixed: 5/8" - 10" Non-Residential: Consumption: Per K, 1st 100,000 Consumption: Per K, Over 100,000 Fixed: 5/8" - 10"	2012 2012	Eff July 1, 2014 Rate Increase - 2% City & 2% County \$1.50 \$2.84 \$6.62-\$913.56 \$1.50 \$1.32 \$6.62-\$913.56	Eff July 1, 2015 Rate Increase - 2% City & 2% County \$1.53 \$2.90 \$6.75-\$931.50 \$1.53 \$1.35 \$6.75-\$931.50	\$ 2,070,986 Total Fees	5 Year Rate as approved by Mayor and Council for FY15-FY19 Frederick City-Qrtly + usage fee \$3.32/K-1st 6,000 gals \$4.8/K-next 10,000 gals \$5.08/K next 8,000 gals Base Charge \$34.94-\$1,013.19	Ordinance
52000002 - 443202 52000002 - 443102 Metered Service - County: Residential: Consumption: Per K, 1st 18,000 Consumption: Per K, Over 18,000 Fixed: 5/8" - 10" Non-Residential: Consumption: Per K, 1st 100,000 Consumption: Per K, Over 100,000 Fixed: 5/8" - 10"	2012 2012	Eff July 1, 2014 Rate Increase - 2% City & 2% County \$3.61 \$6.86 \$19.30-\$2,663.40 \$3.61 \$3.24 \$19.30-\$2,663.40	Eff July 1, 2015 Rate Increase - 2% City & 2% County \$3.68 \$7.00 \$19.68-\$2,715.84 \$3.68 \$3.30 \$19.68-\$2,715.84	\$ 8,133,107 Total Fees	5 Year Rate as approved by Mayor and Council for FY15-FY19 Frederick City: double inside City Rate FY15 Washington County: 1st 6,000 gals = \$94.60 Over 6,000 gals = \$9.80 per 1,000 gal	Ordinance Ordinance
52000002 - 4237 Fire Protection: City - 4" - 12" County - 4" - 12"	2009	Eff July 1, 2014 Rate Increase - 3% City & 3% County \$170.98-\$1,536.76 \$228.66-\$2,049.70	Eff July 1, 2015 Rate Increase - 3% City & 3% County \$176.11-\$1,582.86 \$235.52-\$2,111.19	\$ 144,593	Chambersburg - City & County 4" \$81.60, 6" \$204.36, 8" \$326.76 10" \$489.84, 12" \$680.40	Ordinance
52000002 - 4232 New Services: 3/4" 1" 1" Double Application Fee	2003	\$715 \$925 \$1,160 \$50	\$715 \$925 \$1,160 \$50	\$ 250,480	Wash Co. Residential - \$1,950+\$325 meter fee	Resolution

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NAME OF FEE/PURPOSE	EFF DATE	FY15 RATE	FY16 PROPOSED	FY14 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
WATER DEPARTMENT (continued)						
52000002 - 4238 Reconnection Fee: 8:00am-3:00pm After 3:00pm	2006 2001	\$35 \$85	\$35 \$85	\$ 52,865	Frederick City: \$25 on/\$25 off	Ordinance
52000002 - 4493 Utility Monthly Late Fee	2014	10% one-time late fee	10% one-time late fee	\$ 139,535		Ordinance
WASTEWATER DEPARTMENT						
54000002 - 4243 Connection Charge: City County	2003	\$1,200 \$1,800	\$1,200 \$1,800	\$ 3,600	Washington Co - Connection/Allocation \$6,300	Ordinance
54000002 - 4242 54000002 - 4245 Sewer Plan Review/Inspection Fee: Application Fee + Review Fee Per Ft. Inspection Fee Per Ft. PS Fee Per Gal. (Minimum of PS Capacity)	2006	\$50 + \$0.50 \$3 \$14	\$50 + \$0.50 \$3 \$14	\$ 1,450 Total Fees		Ordinance
54000002 - 4810 Rental Income per year	1984	\$365	\$365	\$ 365		Admin Order
54000004 - 4722 55000004 - 4722 Benefit Charges-Fee Per Gallon: In City w/\$4,400 Minimum In County w/\$5,000 Minimum	2006	\$22 \$25	\$22 \$25	\$ 579,520 Total Fees	Washington Co - Alloc is part of connection charge; additional assessment for non-residential is \$5,900 per EDU	Ordinance
54000002 - 444201 54000002 - 444101 Sewer Service Charges-City Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2012	Eff July 1, 2014 Rate Increase - 12% City & 12% County \$4.88 \$20.05-\$2,766.90	Eff July 1, 2015 Rate Increase 4% for All \$5.08 \$20.85-\$2,877.30	\$ 5,711,593 Total Fees	5 Year Rate Increases approved by Mayor and Council for FY15-FY19 Frederick City: In-City FY15 Tiered Rates: \$3.32 to \$5.76 / 1,000 gals Base Charge: \$34.94-\$1,013.19	Ordinance
54000002 - 444202 54000002 - 444102 Sewer Service Charges- County Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2012	Eff July 1, 2014 Rate Increase - 12% City & 12% County \$8.18 \$33.30-\$4,595.40	Eff July 1, 2015 Rate Increase 4% for All \$8.51 \$34.63-\$4,778.94	\$ 2,733,452 Total Fees	5 Year Rate Increases approved by Mayor and Council for FY15-FY19 Frederick City: Outside City - double In City rate	Ordinance
54000002 - 444203 54000002 - 444103 Sewer Service Charges-Joint County Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2012	Eff July 1, 2014 Rate Increase - 12% City & 12% County \$7.11 \$28.96-\$3,996.48	Eff July 1, 2015 Rate Increase 4% for All \$7.39 \$30.12-\$4,156.56	\$ 1,991,422 Total Fees	5 Year Rate Increases approved by Mayor and Council for FY15-FY19 Frederick City: Outside City - double In City rate	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	\$ 105,761		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	\$ 1,119	Frederick - part of permit fee Wash. Co: \$25,\$35,\$12 Carlisle: Calculated assessment	Admin Order
54000002 - 4241 54000002 - 4244 Industrial Permit Fee/year Industrial Surcharge Per 1,000 lbs: Chemical Oxygen Demand Fee Suspended Solids Fee Grease & Oil Fee Biochemical Oxygen Demand	2001 2008	\$250 - \$2,000 \$0.33 \$0.82 \$0.47 \$0.82	\$250 - \$2,000 \$0.33 \$0.82 \$0.47 \$0.82	\$ 111,893 Total Fees	Frederick: Increment calculated every 6mo Wash Co: 1.9% Residential Carlisle: Calculated assessment	Ordinance
54000002 - 4493 Utility Monthly Late Fee	2014	10% one-time late fee	10% one-time late fee	\$ 155,938		Ordinance

CAPITAL IMPROVEMENT PROGRAM

SECTION 9

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CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2015/2016

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 FY 2014/15 and FY 2015/16 is summarized below:

Fund	FY15		FY16	
	Revised Budget	Estimated Actual	Proposed Budget	
General / CIP Fund	\$ 9,329,306	\$ 6,749,956	\$ 12,903,451	
Electric Fund *	533,500	359,464	1,244,000	
Water Fund	5,182,900	4,855,000	3,114,500	
Wastewater Fund	2,983,000	2,504,626	2,198,000	
Parking Fund	80,000	85,006	140,000	
Golf Fund	62,000	62,000	40,000	
Property Management Fund	85,000	312,052	135,000	
TOTALS	\$ 18,255,706	\$ 14,928,104	\$ 19,774,951	

* Excludes capital expenditures not included in specific projects of \$404,500; \$289,500; and \$395,000 respectively.

MAJOR 2015/16 PROGRAM OBJECTIVES

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

THE CITY'S STRATEGIC PLAN

In December 2014, the Mayor and City Council approved their Goals & Priorities for 2015 through 2016 which build upon the City's Vision and Mission Statements that were updated and approved in October 2013. (Mayor & Council Goals & Priorities – 2015 through 2016 is located in Section 1 Overview). 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

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY

FISCAL YEAR 2015/2016

of their decisions. The Strategic Plan outlines the City's desire to be the location of choice for a diverse and dynamic citizenry, and to provide a proud and prosperous community.

Economic Development

The City of Hagerstown strives to have a diverse, business-friendly economy that supports the community's needs. To achieve this goal, \$3.7 million has been included in the CIP budget to implement the Community's City Center Plan to promote economic development and strong neighborhoods in the core of the city, to construct a multi-use trail linking the Arts & Entertainment District with City Park and the Washington County Museum of Fine Arts and to build a public-private partnership to provide high-speed broadband to attract high-tech business to the City.

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 \$12.8 million for the demolition, land acquisition, and subsequent improvement of the former Municipal Electric Light Plant (MELP) site, for new technologies that provide and promote a more customer-oriented parking experience and for bridge repairs, pavement preservation and maintenance, signal controller upgrades, major signal intersection 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.

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, grow the volunteer outreach program "Hagerstown Strong Program" which pairs volunteers with local government staff, cultivate a foundation of active and engaged residents to serve on various City boards and commissions, and improve access to the City website information for mobile device users. The majority of these goals will be accomplished using existing general fund expense budgets; however, \$117K has been earmarked in the CIP budget for technology improvements to achieve these goals.

Neighborhoods

Providing the citizens of Hagerstown the ability to experience a high quality of life in their neighborhood is important to the City of Hagerstown. The budget plan includes \$680K for neighborhood parks, downtown beautification programs and tree installation, accessibility ramps and a second dog park for the City.

Active/Healthy Living

In order to support a rich, social and culturally vibrant community, the City of Hagerstown plans to establish multi-use walking trails, add additional bike lanes, bike racks and rider-friendly routes to enhance its standing as a "Bicycle Friendly Community, add public art through the city's neighborhoods, parks and public gathering spaces, enhance visitor attractions at Potterfield Pool through the installation of "spray-ground" area, develop a community garden which will provide citizens the opportunity to grow and cultivate their own produce, 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 \$365K in CIP funds and the use of existing operating expense budgets.

Public Safety

To ensure that all who live, work and play in the City of Hagerstown are safe, \$2.1 million has been designated to purchase a ladder truck for Pioneer Hook & Ladder, replace fencing around the Fire Training Tower, replace police

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2015/2016

vehicles and upgrade police radios and crime lab equipment, integrate GPS and calls for police service by enhancing field reporting and crime camera monitoring.

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 \$185K to complete implementation of an electronic time and attendance system to enhance the tracking of employee time and leave, upgrade hardware and software, and upgrade technology of our Municipal Financial System (MUNIS) to increase mobile capabilities for the City's employees

OVERVIEW OF THE PROJECTS IN THE CIP

The CIP section presents comprehensive descriptions of major project needs for FY2016 through FY2020. Pages 13 through 44 provide summary schedules by Fund outlining funding sources and project expenditures and are organized by Fund and department. Pages 45 through 177 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 FY 2015/16 at \$19.7 million has increased from \$18.6 million in the FY 2014/15 revised budget. The FY 2015/16 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:

- During the economic down turn in FY 2009/10, the City deferred its vehicle and equipment purchases. As a result of deferring vehicle purchases, an aging vehicle fleet began to negatively impact annual operating maintenance costs. Beginning in FY 2012/13, the City began to phase in funding for the replacement of vehicles and equipment. The FY 2015/16 budget continues to include vehicle and equipment replacements for aging equipment. It is important to note that the only additions to our existing vehicle fleet for the FY 2015/16 budget are in the Police Department. Overall, the FY 2015/16 budget includes \$2.2 million for vehicle replacements. Of this amount, \$548,500 is funded by Enterprise Funds and includes the replacement of a bucket truck, backhoe, dump truck, a one ton dump truck, a $\frac{3}{4}$ ton dump truck, a $\frac{1}{2}$ ton dump truck and an SUV. \$1.641 million will be funded by various sources within the General Fund. This will include \$291,000 for the addition of 2 new Police cruisers (\$98,000), replacement of 1 cruiser and 3 police vehicles (\$71,000), and the replacement of 3 trucks a mower and a roller in the Fire, Public Works and Parks departments. Additionally, bond funds have been or will be secured for the replacement of a ladder truck and utility truck for the Fire Department (\$1,275,000) and a bucket truck (\$75,000) for the Public Works department. The City will strive to continue to implement a systematic vehicle replacement plan to eliminate costly repairs and to improve efficiency of operations.
- Utilizing a combination of Bond Financing and Grant Funding, the City included \$2,065,000 in the FY2015/16 budget to implement Mayor and Council's goal to construct a multi-use trail linking the Arts & Entertainment District with City Park and the Washington County Museum of Fine Arts. The trail will allow residents and visitors to journey through city streets, past centerpieces of art, to historic markers, parks, museums, theatres, shops and more. This project detail is included on page 59.
- The City has included \$1.5 million in our FY 2015/16 budget for a Downtown Redevelopment project(s) to help spur economic redevelopment. The City has contracted with Urban Partners who has prepared an economic analysis and implementation plan for Hagerstown's Sustainable Community Plan. The plan identified five catalyst projects designed to spur economic development in the City's Core. Those projects include selecting a developer to construct new Class A offices on the Central Parking Lot, working with public and private partners to support the expansion of Maryland Theatre and facilities, working in support

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2015/2016

of USMH to expand academic program offerings and facilities, including student housing, and Expanding operations of the City Farmers' Market to include additional hours and greater variety of vendors.

- Phase I of the Sludge Storage and Solids Processing-Pelletizer Plant Improvement is slated to begin in FY 2015/16 with upgrades to the Wastewater's Collection system's 35 year old facility and construction of a Sludge Pelletizing Facility. These upgrades and the Pelletizing Plant will provide complete management of the end-use of the City's bio-solids. The budget includes \$1 million a year beginning in FY 2015/16 and ending in FY 2018/19.
- To ensure compliance with the Maryland Department of the Environment's Disinfected Byproduct II regulations and Safe Drinking Water Act Regulations, \$775,000 has been budgeted to replace the City's traveling screens at the Water Plant. Traveling water screens are designed to remove trash, sticks and debris from surface water before entering the water treatment plant. The existing screens were installed in 1976 and require extensive repair. The primary funding source will come from a MDE low-interest bond issue.
- The City continues its commitment to the acquisition and demolition of the former Municipal Electric Light Plant (MELP), along with remediation of environmental issues and subsequent beautification of the area. As a result, we have included \$650K in the FY 2015/16 budget for the construction of a passive park on the property.
- Several other large projects within the FY 2015/16 budget are: funding for the Pavement preservation program for upkeep and maintenance of City streets; reconstruction of alleys throughout the city; possible Storm Water Management projects to meet future state/federal regulations; complete roof replacement at the City's Light Department; installation of 3015 linear feet of new sidewalks through the State Highway Retrofit Sidewalk Program; rehabilitation of walls at Marsh Run; and the development of new urban and pocket parks in the City's underserved areas.

DEFINITIONS

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

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

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

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

CAPITAL IMPROVEMENTS PROGRAM - ALL FUNDS
FISCAL YEARS 2016/20
LIST OF PROJECTS ALPHABETICAL BY PROJECT NAME

PROJECT NAME	PROJECT NUMBER	PROJECT PRIORITY
36-40 North Potomac Street	58-C0836	Planned Improvement
A & E District Upgrades	50-C0591	Planned Improvement
A & E Trail	45-C0140	Planned Improvement
Accessibility Ramps	45-C0217	Probable Grant
Adm. & Engineering Equipment	52-C0648	Planned Improvement
Alley Reconstruction	45-C0324	Planned Improvement
Alms House Repairs	58-C0755	Planned Improvement
Antietam Creek Greenway Trail	45-C0774	Planned Improvement
Antietam Park (at former MELP site)	45-C0856	Planned Improvement
Bester Elementary School	50-C0841	Planned Improvement
Breichner WTP Improvements	52-C0405	Planned Improvement
Bridge Repair Program	45-C0400	Cost Avoidance
Building and Site Improvements	50-C0542	Planned Improvement
Bulldog Substation Upgrade	50-C0544	Planned Improvement
Cable Inet	45-C0568	Contract Obligation
Cable PEG	45-C0569	Contract Obligation
Central Substation	50-C0118	Planned Improvement
Circuit Upgrades	50-C0842	Planned Improvement
City Hall Improvements	45-C0326	Planned Improvement
City Park Improvements	45-C0522	Planned Improvement
City Park Lake Improvements	45-C0047	Planned Improvement
Citywide - CS Rehabilitation	54-C0800	Public Safety
Collection System Equipment	54-C0713	Planned Improvement
Collection System Rehabilitation	54-C0327	Public Safety
Community & Economic Development Vehicles	45-C0249	Cost Avoidance
Community Garden	45-C0859	Probable Grant
Computer Equipment and Software	45-C0006	Planned Improvement
Curb and Sidewalk Replacement Program	45-C0458	Planned Improvement
Distribution Services - Meter Program	52-C0653	Cost Avoidance
Distribution System Rehab - Main Replacement	52-C0709	Planned Improvement
Dog Park II	45-C0851	Planned Improvement
Downtown Beautification Program	45-C0280	Planned Improvement
Downtown Redevelopment	45-C0854	Planned Improvement
East End Pump Station	54-C0565	Planned Improvement
Edgemont Reservoir Improvements	52-C0168	Planned Improvement
Electric Vehicles	50-C0090	Planned Improvement
Eliminate Pump Stations	54-C0832	Planned Improvement
Elizabeth Hager Center	58-C0803	Planned Improvement
Engineering Vehicles	45-C0133	Cost Avoidance
Fairground Grandstand Improvements	45-C0624	Contract Obligation
Fairgrounds Park Improvements	45-C0626	Planned Improvement
Feeder Coordination	50-C0833	Planned Improvement
Fire Department Breathing Apparatus Equip	45-C0663	Planned Improvement
Fire Department Vehicle Replacement	45-C0010	Planned Improvement
Fire Training Tower	45-C0241	Planned Improvement
Geographic Information System	45-C0451	Planned Improvement
George Washington Statue	45-C0837	Planned Improvement
Golf Course - Vehicles/Equipment	57-C0395	Cost Avoidance

CAPITAL IMPROVEMENTS PROGRAM - ALL FUNDS
FISCAL YEARS 2016/20
LIST OF PROJECTS ALPHABETICAL BY PROJECT NAME

PROJECT NAME	PROJECT NUMBER	PROJECT PRIORITY
Golf Course Net	57-C0670	Public Safety
Green Streets	45-C0639	Probable Grant
Grinder Pump Replacement Program	54-C0767	Planned Improvement
Hagerstown Business Park	50-C0258	Planned Improvement
Hagerstown Ice Rink	45-C0843	Planned Improvement
Hagerstown Small Business Center	58-C0828	Planned Improvement
Hamilton Hotel	50-C0819	Planned Improvement
Installation of Street Trees	45-C0594	Planned Improvement
Junior Fire Engine Company #3	45-C0242	Planned Improvement
Kiwanis Park	45-C0773	Contract Obligation
Laboratory Equipment	54-C0745	Planned Improvement
LED Signal Lights	45-C0245	Cost Avoidance
Longmeadow Park Improvements	45-C0866	Planned Improvement
Major Signal Intersection Upgrades	45-C0243	Planned Improvement
Manhole Raising	54-C0267	Public Safety
Mansion House Improvements	45-C0336	Cost Avoidance
Market House Improvements	45-C0099	Planned Improvement
Marsh Run Walls Rehabilitation	45-C0853	Cost Avoidance
Massey Property	45-C0865	Planned Improvement
MELP	45-C0839	Planned Improvement
Mitchell Substation Third Bay	50-C0778	Planned Improvement
Mobile License Plate Readers	45-C0860	Public Safety
Multi-Use Trails	45-C0717	Probable Grant
Municipal Broadband	45-C0008	Improve Service
Municipal Financial System	45-C0739	Planned Improvement
Municipal Stadium Improvements	45-C0040	Planned Improvement
Neighborhood Parks	45-C0751	Planned Improvement
New Sidewalks	45-C0595	Public Safety
Northwest Connector	45-C0735	Planned Improvement
Overhead Crane	45-C0858	Improve Service
Oxygen System Improvements	54-C0657	Public Safety
Pangborn Lake Reconstruction	45-C0812	Documented Savings
Pangborn Park Improvements	45-C0335	Planned Improvement
Park Equipment	45-C0237	Planned Improvement
Parking Facilities - 3rd Parking Deck	56-C0173	Planned Improvement
Parking Fund Vehicles	56-C0829	Planned Improvement
Parking Lot Improvements	56-C0857	Planned Improvement
Parking System Improvements	56-C0867	Improve Service
Parks Vehicles and Equipment	45-C0570	Planned Improvement
Pavement Markings	45-C0093	Public Safety
Pavement Preservation Program	45-C0025	Planned Improvement
Pedestrian Lighting	50-C0388	Planned Improvement
Police Building Renovation	45-C0308	Planned Improvement
Police Crime Lab Equipment	45-C0182	Planned Improvement
Police Firing Range	45-C0226	Planned Improvement
Police Radios	45-C0128	Public Safety
Police Vehicles	45-C0129	Public Safety
Potterfield Pool Improvements	45-C0822	Improve Service

CAPITAL IMPROVEMENTS PROGRAM - ALL FUNDS
FISCAL YEARS 2016/20
LIST OF PROJECTS ALPHABETICAL BY PROJECT NAME

PROJECT NAME	PROJECT NUMBER	PROJECT PRIORITY
Professional Court Extension	45-C0685	Planned Improvement
Public Art	45-C0868	Planned Improvement
Public Works Operations Center Improvement Program	45-C0250	Planned Improvement
Public Works Storage Yard Expansion	45-C0718	Planned Improvement
Public Works Vehicles	45-C0065	Planned Improvement
Pump Station Improvements	52-C0651	Planned Improvement
Pump Station Improvements	54-C0299	Public Safety
R. C. Willson WTP Improvements Phase V	52-C0741	Planned Improvement
R. Paul Smith Boulevard	45-C0733	Planned Improvement
RC Wilson - Traveling Screen Replacement	52-C0863	Planned Improvement
Roslyn Building Renovation	58-C0779	Planned Improvement
Sidewalk Cellar Door Enhancements	45-C0864	Planned Improvement
Signal Controller Upgrades	45-C0433	Planned Improvement
Signal Timing Optimization	45-C0640	Planned Improvement
Sludge Storage Phase I Improvement	54-C0712	Planned Improvement
Solids Processing-Pelletizer and WWTP Improvements	54-C0711	Contract Obligation
Spare Regulators	50-C0797	Improve Service
Staley Park Pavilion	45-C0387	Probable Grant
Standby Generator Replacement	45-C0846	Public Safety
State Highway Retrofit Sidewalk Program	45-C0527	Probable Grant
Steam Engine Museum	45-C0439	Planned Improvement
Storm Water Management Implementation	45-C0637	Probable Grant
Stormdrain System Upgrades	45-C0444	Planned Improvement
Street Crime Cameras/CPTED	45-C0130	Public Safety
Streetlight Replacement	50-C0546	Planned Improvement
Supplemental Lighting	50-C0541	Public Safety
System Reconductoring	50-C0259	Planned Improvement
Telemetry Equipment	50-C0111	Planned Improvement
Test Equipment	50-C0609	Planned Improvement
Time & Attendance Software and Equip	45-C0007	Planned Improvement
Traffic Calming	45-C0560	Planned Improvement
Trunk Lines and Laterals	54-C0834	Contract Obligation
Underground Replacement	50-C0540	Planned Improvement
Upgrades to Parking Decks	56-C0749	Planned Improvement
Wastewater Vehicle Replacement	54-C0004	Planned Improvement
Water System SCADA Improvements	52-C0820	Planned Improvement
Water Vehicles	52-C0117	Planned Improvement
Wesel Boulevard Development	50-C0220	Planned Improvement
Wildlife Protection	50-C0802	Improve Service
Willson Plant Improvements Phase IV	52-C0740	Planned Improvement
Willson Transmission Mains	52-C0167	Planned Improvement
Willson Treatment Plant	52-C0166	Planned Improvement
Winter Street School-Neighborhood Park	45-C0764	Probable Grant
WWT Buildings and Structures	54-C0585	Planned Improvement
WWT Plant Equipment	54-C0584	Public Safety
Zone 3 Standpipe	52-C0323	Planned Improvement

**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2016/20**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
COMMUNITY & ECONOMIC DEVELOPMENT								
401	5816	2006	CHEVY TRUCK		20,000			
708			CHEVY TRUCK					
711	5674	2003	CHEVY S10					
712	5779	2005	JEEP LIBERTY					
713	5857	2007	FORD FOCUS				25,000	
717	5699	2003	CHEVY CAVALIER			20,000		
718	5815	2006	CHEVY TRUCK			20,000		
716	5698	2003	CHEVY CAVALIER					
750	5822	2006	CHEVY TRUCK		25,000			
752	5786	2005	CHEVY COLORADO					
755	5751	2004	CHEVY COLORADO					
850			JEEP LIBERTY		25,000			
COMMUNITY & ECONOMIC DEVELOPMENT TOTAL				-	70,000	40,000	25,000	-
ENGINEERING DEPARTMENT								
701	5892	2008	CHEVY COLORADO P/U			17,000		
702	5814	2006	CHEVY COLORADO P/U		16,000			
703	5893	2008	CHEVY IMPALA SEDAN		17,000			
705	5609	2000	GMC SONOMA P/U					
707	5865	2007	FORD FOCUS					
709	5810	2006	JEEP LIBERTY				17,000	
710	5542	1998	CHEVY CARGO VAN					20,000
ENGINEERING DEPARTMENT TOTAL				-	33,000	17,000	17,000	20,000
PARKS DEPARTMENT								
075	5639	2000	STONE MIXER					
300	5819	2006	CHEVY 3/4 TON 4WD P/U					
301	5755	2004	FORD F150 PICKUP					
303	5716	2003	FORD F550 4WD DUMP TRUCK					
308	5662	2002	FORD F550 4WD DUMP TRUCK		80,000			
309	5638	2001	GMC 1500 2WD PICKUP					
311	5515	1997	GMC 1500 P/U					
312	5756	2004	FORD F150 PICKUP					
316	5743	2004	JD 4X2 GATOR					
317	5744	2004	JD 4X2 GATOR		8,000			
319	5864	2007	BOBCAT LOADER				60,000	
322	5797	2005	GRAVELY PM320 MOWER					
323	5798	2005	CHEVY TRUCK					
331	5850	2007	CHEVY 3/4 TON 4WD P/U			30,000		
333	5749	2004	JOHN DEERE BACKHOE				100,000	
350	5306	1990	JD 2355 TRACTOR		65,000			
369	5800	2005	GRAVELY 260Z MOWER			12,000		
371	5484	1996	FORD F150 PICKUP					
372	5466	1995	TROY BUILT TRACTOR					
378	5884	2007	JD TX GATOR		10,000			
379	5460	1995	GRAVELY PM 300 MOWER			12,000		
380	5615	2000	SHUR-TRAIL TRAILER			5,000		
PARKS DEPARTMENT TOTAL				-	163,000	59,000	160,000	-
PUBLIC WORKS DEPARTMENT								
002	5946	2010	FORD 1/2 T 4WD	25,000				
003	5688	2003	CHEVY BLAZER		30,000			
005	5213	1981	FORD TRACTOR		25,000			
006	5854	2006	BOBCAT A300					
016	5897	2008	FORD REFUSE TRUCK					75,000
017	5717	2003	FORD 4X4 DUMP		100,000			
019	5498	1996	GMC 1-TON DUMP TRUCK					
020	5606	1999	CHEVY C8500 DUMP TRUCK					
023	5451	1995	GMC 7000 DUMP TRUCK					
024	5452	1995	GMC 7000 DUMP TRUCK					
025	5647	2001	FORD F550 4WD DUMP TRUCK					
026	5780	2005	STERLING ACTERA DUMP		150,000			
027	5781	2005	STERLING ACTERA DUMP			150,000		
028	5830	2006	STERLING ACTERA RDS DUMP				150,000	
030	5610	2000	GMC 1/2 T 4WD					
031	5808	2006	CHEVY CARGO VAN				30,000	
034	5713	2004	CHEVY CREW CAB P/U		30,000			
035	5855	2007	CHEVY 3/4 TON TRUCK				30,000	
045	5537	1998	GMC 1/2 TON P/U					
046	5713	2004	CHEVY CREW CAB P/U			30,000		
062	5664	2002	GRAVELY 300 MOWER		15,000			

**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2016/20**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
063	5969	2011	Z930A JD MOWER	12,000				
076	5831	2006	US CARGO TRAILER					15,000
077	5725	2004	JOHN DEERE TRACTOR					18,000
079	5444	2000	TRAILER OWEN CLASSIC					
081	5377	1991	TRAILER PERMIER					
083	5111	1987	IR AIR COMPRESSOR					
084	5433	1993	WACKER ROLLER	15,000				
085	5523	1997	WACKER TAMPER					
089	5618	2000	TRAILER, SHUR TRAIL					
092	5795	2005	SCHWARZE SWEEPER			250,000		
093	5866	2007	SCHWARZE A8000					270,000
094	5578	1999	GMC SIERRA PICKUP					
600	5903	2008	FORD PICKUP TRUCK					30,000
601	5629	2000	F550 BUCKET TRUCK	75,000				
602	5821	2006	E350 BUCKET VAN				50,000	
615	5763	2005	CHEVY CARGO VAN				30,000	
PUBLIC WORKS DEPARTMENT TOTAL				127,000	350,000	430,000	290,000	408,000
POLICE DEPARTMENT								
NEW			VEHICLES (2) 2016, (1) 2017	98,000	49,000			
900	5631	1990	TOYOTA FOUR RUNNER					
914	206022	2003	CROWN VICTORIA					
924	5944	2009	DODGE CHARGER					
925	5943	2009	DODGE CHARGER					
926	5942	2009	DODGE CHARGER					
927	5941	2009	DODGE CHARGER					
928	5889	1999	FORD EXPEDITION					
929	5888	2004	CHEVROLET IMPALA					
930	5878	2007	DODGE CHARGER					46,000
931	5879	2007	DODGE CHARGER					
932	5880	2007	DODGE CHARGER					46,000
933	5838	2006	FORD CROWN VICTORIA INTERCEPTOR					
934	5839	2006	FORD CROWN VICTORIA INTERCEPTOR				46,000	
935	5840	2006	FORD CROWN VICTORIA INTERCEPTOR				46,000	
936	5841	2006	FORD CROWN VICTORIA INTERCEPTOR				46,000	
937	5940	2009	DODGE CHARGER					
938	5794	2006	CAR MATE TRAILER					
939	5812	2006	FORD CROWN VICTORIA INTERCEPTOR				46,000	
940	5811	2006	FORD CROWN VICTORIA INTERCEPTOR				46,000	
941	5805	2006	FORD CROWN VICTORIA INTERCEPTOR				46,000	46,000
942	5843	2006	FORD CROWN VICTORIA INTERCEPTOR					46,000
943	5960	1997	FORD EXPLORER	9,000				
944	5752	2004	FORD CROWN VICTORIA INTERCEPTOR			46,000		
946	5881	2007	DODGE CHARGER					46,000
948	5514	1997	GMC JIMMY			10,000		
949	5700	1998	FORD TAURUS	8,000				
951	5832	2003	NISSAN PATHFINDER					10,000
953	5783	2005	FORD EXPEDITION			46,000		
954	5528	1997	CHEVY LUMINA	8,000				
955	5541	1998	JEEP CHEROKEE					
957	5552	1998	FORD CROWN VICTORIA	46,000				
958	5919	2009	FORD CROWN VICTORIA INTERCEPTOR					
959	5554	1998	FORD CROWN VICTORIA		46,000			
960	5555	1998	FORD CROWN VICTORIA		46,000			
961	5921	2009	FORD CROWN VICTORIA INTERCEPTOR					
962	5620	2000	FORD CROWN VICTORIA		46,000			
963	5667	2003	FORD CROWN VICTORIA INTERCEPTOR			46,000		
964	5860	2000	FORD FOCUS					
967	5621	2000	FORD CROWN VICTORIA		46,000			
970	5837	2000	CHRYSLER CIRRUS					
972	5753	2004	FORD CROWN VICTORIA INTERCEPTOR			46,000		
973	5626	2001	CHEVY LUMINA					
975	5882	2007	DODGE CHARGER					46,000
976	5959	2004	SATURN VUE					
977	5887	1975	CHEVY S-10					
978	5622	2000	FORD CROWN VICTORIA INTERCEPTOR					
979	5776	1999	HONDA ACCORD				10,000	
981	5883	2007	DODGE CHARGER					
982	5623	2000	FORD CROWN VICTORIA INTERCEPTOR		46,000			
984	5572	1999	FORD EXPLORER					
988	5668	2003	FORD CROWN VICTORIA INTERCEPTOR			46,000		
993	5495	1996	OLDSMOBILE CUTLASS					
995	5722	2001	FORD ESCAPE			46,000		

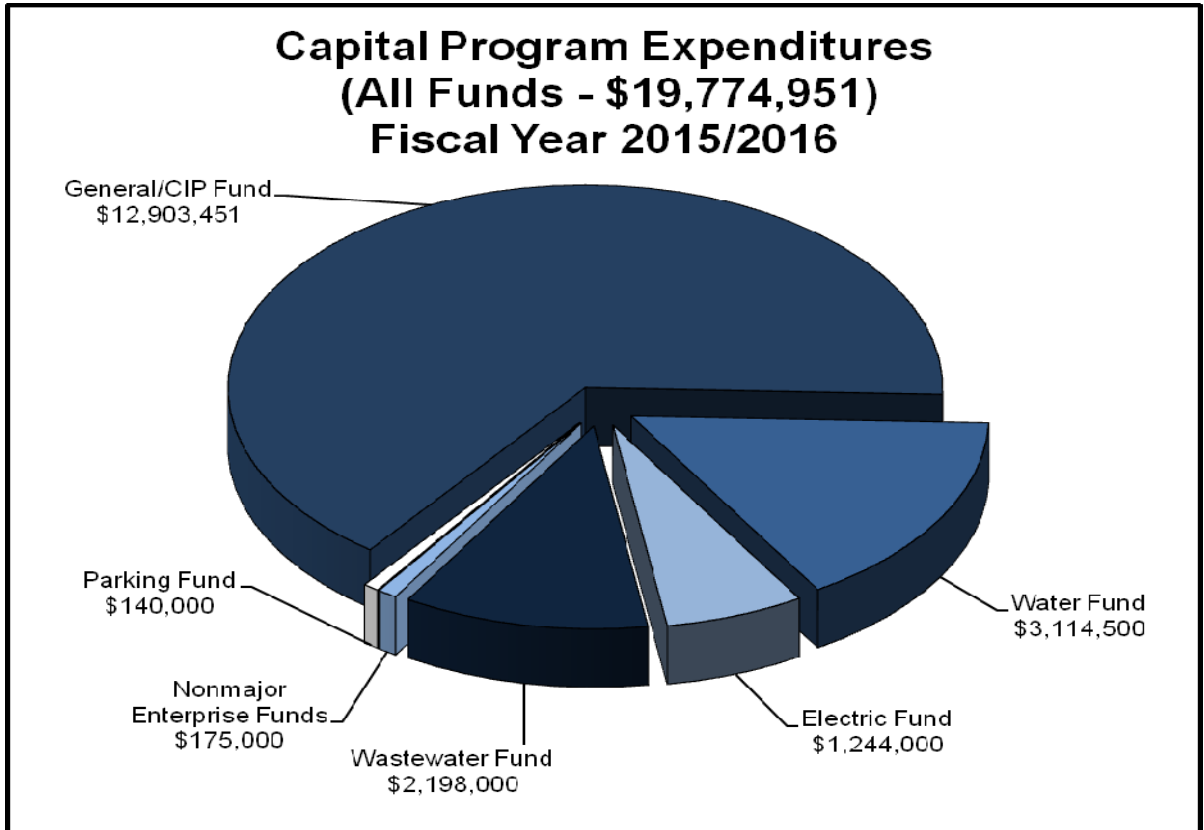
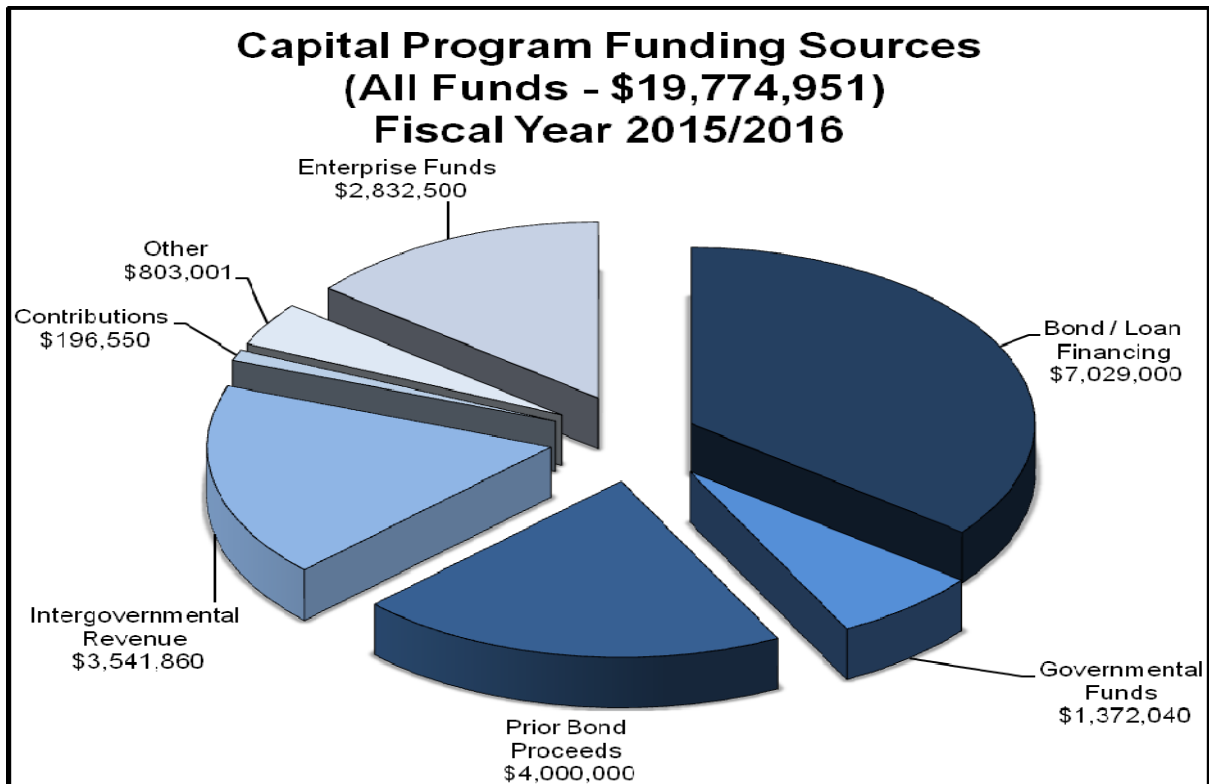
**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2016/20**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
998	5947	1998	FORD CROWN VICTORIA		46,000			
999	5723	2001	FORD CROWN VICTORIA INTERCEPTOR			46,000		
9111	206004	2013	FORD TAURUS					
9401	5838	2006	CROWN VICTORIA					
POLICE DEPARTMENT TOTAL				169,000	325,000	332,000	286,000	286,000
FIRE DEPARTMENT								
ENG1	5435	1994	KME RENEGADE LFD					
ENG2	5718	2004	KME MFD				600,000	
CAR2	5724	2004	GMC SAFARI VAN		50,000			
CAR3	5740	2004	CHEVY TAHOE					
CAR4	5768	2005	CHEVY BLAZER	40,000				
CAR7	5813	2005	CHEVY TRAILBLAZER		35,000			
CAR8	5856	2007	FORD EXPEDITION		40,000			
RE4	5349	1991	KME RENEGADE LFD					125,000
TRK1	5547	1997	AI 105' LADDER	1,150,000				
TRK4	5535	1997	AI 105' LADDER			1,250,000		
U3A	5920	2008	FORD F350 PICKUP	125,000				
FIRE DEPARTMENT TOTAL				1,315,000	125,000	1,250,000	600,000	125,000
GENERAL FUND TOTAL				\$ 1,611,000	\$ 1,066,000	\$ 2,128,000	\$ 1,378,000	\$ 839,000
ELECTRIC FUND								
107	5520	1997	GMC SIERRA P/U					
109	5684	2003	CHEVY CAVALIER		20,000			
110	5672	2002	CHEVY CAVALIER		20,000			
111	5573	1999	GMC SONOMA		20,000			
112	5574	1999	GMC SONOMA		20,000			
113	5575	1999	GMC SONOMA		20,000			
121	5582	1999	GMC WITH ALTEC BUCKET	250,000				
117	5307	1990	JOHN DEERE 410C		84,000			
120	5441	1994	GMC/TEXOMA DIG/DERR			210,000		
122	5869	2007	CHEVY 3/4 TON 4WD					27,000
124	5696	2003	BUCKET TRUCK				225,000	
126	5871	2007	CHEVY 3/4 TON 4WD PICK-UP					37,000
129	5569	1998	GMC WITH STAKE BODY					
131	5870	2007	SILVERADO 4x4 PICKUP w/PLOW					27,000
134	5299	1990	INGERSOLL-RAND AIR COMP. TRAILER					21,000
135	5347	1991	GMC HOLAN STALLION BUCK					
137	5766	2005	CHEVROLET 3500 CARGO FUN					27,000
138	5516	1997	PRO-CHIP WOOD CHIPPER					
ELECTRIC FUND TOTAL				250,000	184,000	210,000	225,000	139,000
WATER FUND								
P03	5874	2007	CHEVY COLORADO P/U	21,000				
200	5911	2008	CHEVY TRAIL BLAZER 4WD					
201	5862	2007	TRAIL BLAZER			25,400		
202	5828	2006	CHEVY 2500 4WD P/U					
203	5825	2006	CHEVY 2500 P/U					
205	5712	2003	FORD F550		81,700			
206	5627	2000	FORD F450					
207	5661	2002	INTERNATIONAL DUMP					
208	5792	2005	FORD F550		68,000			
209	5761	2004	CHEVY 3/4 TON VAN					
210	5614	2000	CHEVY 2500 4WD P/U	31,500				
211	5927	2009	F750 DUMP TRUCK				78,750	
212	5785	2005	CHEVY 2500 4WD P/U	25,600				
213	5962	2010	ARIENS ZOOM XL 54 MOWER	4,600				
214	5691	2003	CHEVY S10 P/U					
215	5820	2006	STERLING ACTERA DUMP		86,700			
216	5628	2000	FORD F450					80,600
217	5581	1999	CHEVY 2500 P/U					
218	5793	2005	FORD F450			45,900		
219	5449	1994	VOLVO CRANE TRUCK			154,000		
221	5963	2010	ARIENS ZOOM XL 54 MOWER			5,000		
223	5853	2006	JD 310SG BACKHOE					58,000
224	5407	1993	JCB BACKHOE					
225	5754	2004	JEEP LIBERTY					
226	5902	2008	CHEVY COLORADO		22,500			
227	5705	2003	CHEVY 2500 4WD P/U		26,300			
228	5656	2001	JOHN DEERE 4106 BACKHOE LOADER			96,200		
230	5640	2001	GMC JIMMY					24,000

**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2016/20**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
232	5583	1999	1 TON DUMP TRUCK	48,000				
233	5926	2008	DUMP TRUCK					60,800
234	5750	2004	FORD F550					
237	5540	1998	JD 310E BACKHOE	80,200				
235	5643	2001	GMC S15					
238	5686	2003	KUT KWICK SLOPE MOWER 38HP				54,500	
239	5635	2001	FORD ESCAPE					
240	5653	2001	SUV				24,700	
241	5576	1999	GMC JIMMY					
244	5818	2006	JEEP LIBERTY	22,600				
254	5760	2004	FORD F250 P/U		25,000			
257	5787	2005	BACKHOE				96,000	
260	5474	1995	CHEVY 3500 UTILITY					
261	5642	2001	GMC SONOMA					
WATER FUND TOTAL				233,500	310,200	326,500	253,950	223,400
WASTEWATER FUND								
501	5546	1998	JEEP CHEROKEE					
504	5906	2008	FORD F250 P/U					
505	5908	2008	CHEVY TRAIL BLAZER					
508	5690	2003	FORD F550 1-T W/CRANE		153,000			
512	5616	2000	GMC TOPKICK DUMP TRUCK		135,000			
513	5427	1993	KOHLER MGS 2226 GENERATOR				65,000	
519	5285	1989	CHEVROLET 7D042 VACUUM TRUCK			105,000		
520	5248	1988	CASE TRACTOR 245/255		25,000			
522	5357	1991	INGERSOLL RAND LIGHT PLANT					
525	5759	2004	FORD F450 UTILITY TRUCK			95,000		
526	5695	2003	FORD F450 UTILITY TRUCK					
527	5539	1998	FORD W86 225 FLUSHER					
528	5833	2006	JET-VAC CLEANER					750,000
530	5378	1987	GARDNER DENVER AIR COMPRESSOR					
532	5611	2000	GMC SONOMA PICKUP TRUCK					
533	5657	2002	FORD RANGER P/U					
534	5660	2002	FORD ESCAPE		30,000			
535	5657	2002	NEW HOLLAND TRACTOR			25,000		
536	5824	2006	CHEVY 2500 4 WD P/U					
592	5633	2001	JD 310SG BACKHOE		95,000			
594	5570	1999	JOHN DEERE BACKHOE LOADER 310SE					
595	5562	1998	CHEVY C8500 DUMP				180,000	
WASTEWATER FUND TOTAL				-	438,000	225,000	245,000	750,000
PARKING FUND								
033	5395	1992	CHEVY 3/4T 4WD P/U					
036	5613	2000	GMC SONOMA P/U					
037	5789	1994	GEO TRACKER	25,000				
050	5619	2000	MADVAC SWEEPER		35,000			
PARKING FUND TOTAL				25,000	35,000	-	-	-
GOLF COURSE								
NEW			MOTOR SAND TRAP RAKE/EDGER	10,000				
326	5859	2007	JACOBSEN III TRIPLEX REEL MOWER	30,000				
330	5485	1996	FORD F-150 P/U					
332	5461	1995	PICKUP		35,000			
353	5465	1995	KUBOTA L4200GST				20,000	
373A	5478	1996	CUSHMAN TURF TRUCKSTER					20,000
389	5774	2004	CUSHMAN SPRAYER			30,000		
GOLF FUND TOTAL				40,000	35,000	30,000	20,000	20,000
GRAND TOTAL - ALL FUNDS				\$ 2,159,500	\$ 2,068,200	\$ 2,919,500	\$ 2,121,950	\$ 1,971,400

ALL FUNDS - FUNDING SOURCES AND EXPENDITURES
FISCAL YEAR 2015/16



CAPITAL IMPROVEMENT PROGRAM - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2016/20
EXPENDITURES SUMMARY BY FUND

DEPARTMENT	FY16	FY17	FY18	FY19	FY20	Total
Community Development	42,000	112,000	86,500	71,500	46,500	358,500
Engineering	6,493,700	5,085,500	5,007,000	4,782,000	8,730,000	30,098,200
Finance	2,150,000	-	-	-	-	2,150,000
Fire	1,335,000	725,000	1,350,000	1,250,000	225,000	4,885,000
Information Technology	260,000	163,000	238,000	163,000	163,000	987,000
Parks	1,528,951	3,205,500	1,144,000	5,050,000	4,786,000	15,714,451
Planning	45,000	-	-	-	-	45,000
Police	559,800	420,000	660,560	614,560	562,420	2,817,340
Public Works	489,000	1,156,000	1,026,000	361,000	464,000	3,496,000
General/CIP Fund Total	\$ 12,903,451	\$ 10,867,000	\$ 9,512,060	\$ 12,292,060	\$ 14,976,920	\$ 60,551,491
Electric Fund	1,244,000	908,000	1,139,000	1,359,000	973,000	5,623,000
Water Fund	3,114,500	7,037,630	8,826,188	2,876,758	7,570,226	29,425,302
Wastewater Fund	2,198,000	4,291,000	2,778,000	2,498,000	1,553,000	13,318,000
Parking Fund	140,000	95,000	230,000	1,620,000	8,635,000	10,720,000
Golf Fund	40,000	35,000	30,000	20,000	20,000	145,000
Property Management Fund	135,000	30,000	210,000	20,000	20,000	415,000
Grand Total - All Funds	\$ 19,774,951	\$ 23,263,630	\$ 22,725,248	\$ 20,685,818	\$ 33,748,146	\$ 120,197,793

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '16 thru FY '20

FUNDING SOURCE SUMMARY

Source	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	3,760,000	5,640,000	5,660,000	7,300,000	5,695,000	28,055,000
CIP Fund - GF Fund Balance	120,000					120,000
CIP Fund Balance	334,001	22,889				356,890
Contribution by Others	176,550	94,000	315,000	1,047,000	6,946,000	8,578,550
Excise Tax Fund	212,240	26,000		48,000	150,000	436,240
Grants-Federal	185,000	987,500				1,172,500
Grants-Private	40,000	100,000				140,000
Grants-State	1,966,460	1,387,500	980,000	882,000		5,215,960
Grants-State CP&P	85,000					85,000
Grants-State Program Open Space	189,000	117,000	347,500	225,000	225,000	1,103,500
Loan				650,000		650,000
PEG Fee	56,000	56,000	60,500	60,500	60,500	293,500
Prior Bond Proceeds	3,250,000					3,250,000
Reforestation Funds	40,000					40,000
State Highway User Revenue	1,076,400	1,000,000	700,000	700,000	700,000	4,176,400
Transfers to CIP-CDBG Fund	375,000	120,000	75,000	40,000		610,000
Transfers to CIP-Economic Redevelopment	8,000					8,000
Transfers to CIP-Electric Fund		33,633	61,000	41,000	41,000	176,633
Transfers to CIP-General Fund	664,800	1,215,212	1,191,060	1,216,560	1,077,420	5,365,052
Transfers to CIP-Prop Mgmt Fund	365,000					365,000
Transfers to CIP-Wastewater Fund		33,633	61,000	41,000	41,000	176,633
Transfers to CIP-Water Fund		33,633	61,000	41,000	41,000	176,633
GRAND TOTAL	12,903,451	10,867,000	9,512,060	12,292,060	14,976,920	60,551,491

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '16 thru FY '20

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)								
Fire Department Vehicle Replacement	45-C0010	5	125,000		1,100,000	600,000		1,825,000
Municipal Stadium Improvements	45-C0040	5			100,000			100,000
City Park Lake Improvements	45-C0047	5	60,000	1,100,000			500,000	1,660,000
Public Works Vehicles	45-C0065	5	75,000	250,000	400,000	200,000	345,000	1,270,000
Market House Improvements	45-C0099	5		120,000				120,000
A & E Trail	45-C0140	5			255,000			255,000
Fire Training Tower	45-C0241	5		600,000				600,000
Junior Fire Engine Company #3	45-C0242	5			100,000			100,000
Major Signal Intersection Upgrades	45-C0243	5	100,000	80,000				180,000
Public Works Operations Center Improvement Program	45-C0250	5	120,000					120,000
Alley Reconstruction	45-C0324	5	530,000		500,000			1,030,000
City Hall Improvements	45-C0326	5	50,000	250,000				300,000
Parks Vehicles and Equipment	45-C0570	5		65,000		100,000		165,000
Fairground Grandstand Improvements	45-C0624	2	125,000		500,000	4,000,000	4,000,000	8,625,000
Storm Water Management Implementation	45-C0637	6		800,000	800,000	800,000		2,400,000
Green Streets	45-C0639	6		600,000	600,000	600,000		1,800,000
Professional Court Extension	45-C0685	5		1,000,000				1,000,000
Public Works Storage Yard Expansion	45-C0718	5		375,000	525,000			900,000
Northwest Connector	45-C0735	5			280,000	1,000,000	850,000	2,130,000
Pangborn Lake Reconstruction	45-C0812	3		400,000				400,000
Marsh Run Walls Rehabilitation	45-C0853	4	400,000		500,000			900,000
Downtown Redevelopment	45-C0854	5	1,500,000					1,500,000
Antietam Park (at former MELP site)	45-C0856	5	625,000					625,000
Overhead Crane	45-C0858	8	50,000					50,000
Bond Financing (General Fund) Total			3,760,000	5,640,000	5,660,000	7,300,000	5,695,000	28,055,000
CIP Fund - GF Fund Balance								
Market House Improvements	45-C0099	5	30,000					30,000
City Hall Improvements	45-C0326	5	50,000					50,000
Potterfield Pool Improvements	45-C0822	8	40,000					40,000
CIP Fund - GF Fund Balance Total			120,000					120,000
CIP Fund Balance								
Computer Equipment and Software	45-C0006	5	80,000					80,000
Time & Attendance Software and Equip	45-C0007	5	16,000					16,000
Municipal Broadband	45-C0008	8	10,000					10,000
Pavement Preservation Program	45-C0025	5	18,600					18,600
Downtown Beautification Program	45-C0280	5	10,000					10,000
Steam Engine Museum	45-C0439	5	13,451					13,451
Geographic Information System	45-C0451	5	65,000	22,889				87,889
Cable Inet	45-C0568	2	44,000					44,000

Source	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Public Works Storage Yard Expansion	45-C0718	5	10,000					10,000
Municipal Financial System	45-C0739	5	24,000					24,000
George Washington Statue	45-C0837	5	30,950					30,950
Standby Generator Replacement	45-C0846	1	12,000					12,000
CIP Fund Balance Total			334,001	22,889				356,890

Contribution by Others

Fire Department Vehicle Replacement	45-C0010	5	150,000		150,000			300,000
Fairgrounds Park Improvements	45-C0626	5		79,000				79,000
R. Paul Smith Boulevard	45-C0733	5				500,000	4,500,000	5,000,000
Northwest Connector	45-C0735	5				500,000	2,400,000	2,900,000
Antietam Creek Greenway Trail	45-C0774	5			150,000			150,000
George Washington Statue	45-C0837	5	6,050					6,050
Hagerstown Ice Rink	45-C0843	5	10,000	5,000	5,000	37,000	36,000	93,000
Community Garden	45-C0859	6	500					500
Public Art	45-C0868	5	10,000	10,000	10,000	10,000	10,000	50,000
Contribution by Others Total			176,550	94,000	315,000	1,047,000	6,946,000	8,578,550

Excise Tax Fund

Bridge Repair Program	45-C0400	4	212,240					212,240
Northwest Connector	45-C0735	5					150,000	150,000
Antietam Creek Greenway Trail	45-C0774	5				48,000		48,000
Dog Park II	45-C0851	5		6,000				6,000
Longmeadow Park Improvements	45-C0866	5		20,000				20,000
Excise Tax Fund Total			212,240	26,000		48,000	150,000	436,240

Grants-Federal

Police Crime Lab Equipment	45-C0182	5	160,000					160,000
Police Firing Range	45-C0226	5	25,000					25,000
Multi-Use Trails	45-C0717	6		500,000				500,000
Longmeadow Park Improvements	45-C0866	5		487,500				487,500
Grants-Federal Total			185,000	987,500				1,172,500

Grants-Private

Fairgrounds Park Improvements	45-C0626	5		100,000				100,000
Community Garden	45-C0859	6	40,000					40,000
Grants-Private Total			40,000	100,000				140,000

Grants-State

A & E Trail	45-C0140	5	155,000					155,000
Major Signal Intersection Upgrades	45-C0243	5	37,500	337,500				375,000
Bridge Repair Program	45-C0400	4	848,960					848,960
State Highway Retrofit Sidewalk Program	45-C0527	6	250,000	500,000	500,000			1,250,000
Storm Water Management Implementation	45-C0637	6	500,000	250,000	250,000	250,000		1,250,000
Green Streets	45-C0639	6	100,000	200,000	200,000	200,000		700,000
Multi-Use Trails	45-C0717	6	75,000					75,000
Antietam Creek Greenway Trail	45-C0774	5				432,000		432,000
Pangborn Lake Reconstruction	45-C0812	3		100,000				100,000

Source	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Longmeadow Park Improvements	45-C0866	5			30,000			30,000
Grants-State Total			1,966,460	1,387,500	980,000	882,000		5,215,960
Grants-State CP&P								
Park Equipment	45-C0237	5	30,000					30,000
Staley Park Pavilion	45-C0387	6	25,000					25,000
Community Garden	45-C0859	6	30,000					30,000
Grants-State CP&P Total			85,000					85,000
Grants-State Program Open Space								
A & E Trail	45-C0140	5	45,000		145,000			190,000
Park Equipment	45-C0237	5	31,500					31,500
Steam Engine Museum	45-C0439	5			22,500			22,500
City Park Improvements	45-C0522	5				225,000	225,000	450,000
Fairgrounds Park Improvements	45-C0626	5		63,000				63,000
Winter Street School-Neighborhood Park	45-C0764	6			180,000			180,000
Kiwanis Park	45-C0773	2	112,500					112,500
Dog Park II	45-C0851	5		54,000				54,000
Grants-State Program Open Space Total			189,000	117,000	347,500	225,000	225,000	1,103,500
Loan								
Fire Department Breathing Apparatus Equip	45-C0663	5				650,000		650,000
Loan Total						650,000		650,000
PEG Fee								
Cable Inet	45-C0568	2	14,000	14,000	14,000	14,000	14,000	70,000
Cable PEG	45-C0569	2	42,000	42,000	46,500	46,500	46,500	223,500
PEG Fee Total			56,000	56,000	60,500	60,500	60,500	293,500
Prior Bond Proceeds								
Fire Department Vehicle Replacement	45-C0010	5	1,000,000					1,000,000
A & E Trail	45-C0140	5	1,500,000					1,500,000
Storm Water Management Implementation	45-C0637	6	100,000					100,000
MELP	45-C0839	5	650,000					650,000
Prior Bond Proceeds Total			3,250,000					3,250,000
Reforestation Funds								
Installation of Street Trees	45-C0594	5	40,000					40,000
Reforestation Funds Total			40,000					40,000
State Highway User Revenue								
Pavement Preservation Program	45-C0025	5	981,400	1,000,000	700,000	700,000	700,000	4,081,400
Pavement Markings	45-C0093	1	50,000					50,000
Curb and Sidewalk Replacement Program	45-C0458	5	30,000					30,000
New Sidewalks	45-C0595	1	15,000					15,000

Source	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
State Highway User Revenue Total			1,076,400	1,000,000	700,000	700,000	700,000	4,176,400
Transfers to CIP-CDBG Fund								
Accessibility Ramps	45-C0217	6	60,000	40,000	40,000	40,000		180,000
Curb and Sidewalk Replacement Program	45-C0458	5	35,000					35,000
New Sidewalks	45-C0595	1			35,000			35,000
Neighborhood Parks	45-C0751	5	250,000	80,000				330,000
Sidewalk Cellular Door Enhancements	45-C0864	5	30,000					30,000
Transfers to CIP-CDBG Fund Total			375,000	120,000	75,000	40,000		610,000
Transfers to CIP-Economic Redevelop								
George Washington Statue	45-C0837	5	8,000					8,000
Transfers to CIP-Economic Redevelopment Total			8,000					8,000
Transfers to CIP-Electric Fund								
Computer Equipment and Software	45-C0006	5		15,000	20,000	15,000	15,000	65,000
Geographic Information System	45-C0451	5		12,633	35,000	20,000	20,000	87,633
Municipal Financial System	45-C0739	5		6,000	6,000	6,000	6,000	24,000
Transfers to CIP-Electric Fund Total				33,633	61,000	41,000	41,000	176,633
Transfers to CIP-General Fund								
Computer Equipment and Software	45-C0006	5		15,000	20,000	15,000	15,000	65,000
Municipal Broadband	45-C0008	8	7,000					7,000
Fire Department Vehicle Replacement	45-C0010	5	40,000	125,000			125,000	290,000
Public Works Vehicles	45-C0065	5	52,000	100,000	30,000	90,000	63,000	335,000
Pavement Markings	45-C0093	1		25,000	15,000	15,000		55,000
Police Radios	45-C0128	1	54,800		128,560	128,560	96,420	408,340
Police Vehicles	45-C0129	1	169,000	325,000	332,000	286,000	286,000	1,398,000
Street Crime Cameras/CPTED	45-C0130	1	100,000		150,000	150,000	150,000	550,000
Engineering Vehicles	45-C0133	4		33,000	17,000	17,000	20,000	87,000
Accessibility Ramps	45-C0217	6	15,000					15,000
Park Equipment	45-C0237	5	3,500					3,500
Fire Training Tower	45-C0241	5	20,000				100,000	120,000
LED Signal Lights	45-C0245	4	15,000	15,000	15,000	15,000		60,000
Community & Economic Development Vehicles	45-C0249	4		70,000	40,000	25,000		135,000
Public Works Operations Center Improvement Program	45-C0250	5		6,000	6,000	6,000	6,000	24,000
Downtown Beautification Program	45-C0280	5	15,000	25,000	25,000	25,000	25,000	115,000
Police Building Renovation	45-C0308	5	51,000	75,000	30,000	30,000	30,000	216,000
Alley Reconstruction	45-C0324	5		50,000		50,000		100,000
City Hall Improvements	45-C0326	5			10,000	25,000	25,000	60,000
Signal Controller Upgrades	45-C0433	5		15,000	15,000			30,000
Steam Engine Museum	45-C0439	5			2,500			2,500
Stormdrain System Upgrades	45-C0444	5		40,000	40,000			80,000
Geographic Information System	45-C0451	5		4,212	15,000	5,000	5,000	29,212
Curb and Sidewalk Replacement Program	45-C0458	5		25,000	25,000	25,000	25,000	100,000
City Park Improvements	45-C0522	5	20,000	30,000	10,000	35,000	25,000	120,000
Traffic Calming	45-C0560	5	20,000	20,000	20,000	20,000	20,000	100,000
Parks Vehicles and Equipment	45-C0570	5	0	98,000	59,000	60,000		217,000
Installation of Street Trees	45-C0594	5		40,000	40,000	40,000	40,000	160,000

Source	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Fairgrounds Park Improvements	45-C0626	5		3,000				3,000
Green Streets	45-C0639	6	10,000					10,000
Signal Timing Optimization	45-C0640	5	20,000	20,000	20,000			60,000
Municipal Financial System	45-C0739	5		6,000	6,000	6,000	6,000	24,000
Winter Street School-Neighborhood Park	45-C0764	6			20,000			20,000
Kiwanis Park	45-C0773	2	27,500					27,500
Potterfield Pool Improvements	45-C0822	8			50,000			50,000
Hagerstown Ice Rink	45-C0843	5	10,000	15,000	15,000	113,000		153,000
Mobile License Plate Readers	45-C0860	1		20,000	20,000	20,000		60,000
Public Art	45-C0868	5	15,000	15,000	15,000	15,000	15,000	75,000
Transfers to CIP-General Fund Total			664,800	1,215,212	1,191,060	1,216,560	1,077,420	5,365,052
Transfers to CIP-Prop Mgmt Fund								
A & E Trail	45-C0140	5	365,000					365,000
Transfers to CIP-Prop Mgmt Fund Total			365,000					365,000
Transfers to CIP-Wastewater Fund								
Computer Equipment and Software	45-C0006	5		15,000	20,000	15,000	15,000	65,000
Geographic Information System	45-C0451	5		12,633	35,000	20,000	20,000	87,633
Municipal Financial System	45-C0739	5		6,000	6,000	6,000	6,000	24,000
Transfers to CIP-Wastewater Fund Total				33,633	61,000	41,000	41,000	176,633
Transfers to CIP-Water Fund								
Computer Equipment and Software	45-C0006	5		15,000	20,000	15,000	15,000	65,000
Geographic Information System	45-C0451	5		12,633	35,000	20,000	20,000	87,633
Municipal Financial System	45-C0739	5		6,000	6,000	6,000	6,000	24,000
Transfers to CIP-Water Fund Total				33,633	61,000	41,000	41,000	176,633
GRAND TOTAL			12,903,451	10,867,000	9,512,060	12,292,060	14,976,920	60,551,491

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '16 thru FY '20

DEPARTMENT SUMMARY

Department	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Community Development	42,000	112,000	86,500	71,500	46,500	358,500
Engineering	6,493,700	5,085,500	5,007,000	4,782,000	8,730,000	30,098,200
Finance	2,150,000					2,150,000
Fire	1,335,000	725,000	1,350,000	1,250,000	225,000	4,885,000
Information Technology	260,000	163,000	238,000	163,000	163,000	987,000
Parks	1,528,951	3,205,500	1,144,000	5,050,000	4,786,000	15,714,451
Planning	45,000					45,000
Police	559,800	420,000	660,560	614,560	562,420	2,817,340
Public Works	489,000	1,156,000	1,026,000	361,000	464,000	3,496,000
TOTAL	12,903,451	10,867,000	9,512,060	12,292,060	14,976,920	60,551,491

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '16 thru FY '20

CATEGORY SUMMARY

Category	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Amenities	425,000		500,000			925,000
Automobiles and Trucks	1,611,000	1,066,000	2,128,000	1,378,000	839,000	7,022,000
Buildings and Structures	2,129,451	2,306,000	2,046,000	4,761,000	4,861,000	16,103,451
Energy Savings	20,000	20,000	20,000	150,000	36,000	246,000
Infrastructure-Alleys	530,000	50,000	500,000	50,000		1,130,000
Infrastructure-Bridges	1,061,200					1,061,200
Infrastructure-Parks	695,500	60,000				755,500
Infrastructure-Sidewalks	435,000	565,000	600,000	65,000	25,000	1,690,000
Infrastructure-Storm Drains	600,000	1,090,000	1,090,000	1,050,000		3,830,000
Infrastructure-Streets	70,000	1,290,000	315,000	2,035,000	7,920,000	11,630,000
Infrastructure-Utilities	137,500	417,500				555,000
Land Acquisition			200,000			200,000
Land Improvements	2,745,000	2,307,500	680,000	830,000	840,000	7,402,500
Machinery and Equipment	716,800	306,000	489,060	1,084,060	366,920	2,962,840
Software	105,000	89,000	144,000	89,000	89,000	516,000
Storm Water	110,000	1,300,000	800,000	800,000		3,010,000
Unassigned	1,512,000					1,512,000
TOTAL	12,903,451	10,867,000	9,512,060	12,292,060	14,976,920	60,551,491

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '16 thru FY '20

EXPENDITURE TYPE SUMMARY

Expenditure Type	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design	237,500	195,500	850,000	565,000	30,000	1,878,000
Land Acquisition	650,000	100,000	450,000			1,200,000
Construction/Maintenance	8,184,151	9,240,500	5,546,000	9,156,000	13,642,000	45,768,651
Equip/Vehicles/Furnishings	2,257,800	1,257,000	2,642,060	2,497,060	1,230,920	9,884,840
Other	1,574,000	74,000	24,000	74,000	74,000	1,820,000
TOTAL	12,903,451	10,867,000	9,512,060	12,292,060	14,976,920	60,551,491

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '16 thru FY '20

PROJECTS BY DEPARTMENT

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Community Development								
Community & Economic Development Vehicles	45-C0249	4		70,000	40,000	25,000		135,000
Cable PEG	45-C0569	2	42,000	42,000	46,500	46,500	46,500	223,500
Community Development Total			42,000	112,000	86,500	71,500	46,500	358,500
Engineering								
Pavement Preservation Program	45-C0025	5	1,000,000	1,000,000	700,000	700,000	700,000	4,100,000
Pavement Markings	45-C0093	1	50,000	25,000	15,000	15,000		105,000
Engineering Vehicles	45-C0133	4		33,000	17,000	17,000	20,000	87,000
A & E Trail	45-C0140	5	2,065,000		400,000			2,465,000
Accessibility Ramps	45-C0217	6	75,000	40,000	40,000	40,000		195,000
Major Signal Intersection Upgrades	45-C0243	5	137,500	417,500				555,000
Alley Reconstruction	45-C0324	5	530,000	50,000	500,000	50,000		1,130,000
Bridge Repair Program	45-C0400	4	1,061,200					1,061,200
Stormdrain System Upgrades	45-C0444	5		40,000	40,000			80,000
Curb and Sidewalk Replacement Program	45-C0458	5	65,000	25,000	25,000	25,000	25,000	165,000
State Highway Retrofit Sidewalk Program	45-C0527	6	250,000	500,000	500,000			1,250,000
Traffic Calming	45-C0560	5	20,000	20,000	20,000	20,000	20,000	100,000
Installation of Street Trees	45-C0594	5	40,000	40,000	40,000	40,000	40,000	200,000
New Sidewalks	45-C0595	1	15,000		35,000			50,000
Storm Water Management Implementation	45-C0637	6	600,000	1,050,000	1,050,000	1,050,000		3,750,000
Green Streets	45-C0639	6	110,000	800,000	800,000	800,000		2,510,000
Signal Timing Optimization	45-C0640	5	20,000	20,000	20,000			60,000
Professional Court Extension	45-C0685	5		1,000,000				1,000,000
R. Paul Smith Boulevard	45-C0733	5				500,000	4,500,000	5,000,000
Northwest Connector	45-C0735	5			280,000	1,500,000	3,400,000	5,180,000
Marsh Run Walls Rehabilitation	45-C0853	4	400,000		500,000			900,000
Sidewalk Cellar Door Enhancements	45-C0864	5	30,000					30,000
Public Art	45-C0868	5	25,000	25,000	25,000	25,000	25,000	125,000
Engineering Total			6,493,700	5,085,500	5,007,000	4,782,000	8,730,000	30,098,200
Finance								
MELP	45-C0839	5	650,000					650,000
Downtown Redevelopment	45-C0854	5	1,500,000					1,500,000
Finance Total			2,150,000					2,150,000
Fire								
Fire Department Vehicle Replacement	45-C0010	5	1,315,000	125,000	1,250,000	600,000	125,000	3,415,000
Fire Training Tower	45-C0241	5	20,000	600,000			100,000	720,000
Junior Fire Engine Company #3	45-C0242	5			100,000			100,000
Fire Department Breathing Apparatus Equip	45-C0663	5				650,000		650,000
Fire Total			1,335,000	725,000	1,350,000	1,250,000	225,000	4,885,000

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Information Technology								
Computer Equipment and Software	45-C0006	5	80,000	60,000	80,000	60,000	60,000	340,000
Time & Attendance Software and Equip	45-C0007	5	16,000					16,000
Municipal Broadband	45-C0008	8	17,000					17,000
Geographic Information System	45-C0451	5	65,000	65,000	120,000	65,000	65,000	380,000
Cable Inet	45-C0568	2	58,000	14,000	14,000	14,000	14,000	114,000
Municipal Financial System	45-C0739	5	24,000	24,000	24,000	24,000	24,000	120,000
Information Technology Total			260,000	163,000	238,000	163,000	163,000	987,000
Parks								
Municipal Stadium Improvements	45-C0040	5			100,000			100,000
City Park Lake Improvements	45-C0047	5	60,000	1,100,000			500,000	1,660,000
Park Equipment	45-C0237	5	65,000					65,000
Staley Park Pavilion	45-C0387	6	25,000					25,000
Steam Engine Museum	45-C0439	5	13,451		25,000			38,451
City Park Improvements	45-C0522	5	20,000	30,000	10,000	260,000	250,000	570,000
Parks Vehicles and Equipment	45-C0570	5	0	163,000	59,000	160,000		382,000
Fairground Grandstand Improvements	45-C0624	2	125,000		500,000	4,000,000	4,000,000	8,625,000
Fairgrounds Park Improvements	45-C0626	5		245,000				245,000
Multi-Use Trails	45-C0717	6	75,000	500,000				575,000
Neighborhood Parks	45-C0751	5	250,000	80,000				330,000
Winter Street School-Neighborhood Park	45-C0764	6			200,000			200,000
Kiwanis Park	45-C0773	2	140,000					140,000
Antietam Creek Greenway Trail	45-C0774	5			150,000	480,000		630,000
Pangborn Lake Reconstruction	45-C0812	3		500,000				500,000
Potterfield Pool Improvements	45-C0822	8	40,000		50,000			90,000
Hagerstown Ice Rink	45-C0843	5	20,000	20,000	20,000	150,000	36,000	246,000
Dog Park II	45-C0851	5		60,000				60,000
Antietam Park (at former MELP site)	45-C0856	5	625,000					625,000
Community Garden	45-C0859	6	70,500					70,500
Longmeadow Park Improvements	45-C0866	5		507,500	30,000			537,500
Parks Total			1,528,951	3,205,500	1,144,000	5,050,000	4,786,000	15,714,451
Planning								
George Washington Statue	45-C0837	5	45,000					45,000
Planning Total			45,000					45,000
Police								
Police Radios	45-C0128	1	54,800		128,560	128,560	96,420	408,340
Police Vehicles	45-C0129	1	169,000	325,000	332,000	286,000	286,000	1,398,000
Street Crime Cameras/CPTED	45-C0130	1	100,000		150,000	150,000	150,000	550,000
Police Crime Lab Equipment	45-C0182	5	160,000					160,000
Police Firing Range	45-C0226	5	25,000					25,000
Police Building Renovation	45-C0308	5	51,000	75,000	30,000	30,000	30,000	216,000
Mobile License Plate Readers	45-C0860	1		20,000	20,000	20,000		60,000
Police Total			559,800	420,000	660,560	614,560	562,420	2,817,340
Public Works								
Public Works Vehicles	45-C0065	5	127,000	350,000	430,000	290,000	408,000	1,605,000
Market House Improvements	45-C0099	5	30,000	120,000				150,000
LED Signal Lights	45-C0245	4	15,000	15,000	15,000	15,000		60,000
Public Works Operations Center Improvement Program	45-C0250	5	120,000	6,000	6,000	6,000	6,000	144,000

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Downtown Beautification Program	45-C0280	5	25,000	25,000	25,000	25,000	25,000	125,000
City Hall Improvements	45-C0326	5	100,000	250,000	10,000	25,000	25,000	410,000
Signal Controller Upgrades	45-C0433	5		15,000	15,000			30,000
Public Works Storage Yard Expansion	45-C0718	5	10,000	375,000	525,000			910,000
Standby Generator Replacement	45-C0846	1	12,000					12,000
Overhead Crane	45-C0858	8	50,000					50,000
Public Works Total			489,000	1,156,000	1,026,000	361,000	464,000	3,496,000
GRAND TOTAL			12,903,451	10,867,000	9,512,060	12,292,060	14,976,920	60,551,491

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '16 thru FY '20

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Community Development								
Community & Economic Development Vehicles	45-C0249	4		70,000	40,000	25,000		135,000
Transfers to CIP-General Fund				70,000	40,000	25,000		135,000
Cable PEG	45-C0569	2	42,000	42,000	46,500	46,500	46,500	223,500
PEG Fee			42,000	42,000	46,500	46,500	46,500	223,500
Community Development Total			42,000	112,000	86,500	71,500	46,500	358,500
Engineering								
Pavement Preservation Program	45-C0025	5	1,000,000	1,000,000	700,000	700,000	700,000	4,100,000
CIP Fund Balance			18,600					18,600
State Highway User Revenue			981,400	1,000,000	700,000	700,000	700,000	4,081,400
Pavement Markings	45-C0093	1	50,000	25,000	15,000	15,000		105,000
State Highway User Revenue			50,000					50,000
Transfers to CIP-General Fund				25,000	15,000	15,000		55,000
Engineering Vehicles	45-C0133	4		33,000	17,000	17,000	20,000	87,000
Transfers to CIP-General Fund				33,000	17,000	17,000	20,000	87,000
A & E Trail	45-C0140	5	2,065,000		400,000			2,465,000
Bond Financing (General Fund)					255,000			255,000
Grants-State			155,000					155,000
Grants-State Program Open Space			45,000		145,000			190,000
Prior Bond Proceeds			1,500,000					1,500,000
Transfers to CIP-Prop Mgmt Fund			365,000					365,000
Accessibility Ramps	45-C0217	6	75,000	40,000	40,000	40,000		195,000
Transfers to CIP-CDBG Fund			60,000	40,000	40,000	40,000		180,000
Transfers to CIP-General Fund			15,000					15,000
Major Signal Intersection Upgrades	45-C0243	5	137,500	417,500				555,000
Bond Financing (General Fund)			100,000	80,000				180,000
Grants-State			37,500	337,500				375,000
Alley Reconstruction	45-C0324	5	530,000	50,000	500,000	50,000		1,130,000
Bond Financing (General Fund)			530,000		500,000			1,030,000
Transfers to CIP-General Fund				50,000		50,000		100,000
Bridge Repair Program	45-C0400	4	1,061,200					1,061,200
Excise Tax Fund			212,240					212,240
Grants-State			848,960					848,960
Stormdrain System Upgrades	45-C0444	5		40,000	40,000			80,000
Transfers to CIP-General Fund				40,000	40,000			80,000
Curb and Sidewalk Replacement Program	45-C0458	5	65,000	25,000	25,000	25,000	25,000	165,000
State Highway User Revenue			30,000					30,000
Transfers to CIP-CDBG Fund			35,000					35,000
Transfers to CIP-General Fund				25,000	25,000	25,000	25,000	100,000
State Highway Retrofit Sidewalk Program	45-C0527	6	250,000	500,000	500,000			1,250,000
Grants-State			250,000	500,000	500,000			1,250,000

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Traffic Calming	45-C0560	5	20,000	20,000	20,000	20,000	20,000	100,000
<i>Transfers to CIP-General Fund</i>			<i>20,000</i>	<i>20,000</i>	<i>20,000</i>	<i>20,000</i>	<i>20,000</i>	<i>100,000</i>
Installation of Street Trees	45-C0594	5	40,000	40,000	40,000	40,000	40,000	200,000
<i>Reforestation Funds</i>			<i>40,000</i>					<i>40,000</i>
<i>Transfers to CIP-General Fund</i>				<i>40,000</i>	<i>40,000</i>	<i>40,000</i>	<i>40,000</i>	<i>160,000</i>
New Sidewalks	45-C0595	1	15,000		35,000			50,000
<i>State Highway User Revenue</i>			<i>15,000</i>					<i>15,000</i>
<i>Transfers to CIP-CDBG Fund</i>					<i>35,000</i>			<i>35,000</i>
Storm Water Management Implementation	45-C0637	6	600,000	1,050,000	1,050,000	1,050,000		3,750,000
<i>Bond Financing (General Fund)</i>				<i>800,000</i>	<i>800,000</i>	<i>800,000</i>		<i>2,400,000</i>
<i>Grants-State</i>			<i>500,000</i>	<i>250,000</i>	<i>250,000</i>	<i>250,000</i>		<i>1,250,000</i>
<i>Prior Bond Proceeds</i>			<i>100,000</i>					<i>100,000</i>
Green Streets	45-C0639	6	110,000	800,000	800,000	800,000		2,510,000
<i>Bond Financing (General Fund)</i>				<i>600,000</i>	<i>600,000</i>	<i>600,000</i>		<i>1,800,000</i>
<i>Grants-State</i>			<i>100,000</i>	<i>200,000</i>	<i>200,000</i>	<i>200,000</i>		<i>700,000</i>
<i>Transfers to CIP-General Fund</i>			<i>10,000</i>					<i>10,000</i>
Signal Timing Optimization	45-C0640	5	20,000	20,000	20,000			60,000
<i>Transfers to CIP-General Fund</i>			<i>20,000</i>	<i>20,000</i>	<i>20,000</i>			<i>60,000</i>
Professional Court Extension	45-C0685	5		1,000,000				1,000,000
<i>Bond Financing (General Fund)</i>				<i>1,000,000</i>				<i>1,000,000</i>
R. Paul Smith Boulevard	45-C0733	5				500,000	4,500,000	5,000,000
<i>Contribution by Others</i>						<i>500,000</i>	<i>4,500,000</i>	<i>5,000,000</i>
Northwest Connector	45-C0735	5			280,000	1,500,000	3,400,000	5,180,000
<i>Bond Financing (General Fund)</i>					<i>280,000</i>	<i>1,000,000</i>	<i>850,000</i>	<i>2,130,000</i>
<i>Contribution by Others</i>						<i>500,000</i>	<i>2,400,000</i>	<i>2,900,000</i>
<i>Excise Tax Fund</i>							<i>150,000</i>	<i>150,000</i>
Marsh Run Walls Rehabilitation	45-C0853	4	400,000		500,000			900,000
<i>Bond Financing (General Fund)</i>			<i>400,000</i>		<i>500,000</i>			<i>900,000</i>
Sidewalk Cellar Door Enhancements	45-C0864	5	30,000					30,000
<i>Transfers to CIP-CDBG Fund</i>			<i>30,000</i>					<i>30,000</i>
Public Art	45-C0868	5	25,000	25,000	25,000	25,000	25,000	125,000
<i>Contribution by Others</i>			<i>10,000</i>	<i>10,000</i>	<i>10,000</i>	<i>10,000</i>	<i>10,000</i>	<i>50,000</i>
<i>Transfers to CIP-General Fund</i>			<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>75,000</i>

Engineering Total

6,493,700	5,085,500	5,007,000	4,782,000	8,730,000	30,098,200

Finance

MELP	45-C0839	5	650,000					650,000
<i>Prior Bond Proceeds</i>			<i>650,000</i>					<i>650,000</i>
Downtown Redevelopment	45-C0854	5	1,500,000					1,500,000
<i>Bond Financing (General Fund)</i>			<i>1,500,000</i>					<i>1,500,000</i>

Finance Total

2,150,000					2,150,000

Fire

Fire Department Vehicle Replacement	45-C0010	5	1,315,000	125,000	1,250,000	600,000	125,000	3,415,000
<i>Bond Financing (General Fund)</i>			<i>125,000</i>		<i>1,100,000</i>	<i>600,000</i>		<i>1,825,000</i>
<i>Contribution by Others</i>			<i>150,000</i>		<i>150,000</i>			<i>300,000</i>
<i>Prior Bond Proceeds</i>			<i>1,000,000</i>					<i>1,000,000</i>
<i>Transfers to CIP-General Fund</i>			<i>40,000</i>	<i>125,000</i>			<i>125,000</i>	<i>290,000</i>
Fire Training Tower	45-C0241	5	20,000	600,000			100,000	720,000
<i>Bond Financing (General Fund)</i>				<i>600,000</i>				<i>600,000</i>
<i>Transfers to CIP-General Fund</i>			<i>20,000</i>				<i>100,000</i>	<i>120,000</i>

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Junior Fire Engine Company #3	45-C0242	5			100,000			100,000
<i>Bond Financing (General Fund)</i>					<i>100,000</i>			<i>100,000</i>
Fire Department Breathing Apparatus Equip	45-C0663	5				650,000		650,000
<i>Loan</i>						<i>650,000</i>		<i>650,000</i>
Fire Total			1,335,000	725,000	1,350,000	1,250,000	225,000	4,885,000

Information Technology

Computer Equipment and Software	45-C0006	5	80,000	60,000	80,000	60,000	60,000	340,000
<i>CIP Fund Balance</i>			<i>80,000</i>					<i>80,000</i>
<i>Transfers to CIP-Electric Fund</i>				<i>15,000</i>	<i>20,000</i>	<i>15,000</i>	<i>15,000</i>	<i>65,000</i>
<i>Transfers to CIP-General Fund</i>				<i>15,000</i>	<i>20,000</i>	<i>15,000</i>	<i>15,000</i>	<i>65,000</i>
<i>Transfers to CIP-Wastewater Fund</i>				<i>15,000</i>	<i>20,000</i>	<i>15,000</i>	<i>15,000</i>	<i>65,000</i>
<i>Transfers to CIP-Water Fund</i>				<i>15,000</i>	<i>20,000</i>	<i>15,000</i>	<i>15,000</i>	<i>65,000</i>
Time & Attendance Software and Equip	45-C0007	5	16,000					16,000
<i>CIP Fund Balance</i>			<i>16,000</i>					<i>16,000</i>
Municipal Broadband	45-C0008	8	17,000					17,000
<i>CIP Fund Balance</i>			<i>10,000</i>					<i>10,000</i>
<i>Transfers to CIP-General Fund</i>			<i>7,000</i>					<i>7,000</i>
Geographic Information System	45-C0451	5	65,000	65,000	120,000	65,000	65,000	380,000
<i>CIP Fund Balance</i>			<i>65,000</i>	<i>22,889</i>				<i>87,889</i>
<i>Transfers to CIP-Electric Fund</i>				<i>12,633</i>	<i>35,000</i>	<i>20,000</i>	<i>20,000</i>	<i>87,633</i>
<i>Transfers to CIP-General Fund</i>				<i>4,212</i>	<i>15,000</i>	<i>5,000</i>	<i>5,000</i>	<i>29,212</i>
<i>Transfers to CIP-Wastewater Fund</i>				<i>12,633</i>	<i>35,000</i>	<i>20,000</i>	<i>20,000</i>	<i>87,633</i>
<i>Transfers to CIP-Water Fund</i>				<i>12,633</i>	<i>35,000</i>	<i>20,000</i>	<i>20,000</i>	<i>87,633</i>
Cable Inet	45-C0568	2	58,000	14,000	14,000	14,000	14,000	114,000
<i>CIP Fund Balance</i>			<i>44,000</i>					<i>44,000</i>
<i>PEG Fee</i>			<i>14,000</i>	<i>14,000</i>	<i>14,000</i>	<i>14,000</i>	<i>14,000</i>	<i>70,000</i>
Municipal Financial System	45-C0739	5	24,000	24,000	24,000	24,000	24,000	120,000
<i>CIP Fund Balance</i>			<i>24,000</i>					<i>24,000</i>
<i>Transfers to CIP-Electric Fund</i>				<i>6,000</i>	<i>6,000</i>	<i>6,000</i>	<i>6,000</i>	<i>24,000</i>
<i>Transfers to CIP-General Fund</i>				<i>6,000</i>	<i>6,000</i>	<i>6,000</i>	<i>6,000</i>	<i>24,000</i>
<i>Transfers to CIP-Wastewater Fund</i>				<i>6,000</i>	<i>6,000</i>	<i>6,000</i>	<i>6,000</i>	<i>24,000</i>
<i>Transfers to CIP-Water Fund</i>				<i>6,000</i>	<i>6,000</i>	<i>6,000</i>	<i>6,000</i>	<i>24,000</i>
Information Technology Total			260,000	163,000	238,000	163,000	163,000	987,000

Parks

Municipal Stadium Improvements	45-C0040	5			100,000			100,000
<i>Bond Financing (General Fund)</i>					<i>100,000</i>			<i>100,000</i>
City Park Lake Improvements	45-C0047	5	60,000	1,100,000			500,000	1,660,000
<i>Bond Financing (General Fund)</i>			<i>60,000</i>	<i>1,100,000</i>			<i>500,000</i>	<i>1,660,000</i>
Park Equipment	45-C0237	5	65,000					65,000
<i>Grants-State CP&P</i>			<i>30,000</i>					<i>30,000</i>
<i>Grants-State Program Open Space</i>			<i>31,500</i>					<i>31,500</i>
<i>Transfers to CIP-General Fund</i>			<i>3,500</i>					<i>3,500</i>
Staley Park Pavilion	45-C0387	6	25,000					25,000
<i>Grants-State CP&P</i>			<i>25,000</i>					<i>25,000</i>
Steam Engine Museum	45-C0439	5	13,451		25,000			38,451
<i>CIP Fund Balance</i>			<i>13,451</i>					<i>13,451</i>
<i>Grants-State Program Open Space</i>					<i>22,500</i>			<i>22,500</i>
<i>Transfers to CIP-General Fund</i>					<i>2,500</i>			<i>2,500</i>
City Park Improvements	45-C0522	5	20,000	30,000	10,000	260,000	250,000	570,000
<i>Grants-State Program Open Space</i>						<i>225,000</i>	<i>225,000</i>	<i>450,000</i>

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
<i>Transfers to CIP-General Fund</i>			20,000	30,000	10,000	35,000	25,000	120,000
Parks Vehicles and Equipment	45-C0570	5	0	163,000	59,000	160,000		382,000
<i>Bond Financing (General Fund)</i>				65,000		100,000		165,000
<i>Transfers to CIP-General Fund</i>			0	98,000	59,000	60,000		217,000
Fairground Grandstand Improvements	45-C0624	2	125,000		500,000	4,000,000	4,000,000	8,625,000
<i>Bond Financing (General Fund)</i>			125,000		500,000	4,000,000	4,000,000	8,625,000
Fairgrounds Park Improvements	45-C0626	5		245,000				245,000
<i>Contribution by Others</i>				79,000				79,000
<i>Grants-Private</i>				100,000				100,000
<i>Grants-State Program Open Space</i>				63,000				63,000
<i>Transfers to CIP-General Fund</i>				3,000				3,000
Multi-Use Trails	45-C0717	6	75,000	500,000				575,000
<i>Grants-Federal</i>				500,000				500,000
<i>Grants-State</i>			75,000					75,000
Neighborhood Parks	45-C0751	5	250,000	80,000				330,000
<i>Transfers to CIP-CDBG Fund</i>			250,000	80,000				330,000
Winter Street School-Neighborhood Park	45-C0764	6			200,000			200,000
<i>Grants-State Program Open Space</i>					180,000			180,000
<i>Transfers to CIP-General Fund</i>					20,000			20,000
Kiwanis Park	45-C0773	2	140,000					140,000
<i>Grants-State Program Open Space</i>			112,500					112,500
<i>Transfers to CIP-General Fund</i>			27,500					27,500
Antietam Creek Greenway Trail	45-C0774	5			150,000	480,000		630,000
<i>Contribution by Others</i>					150,000			150,000
<i>Excise Tax Fund</i>						48,000		48,000
<i>Grants-State</i>						432,000		432,000
Pangborn Lake Reconstruction	45-C0812	3		500,000				500,000
<i>Bond Financing (General Fund)</i>				400,000				400,000
<i>Grants-State</i>				100,000				100,000
Potterfield Pool Improvements	45-C0822	8	40,000		50,000			90,000
<i>CIP Fund - GF Fund Balance</i>			40,000					40,000
<i>Transfers to CIP-General Fund</i>					50,000			50,000
Hagerstown Ice Rink	45-C0843	5	20,000	20,000	20,000	150,000	36,000	246,000
<i>Contribution by Others</i>			10,000	5,000	5,000	37,000	36,000	93,000
<i>Transfers to CIP-General Fund</i>			10,000	15,000	15,000	113,000		153,000
Dog Park II	45-C0851	5		60,000				60,000
<i>Excise Tax Fund</i>				6,000				6,000
<i>Grants-State Program Open Space</i>				54,000				54,000
Antietam Park (at former MELP site)	45-C0856	5	625,000					625,000
<i>Bond Financing (General Fund)</i>			625,000					625,000
Community Garden	45-C0859	6	70,500					70,500
<i>Contribution by Others</i>			500					500
<i>Grants-Private</i>			40,000					40,000
<i>Grants-State CP&P</i>			30,000					30,000
Longmeadow Park Improvements	45-C0866	5		507,500	30,000			537,500
<i>Excise Tax Fund</i>				20,000				20,000
<i>Grants-Federal</i>				487,500				487,500
<i>Grants-State</i>					30,000			30,000
Parks Total			1,528,951	3,205,500	1,144,000	5,050,000	4,786,000	15,714,451

Planning

George Washington Statue	45-C0837	5	45,000					45,000

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
<i>CIP Fund Balance</i>			30,950					30,950
<i>Contribution by Others</i>			6,050					6,050
<i>Transfers to CIP-Economic Redevelopment</i>			8,000					8,000
Planning Total			45,000					45,000

Police

Police Radios	45-C0128	1	54,800		128,560	128,560	96,420	408,340
<i>Transfers to CIP-General Fund</i>			54,800		128,560	128,560	96,420	408,340
Police Vehicles	45-C0129	1	169,000	325,000	332,000	286,000	286,000	1,398,000
<i>Transfers to CIP-General Fund</i>			169,000	325,000	332,000	286,000	286,000	1,398,000
Street Crime Cameras/CPTED	45-C0130	1	100,000		150,000	150,000	150,000	550,000
<i>Transfers to CIP-General Fund</i>			100,000		150,000	150,000	150,000	550,000
Police Crime Lab Equipment	45-C0182	5	160,000					160,000
<i>Grants-Federal</i>			160,000					160,000
Police Firing Range	45-C0226	5	25,000					25,000
<i>Grants-Federal</i>			25,000					25,000
Police Building Renovation	45-C0308	5	51,000	75,000	30,000	30,000	30,000	216,000
<i>Transfers to CIP-General Fund</i>			51,000	75,000	30,000	30,000	30,000	216,000
Mobile License Plate Readers	45-C0860	1		20,000	20,000	20,000		60,000
<i>Transfers to CIP-General Fund</i>				20,000	20,000	20,000		60,000
Police Total			559,800	420,000	660,560	614,560	562,420	2,817,340

Public Works

Public Works Vehicles	45-C0065	5	127,000	350,000	430,000	290,000	408,000	1,605,000
<i>Bond Financing (General Fund)</i>			75,000	250,000	400,000	200,000	345,000	1,270,000
<i>Transfers to CIP-General Fund</i>			52,000	100,000	30,000	90,000	63,000	335,000
Market House Improvements	45-C0099	5	30,000	120,000				150,000
<i>Bond Financing (General Fund)</i>				120,000				120,000
<i>CIP Fund - GF Fund Balance</i>			30,000					30,000
LED Signal Lights	45-C0245	4	15,000	15,000	15,000	15,000		60,000
<i>Transfers to CIP-General Fund</i>			15,000	15,000	15,000	15,000		60,000
Public Works Operations Center Improvement Program	45-C0250	5	120,000	6,000	6,000	6,000	6,000	144,000
<i>Bond Financing (General Fund)</i>			120,000					120,000
<i>Transfers to CIP-General Fund</i>				6,000	6,000	6,000	6,000	24,000
Downtown Beautification Program	45-C0280	5	25,000	25,000	25,000	25,000	25,000	125,000
<i>CIP Fund Balance</i>			10,000					10,000
<i>Transfers to CIP-General Fund</i>			15,000	25,000	25,000	25,000	25,000	115,000
City Hall Improvements	45-C0326	5	100,000	250,000	10,000	25,000	25,000	410,000
<i>Bond Financing (General Fund)</i>			50,000	250,000				300,000
<i>CIP Fund - GF Fund Balance</i>			50,000					50,000
<i>Transfers to CIP-General Fund</i>					10,000	25,000	25,000	60,000
Signal Controller Upgrades	45-C0433	5		15,000	15,000			30,000
<i>Transfers to CIP-General Fund</i>				15,000	15,000			30,000
Public Works Storage Yard Expansion	45-C0718	5	10,000	375,000	525,000			910,000
<i>Bond Financing (General Fund)</i>				375,000	525,000			900,000
<i>CIP Fund Balance</i>			10,000					10,000
Standby Generator Replacement	45-C0846	1	12,000					12,000
<i>CIP Fund Balance</i>			12,000					12,000
Overhead Crane	45-C0858	8	50,000					50,000
<i>Bond Financing (General Fund)</i>			50,000					50,000

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Public Works Total			489,000	1,156,000	1,026,000	361,000	464,000	3,496,000
GRAND TOTAL			12,903,451	10,867,000	9,512,060	12,292,060	14,976,920	60,551,491

City of Hagerstown, Maryland

ELECTRIC FUND

FY '16 thru FY '20

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Contribution by Others								
Supplemental Lighting	50-C0541	1	20,000	20,000	20,000	20,000	20,000	100,000
Contribution by Others Total			20,000	20,000	20,000	20,000	20,000	100,000
Electric Fund								
Electric Vehicles	50-C0090	5	250,000	184,000	210,000	225,000	139,000	1,008,000
Telemetry Equipment	50-C0111	5	40,000	30,000	20,000	20,000	20,000	130,000
Central Substation	50-C0118	5			200,000	500,000	200,000	900,000
Wesel Boulevard Development	50-C0220	5		50,000	50,000	50,000	50,000	200,000
Hagerstown Business Park	50-C0258	5		50,000	50,000	50,000	50,000	200,000
System Reconductoring	50-C0259	5	20,000	20,000	20,000	20,000	20,000	100,000
Pedestrian Lighting	50-C0388	5		100,000	100,000	100,000	100,000	400,000
Underground Replacement	50-C0540	5	100,000	100,000	100,000	100,000	100,000	500,000
Building and Site Improvements	50-C0542	5	25,000	25,000	25,000	25,000	25,000	125,000
Bulldog Substation Upgrade	50-C0544	5				20,000	20,000	40,000
Streetlight Replacement	50-C0546	5	25,000	25,000				50,000
A & E District Upgrades	50-C0591	5	32,000	32,000	32,000	32,000	32,000	160,000
Test Equipment	50-C0609	5	7,000	7,000	7,000	7,000	7,000	35,000
Mitchell Substation Third Bay	50-C0778	5		60,000	100,000			160,000
Spare Regulators	50-C0797	8	15,000	15,000	15,000			45,000
Wildlife Protection	50-C0802	8	15,000	15,000	15,000	15,000	15,000	75,000
Feeder Coordination	50-C0833	5	25,000	25,000	25,000	25,000	25,000	125,000
Circuit Upgrades	50-C0842	5	20,000	150,000	150,000	150,000	150,000	620,000
Electric Fund Total			574,000	888,000	1,119,000	1,339,000	953,000	4,873,000
Prior Bond Proceeds								
Building and Site Improvements	50-C0542	5	650,000					650,000
Prior Bond Proceeds Total			650,000					650,000
GRAND TOTAL			1,244,000	908,000	1,139,000	1,359,000	973,000	5,623,000

City of Hagerstown, Maryland

ELECTRIC FUND

FY '16 thru FY '20

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund								
Electric Vehicles	50-C0090	5	250,000	184,000	210,000	225,000	139,000	1,008,000
<i>Electric Fund</i>			250,000	184,000	210,000	225,000	139,000	1,008,000
Telemetry Equipment	50-C0111	5	40,000	30,000	20,000	20,000	20,000	130,000
<i>Electric Fund</i>			40,000	30,000	20,000	20,000	20,000	130,000
Central Substation	50-C0118	5			200,000	500,000	200,000	900,000
<i>Electric Fund</i>					200,000	500,000	200,000	900,000
Wesel Boulevard Development	50-C0220	5		50,000	50,000	50,000	50,000	200,000
<i>Electric Fund</i>				50,000	50,000	50,000	50,000	200,000
Hagerstown Business Park	50-C0258	5		50,000	50,000	50,000	50,000	200,000
<i>Electric Fund</i>				50,000	50,000	50,000	50,000	200,000
System Reconductoring	50-C0259	5	20,000	20,000	20,000	20,000	20,000	100,000
<i>Electric Fund</i>			20,000	20,000	20,000	20,000	20,000	100,000
Pedestrian Lighting	50-C0388	5		100,000	100,000	100,000	100,000	400,000
<i>Electric Fund</i>				100,000	100,000	100,000	100,000	400,000
Underground Replacement	50-C0540	5	100,000	100,000	100,000	100,000	100,000	500,000
<i>Electric Fund</i>			100,000	100,000	100,000	100,000	100,000	500,000
Supplemental Lighting	50-C0541	1	20,000	20,000	20,000	20,000	20,000	100,000
<i>Contribution by Others</i>			20,000	20,000	20,000	20,000	20,000	100,000
Building and Site Improvements	50-C0542	5	675,000	25,000	25,000	25,000	25,000	775,000
<i>Electric Fund</i>			25,000	25,000	25,000	25,000	25,000	125,000
<i>Prior Bond Proceeds</i>			650,000					650,000
Bulldog Substation Upgrade	50-C0544	5				20,000	20,000	40,000
<i>Electric Fund</i>						20,000	20,000	40,000
Streetlight Replacement	50-C0546	5	25,000	25,000				50,000
<i>Electric Fund</i>			25,000	25,000				50,000
A & E District Upgrades	50-C0591	5	32,000	32,000	32,000	32,000	32,000	160,000
<i>Electric Fund</i>			32,000	32,000	32,000	32,000	32,000	160,000
Test Equipment	50-C0609	5	7,000	7,000	7,000	7,000	7,000	35,000
<i>Electric Fund</i>			7,000	7,000	7,000	7,000	7,000	35,000
Mitchell Substation Third Bay	50-C0778	5		60,000	100,000			160,000
<i>Electric Fund</i>				60,000	100,000			160,000
Spare Regulators	50-C0797	8	15,000	15,000	15,000			45,000
<i>Electric Fund</i>			15,000	15,000	15,000			45,000
Wildlife Protection	50-C0802	8	15,000	15,000	15,000	15,000	15,000	75,000
<i>Electric Fund</i>			15,000	15,000	15,000	15,000	15,000	75,000
Feeder Coordination	50-C0833	5	25,000	25,000	25,000	25,000	25,000	125,000
<i>Electric Fund</i>			25,000	25,000	25,000	25,000	25,000	125,000
Circuit Upgrades	50-C0842	5	20,000	150,000	150,000	150,000	150,000	620,000
<i>Electric Fund</i>			20,000	150,000	150,000	150,000	150,000	620,000

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund Total			1,244,000	908,000	1,139,000	1,359,000	973,000	5,623,000
GRAND TOTAL			1,244,000	908,000	1,139,000	1,359,000	973,000	5,623,000

City of Hagerstown, Maryland

WATER FUND

FY '16 thru FY '20

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
ARDI Fund Balance								
Zone 3 Standpipe	52-C0323	5					100,000	100,000
ARDI Fund Balance Total							100,000	100,000
Bond Financing (Water Fund)								
Willson Treatment Plant	52-C0166	5	180,000	181,750	191,463	201,661	212,369	967,243
Distribution System Rehab - Main Replacement	52-C0709	5	206,000	212,180	218,545	225,102	231,855	1,093,682
Bond Financing (Water Fund) Total			386,000	393,930	410,008	426,763	444,224	2,060,925
Contribution by Others								
Pump Station Improvements	52-C0651	5			150,000	550,000	1,900,000	2,600,000
Contribution by Others Total					150,000	550,000	1,900,000	2,600,000
MDE Loan								
Willson Transmission Mains	52-C0167	5	500,000	3,750,000	4,650,000	500,000	3,850,000	13,250,000
Edgemont Reservoir Improvements	52-C0168	5	100,000	125,000	125,000	125,000	25,000	500,000
Breichner WTP Improvements	52-C0405	5	100,000	850,000	2,150,000			3,100,000
Water System SCADA Improvements	52-C0820	5	100,000	700,000				800,000
RC Wilson - Traveling Screen Replacement	52-C0863	5	700,000					700,000
MDE Loan Total			1,500,000	5,425,000	6,925,000	625,000	3,875,000	18,350,000
Water Fund								
Water Vehicles	52-C0117	5	233,500	310,200	326,500	253,950	223,400	1,347,550
Willson Treatment Plant	52-C0166	5	30,000	37,500	37,500	37,500	37,500	180,000
Edgemont Reservoir Improvements	52-C0168	5	150,000	150,000	150,000	150,000	150,000	750,000
Breichner WTP Improvements	52-C0405	5	50,000	50,000	50,000	50,000	50,000	250,000
Adm. & Engineering Equipment	52-C0648	5	10,000	10,000	10,000	10,000	10,000	50,000
Pump Station Improvements	52-C0651	5	75,000	75,000	75,000	75,000	75,000	375,000
Distribution Services - Meter Program	52-C0653	4	330,000	330,000	330,000	330,000	330,000	1,650,000
Distribution System Rehab - Main Replacement	52-C0709	5	200,000	206,000	212,180	218,545	225,102	1,061,827
Water System SCADA Improvements	52-C0820	5	75,000	50,000	150,000	150,000	150,000	575,000
RC Wilson - Traveling Screen Replacement	52-C0863	5	75,000					75,000
Water Fund Total			1,228,500	1,218,700	1,341,180	1,274,995	1,251,002	6,314,377
GRAND TOTAL			3,114,500	7,037,630	8,826,188	2,876,758	7,570,226	29,425,302

City of Hagerstown, Maryland

WATER FUND

FY '16 thru FY '20

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Water Fund								
Water Vehicles	52-C0117	5	233,500	310,200	326,500	253,950	223,400	1,347,550
<i>Water Fund</i>			233,500	310,200	326,500	253,950	223,400	1,347,550
Willson Treatment Plant	52-C0166	5	210,000	219,250	228,963	239,161	249,869	1,147,243
<i>Bond Financing (Water Fund)</i>			180,000	181,750	191,463	201,661	212,369	967,243
<i>Water Fund</i>			30,000	37,500	37,500	37,500	37,500	180,000
Willson Transmission Mains	52-C0167	5	500,000	3,750,000	4,650,000	500,000	3,850,000	13,250,000
<i>MDE Loan</i>			500,000	3,750,000	4,650,000	500,000	3,850,000	13,250,000
Edgemont Reservoir Improvements	52-C0168	5	250,000	275,000	275,000	275,000	175,000	1,250,000
<i>MDE Loan</i>			100,000	125,000	125,000	125,000	25,000	500,000
<i>Water Fund</i>			150,000	150,000	150,000	150,000	150,000	750,000
Zone 3 Standpipe	52-C0323	5					100,000	100,000
<i>ARDI Fund Balance</i>							100,000	100,000
Breichner WTP Improvements	52-C0405	5	150,000	900,000	2,200,000	50,000	50,000	3,350,000
<i>MDE Loan</i>			100,000	850,000	2,150,000			3,100,000
<i>Water Fund</i>			50,000	50,000	50,000	50,000	50,000	250,000
Adm. & Engineering Equipment	52-C0648	5	10,000	10,000	10,000	10,000	10,000	50,000
<i>Water Fund</i>			10,000	10,000	10,000	10,000	10,000	50,000
Pump Station Improvements	52-C0651	5	75,000	75,000	225,000	625,000	1,975,000	2,975,000
<i>Contribution by Others</i>					150,000	550,000	1,900,000	2,600,000
<i>Water Fund</i>			75,000	75,000	75,000	75,000	75,000	375,000
Distribution Services - Meter Program	52-C0653	4	330,000	330,000	330,000	330,000	330,000	1,650,000
<i>Water Fund</i>			330,000	330,000	330,000	330,000	330,000	1,650,000
Distribution System Rehab - Main Replacement	52-C0709	5	406,000	418,180	430,725	443,647	456,957	2,155,509
<i>Bond Financing (Water Fund)</i>			206,000	212,180	218,545	225,102	231,855	1,093,682
<i>Water Fund</i>			200,000	206,000	212,180	218,545	225,102	1,061,827
Water System SCADA Improvements	52-C0820	5	175,000	750,000	150,000	150,000	150,000	1,375,000
<i>MDE Loan</i>			100,000	700,000				800,000
<i>Water Fund</i>			75,000	50,000	150,000	150,000	150,000	575,000
RC Wilson - Traveling Screen Replacement	52-C0863	5	775,000					775,000
<i>MDE Loan</i>			700,000					700,000
<i>Water Fund</i>			75,000					75,000
Water Fund Total			3,114,500	7,037,630	8,826,188	2,876,758	7,570,226	29,425,302
GRAND TOTAL			3,114,500	7,037,630	8,826,188	2,876,758	7,570,226	29,425,302

City of Hagerstown, Maryland

WASTEWATER FUND

FY '16 thru FY '20

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Wastewater Fund)								
Collection System Rehabilitation	54-C0327	1		700,000	200,000	200,000	200,000	1,300,000
WWT Plant Equipment	54-C0584	1		125,000	100,000	100,000		325,000
Sludge Storage Phase I Improvement	54-C0712	5	1,000,000	1,000,000	1,000,000	1,000,000		4,000,000
Collection System Equipment	54-C0713	5	111,000	80,000	80,000	80,000	80,000	431,000
Grinder Pump Replacement Program	54-C0767	5	112,000	112,000	112,000	112,000	112,000	560,000
Eliminate Pump Stations	54-C0832	5	160,000	300,000	300,000			760,000
Bond Financing (Wastewater Fund) Total			1,383,000	2,317,000	1,792,000	1,492,000	392,000	7,376,000
Contribution by Others								
Collection System Rehabilitation	54-C0327	1		700,000				700,000
East End Pump Station	54-C0565	5		300,000	300,000	300,000		900,000
Contribution by Others Total				1,000,000	300,000	300,000		1,600,000
Wastewater Fund								
Wastewater Vehicle Replacement	54-C0004	5		438,000	225,000	245,000	750,000	1,658,000
Manhole Raising	54-C0267	1	36,000	36,000	36,000	36,000	36,000	180,000
Pump Station Improvements	54-C0299	1	144,000	75,000	75,000	75,000	75,000	444,000
Collection System Rehabilitation	54-C0327	1	400,000	200,000	200,000	200,000	200,000	1,200,000
East End Pump Station	54-C0565	5		75,000				75,000
WWT Buildings and Structures	54-C0585	5	100,000	25,000	25,000	25,000	25,000	200,000
Oxygen System Improvements	54-C0657	1	10,000					10,000
Solids Processing-Pelletizer and WWTP Improvements	54-C0711	2	50,000	50,000	50,000	50,000		200,000
Laboratory Equipment	54-C0745	5	10,000	10,000	10,000	10,000	10,000	50,000
Grinder Pump Replacement Program	54-C0767	5	50,000	50,000	50,000	50,000	50,000	250,000
Trunk Lines and Laterals	54-C0834	2	15,000	15,000	15,000	15,000	15,000	75,000
Wastewater Fund Total			815,000	974,000	686,000	706,000	1,161,000	4,342,000
GRAND TOTAL			2,198,000	4,291,000	2,778,000	2,498,000	1,553,000	13,318,000

City of Hagerstown, Maryland

WASTEWATER FUND

FY '16 thru FY '20

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Wastewater Fund								
Wastewater Vehicle Replacement	54-C0004	5		438,000	225,000	245,000	750,000	1,658,000
<i>Wastewater Fund</i>				438,000	225,000	245,000	750,000	1,658,000
Manhole Raising	54-C0267	1	36,000	36,000	36,000	36,000	36,000	180,000
<i>Wastewater Fund</i>			36,000	36,000	36,000	36,000	36,000	180,000
Pump Station Improvements	54-C0299	1	144,000	75,000	75,000	75,000	75,000	444,000
<i>Wastewater Fund</i>			144,000	75,000	75,000	75,000	75,000	444,000
Collection System Rehabilitation	54-C0327	1	400,000	1,600,000	400,000	400,000	400,000	3,200,000
<i>Bond Financing (Wastewater Fund)</i>				700,000	200,000	200,000	200,000	1,300,000
<i>Contribution by Others</i>				700,000				700,000
<i>Wastewater Fund</i>			400,000	200,000	200,000	200,000	200,000	1,200,000
East End Pump Station	54-C0565	5		375,000	300,000	300,000		975,000
<i>Contribution by Others</i>				300,000	300,000	300,000		900,000
<i>Wastewater Fund</i>				75,000				75,000
WWT Plant Equipment	54-C0584	1		125,000	100,000	100,000		325,000
<i>Bond Financing (Wastewater Fund)</i>				125,000	100,000	100,000		325,000
WWT Buildings and Structures	54-C0585	5	100,000	25,000	25,000	25,000	25,000	200,000
<i>Wastewater Fund</i>			100,000	25,000	25,000	25,000	25,000	200,000
Oxygen System Improvements	54-C0657	1	10,000					10,000
<i>Wastewater Fund</i>			10,000					10,000
Solids Processing-Pelletizer and WWTP Improvements	54-C0711	2	50,000	50,000	50,000	50,000		200,000
<i>Wastewater Fund</i>			50,000	50,000	50,000	50,000		200,000
Sludge Storage Phase I Improvement	54-C0712	5	1,000,000	1,000,000	1,000,000	1,000,000		4,000,000
<i>Bond Financing (Wastewater Fund)</i>			1,000,000	1,000,000	1,000,000	1,000,000		4,000,000
Collection System Equipment	54-C0713	5	111,000	80,000	80,000	80,000	80,000	431,000
<i>Bond Financing (Wastewater Fund)</i>			111,000	80,000	80,000	80,000	80,000	431,000
Laboratory Equipment	54-C0745	5	10,000	10,000	10,000	10,000	10,000	50,000
<i>Wastewater Fund</i>			10,000	10,000	10,000	10,000	10,000	50,000
Grinder Pump Replacement Program	54-C0767	5	162,000	162,000	162,000	162,000	162,000	810,000
<i>Bond Financing (Wastewater Fund)</i>			112,000	112,000	112,000	112,000	112,000	560,000
<i>Wastewater Fund</i>			50,000	50,000	50,000	50,000	50,000	250,000
Eliminate Pump Stations	54-C0832	5	160,000	300,000	300,000			760,000
<i>Bond Financing (Wastewater Fund)</i>			160,000	300,000	300,000			760,000
Trunk Lines and Laterals	54-C0834	2	15,000	15,000	15,000	15,000	15,000	75,000
<i>Wastewater Fund</i>			15,000	15,000	15,000	15,000	15,000	75,000
Wastewater Fund Total			2,198,000	4,291,000	2,778,000	2,498,000	1,553,000	13,318,000
GRAND TOTAL			2,198,000	4,291,000	2,778,000	2,498,000	1,553,000	13,318,000

City of Hagerstown, Maryland

PARKING FUND

FY '16 thru FY '20

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Parking Fund)								
Parking Facilities - 3rd Parking Deck	56-C0173	5				1,575,000	8,425,000	10,000,000
Bond Financing (Parking Fund) Total						1,575,000	8,425,000	10,000,000
Parking Fund								
Upgrades to Parking Decks	56-C0749	5	30,000	30,000	200,000	30,000	200,000	490,000
Parking Fund Vehicles	56-C0829	5	25,000	35,000				60,000
Parking Lot Improvements	56-C0857	5	60,000	30,000	30,000	15,000	10,000	145,000
Parking System Improvements	56-C0867	8	25,000					25,000
Parking Fund Total			140,000	95,000	230,000	45,000	210,000	720,000
GRAND TOTAL			140,000	95,000	230,000	1,620,000	8,635,000	10,720,000

City of Hagerstown, Maryland

PARKING FUND

FY '16 thru FY '20

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Parking Fund								
Parking Facilities - 3rd Parking Deck	56-C0173	5				1,575,000	8,425,000	10,000,000
<i>Bond Financing (Parking Fund)</i>						1,575,000	8,425,000	10,000,000
Upgrades to Parking Decks	56-C0749	5	30,000	30,000	200,000	30,000	200,000	490,000
<i>Parking Fund</i>			30,000	30,000	200,000	30,000	200,000	490,000
Parking Fund Vehicles	56-C0829	5	25,000	35,000				60,000
<i>Parking Fund</i>			25,000	35,000				60,000
Parking Lot Improvements	56-C0857	5	60,000	30,000	30,000	15,000	10,000	145,000
<i>Parking Fund</i>			60,000	30,000	30,000	15,000	10,000	145,000
Parking System Improvements	56-C0867	8	25,000					25,000
<i>Parking Fund</i>			25,000					25,000
Parking Fund Total			140,000	95,000	230,000	1,620,000	8,635,000	10,720,000
GRAND TOTAL			140,000	95,000	230,000	1,620,000	8,635,000	10,720,000

City of Hagerstown, Maryland

GOLF FUND

FY '16 thru FY '20

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Golf Fund								
Golf Course - Vehicles/Equipment	57-C0395	4	40,000	35,000	30,000	20,000	20,000	145,000
Golf Fund Total			40,000	35,000	30,000	20,000	20,000	145,000
GRAND TOTAL			40,000	35,000	30,000	20,000	20,000	145,000

City of Hagerstown, Maryland

GOLF FUND

FY '16 thru FY '20

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Golf Fund								
Golf Course - Vehicles/Equipment	57-C0395	4	40,000	35,000	30,000	20,000	20,000	145,000
<i>Golf Fund</i>			<i>40,000</i>	<i>35,000</i>	<i>30,000</i>	<i>20,000</i>	<i>20,000</i>	<i>145,000</i>
Golf Fund Total			40,000	35,000	30,000	20,000	20,000	145,000
GRAND TOTAL			40,000	35,000	30,000	20,000	20,000	145,000

City of Hagerstown, Maryland
PROPERTY MANAGEMENT FUND
 FY '16 thru FY '20

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Prop Mgmt Fund)								
Roslyn Building Renovation	58-C0779	5			100,000			100,000
Bond Financing (Prop Mgmt Fund) Total					100,000			100,000
Prior Bond Proceeds								
Roslyn Building Renovation	58-C0779	5	100,000					100,000
Prior Bond Proceeds Total			100,000					100,000
Property Management Fund								
Alms House Repairs	58-C0755	5		5,000				5,000
Elizabeth Hager Center	58-C0803	5	20,000	20,000	20,000	20,000	20,000	100,000
Hagerstown Small Business Center	58-C0828	5		5,000	90,000			95,000
36-40 North Potomac Street	58-C0836	5	15,000					15,000
Property Management Fund Total			35,000	30,000	110,000	20,000	20,000	215,000
GRAND TOTAL			135,000	30,000	210,000	20,000	20,000	415,000

City of Hagerstown, Maryland
PROPERTY MANAGEMENT FUND
 FY '16 thru FY '20

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Property Management Fund								
Alms House Repairs	58-C0755	5		5,000				5,000
<i>Property Management Fund</i>				5,000				5,000
Roslyn Building Renovation	58-C0779	5	100,000		100,000			200,000
<i>Bond Financing (Prop Mgmt Fund)</i>					100,000			100,000
<i>Prior Bond Proceeds</i>			100,000					100,000
Elizabeth Hager Center	58-C0803	5	20,000	20,000	20,000	20,000	20,000	100,000
<i>Property Management Fund</i>			20,000	20,000	20,000	20,000	20,000	100,000
Hagerstown Small Business Center	58-C0828	5		5,000	90,000			95,000
<i>Property Management Fund</i>				5,000	90,000			95,000
36-40 North Potomac Street	58-C0836	5	15,000					15,000
<i>Property Management Fund</i>			15,000					15,000
Property Management Fund Total			135,000	30,000	210,000	20,000	20,000	415,000
GRAND TOTAL			135,000	30,000	210,000	20,000	20,000	415,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0006
Project Name Computer Equipment and Software

Type Replacement
Useful Life 5 years
Category Machinery and Equipment
Location: City Hall
Year Submitted: Ongoing

Department Information Technology
Contact Nicewarner
Priority Planned Improvement

Status Active



Description

Continue upgrades to hardware and software to accommodate IT infrastructure replacements and additions. The major project will be to upgrade switches and wiring within our municipal buildings that are currently 15 years old. An upgrade to our phone system to allow for better customer service through voice/dial interaction.

Justification

The network equipment, including servers, are mission critical to all business units throughout the City. The technology of existing wiring is outdated and needs to be replaced with more current / expandable fiber cabling in each of our municipal buildings. We also continue to look for ways to provide our customers a quick and accurate interaction with Customer Service staff when calling into City Hall. Phone switch upgrades would provide less human interaction and provide more information faster.

Budget Impact/Other

Allow for continued operations of technology (internet, phones, financial system) through the reliable transmission of data across our City network. Mission critical for City technology operations.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	80,000	60,000	80,000	60,000	60,000	340,000
Total	80,000	60,000	80,000	60,000	60,000	340,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund Balance	80,000					80,000
Transfers to CIP-Electric Fund		15,000	20,000	15,000	15,000	65,000
Transfers to CIP-General Fund		15,000	20,000	15,000	15,000	65,000
Transfers to CIP-Wastewater Fund		15,000	20,000	15,000	15,000	65,000
Transfers to CIP-Water Fund		15,000	20,000	15,000	15,000	65,000
Total	80,000	60,000	80,000	60,000	60,000	340,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0007

Project Name Time & Attendance Software and Equip

Type Improvement

Department Information Technology

Useful Life 5 years

Contact Nicewarner

Category Software

Priority Planned Improvement

Location: All City Departments

Year Submitted: 2013

Status Active



Description

Acquisition of additional time clocks or other equipment to enhance the Intellitime Time and Attendance System.

Justification

Following software implementation, there may be a need to re-organize or acquire additional equipment to facilitate the time and attendance reporting process.

Budget Impact/Other

Enhancement of time and attendance reporting capabilities if necessary

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	16,000					16,000
Total	16,000					16,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund Balance	16,000					16,000
Total	16,000					16,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0008
Project Name Municipal Broadband

Type Improvement **Department** Information Technology
Useful Life 10 years **Contact** Nicewarner
Category Machinery and Equipment **Priority** Improve Service
Location: Various locations
Year Submitted: 2014



Status Active

Description

Expand the accessibility of commercial owners and visitors to Hagerstown to high-speed internet either through a fiber-connected wired connection or through publicly accessible free wireless access. This project will incorporate costs of a needs assessment for Hagerstown commercial property owners, as well as start-up costs for a City share of equipment for a public/private partnership.

Justification

The broadband impact study commissioned by Washington County shows that our area is underserved in the ability to offer high-speed (>1GB) broadband services to existing or potential commercial customers. This project would go towards identifying needs within our City boundaries for this access, and provide resources to develop a partnership to get this service available to the community. This high-speed service would be critical in the City's ability to recruit high-tech businesses into the urban core.

Budget Impact/Other

The operational costs of this project will be borne by the private partner with the city providing limited financial aid.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design	17,000					17,000
Total	17,000					17,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund Balance	10,000					10,000
Transfers to CIP-General Fund	7,000					7,000
Total	17,000					17,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0010
Project Name Fire Department Vehicle Replacement

Type Replacement
Useful Life 15 years
Category Automobiles and Trucks
Location: Administrative Office
Year Submitted: Ongoing
Department Fire
Contact Dieterich
Priority Planned Improvement
Status Active



Description
Per Vehicle Replacement Plan.
FY16: Carryover from FY15 - Truck 1 - 1997 AI 105' Ladder (\$1,150,000) with funding to be split between City bond financing of \$1,000,000 and Contributions of \$150,000; which was approved in FY15 budget.
FY16: Utility 3A Ford F350 Pickup (\$125,000) - Utility vehicle that responds to all fire/ incident calls within the City limits.
FY16: Unit C4 - 2005 Chevy Blazer (\$40,000)
FY17: Unit C2 - 2004 GMC Safari Van (\$50,000)
FY17: Unit C7 - 2005 Chevy Trailblazer (\$35,000)
FY17: Unit C8 - 2007 Ford Expedition (\$40,000)
FY18: Truck 4 - 1997 AI 105' Ladder (\$1,250,000) to be split between City bond financing (\$1,100,000) and Contributions of (\$150,000)
FY19: Engine 2 (\$600,000)
FY20: Refurbish Reserve Engine 4 - new paint, update lights, electrical system, and compartments for Firefighter safety (\$125,000).

Justification
Replace aging vehicle equipment used in fire suppression operations.

Budget Impact/Other
Based on a 20 year term, preliminary annual debt service impact for the 2015 general fund supported bond issue of \$1M is \$73.5K. Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$125K is \$9.1K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	1,315,000	125,000	1,250,000	600,000	125,000	3,415,000
Total	1,315,000	125,000	1,250,000	600,000	125,000	3,415,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	125,000		1,100,000	600,000		1,825,000
Contribution by Others	150,000		150,000			300,000
Prior Bond Proceeds	1,000,000					1,000,000
Transfers to CIP-General Fund	40,000	125,000			125,000	290,000
Total	1,315,000	125,000	1,250,000	600,000	125,000	3,415,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0025
Project Name Pavement Preservation Program

Type Maintenance
Useful Life 15 - 25 years
Category Buildings and Structures
Location: City -wide
Year Submitted: Ongoing
Department Engineering
Contact Tissue
Priority Planned Improvement
Status Active



Description

Resurfacing of various streets and parking lots per pre-established plan. Includes overlay, crack-sealing, slurry-sealing, pavement markings and milling based on the presentation given to Mayor and City Council.

The City utilizes all HURs funding received to fund a portion of our Pavement Preservation program and other applicable capital projects. We received one-time additional monies in the 2015 state approved budget of \$748,955, which provided a grand total of \$1,079,900 for FY15. Based on preliminary feedback from the new State Administration in January 2015, we are anticipating that our HUR will stay at or over \$1,000,000 in the foreseeable future.

FY16: Includes funds for paving portions of S. Burhans Blvd, Glenwood Ave, Mulberry Ave, Rhode Island Ave, & City Park Drive, etc. It also includes funds for crack sealing, pavement marking, and slurry seal.

Justification

November 2013 presentation to Mayor and Council showed that approximately \$1,000,000 needs spent annually to maintain the Pavement Condition Index of 77 (good overall condition)

In 2010 we 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.

Budget Impact/Other

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.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	1,000,000	1,000,000	700,000	700,000	700,000	4,100,000
Total	1,000,000	1,000,000	700,000	700,000	700,000	4,100,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund Balance	18,600					18,600
State Highway User Revenue	981,400	1,000,000	700,000	700,000	700,000	4,081,400
Total	1,000,000	1,000,000	700,000	700,000	700,000	4,100,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0040
Project Name Municipal Stadium Improvements

Type Improvement **Department** Parks
Useful Life 10 years **Contact** Tissue
Category Buildings and Structures **Priority** Planned Improvement
Location: Municipal Stadium
Year Submitted: 2008
Status Active



Description

The Hagerstown Suns have an approved lease to play in Municipal Stadium during the 2015 and 2016 baseball seasons. The Mayor and Council's Goals and Priorities approved in December 2014 include: Explore use options for Municipal Stadium to enhance the social and economic vitality of Hagerstown's East End.

Justification

Provide recreation facilities that are desired and supported by the community.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design			100,000			100,000
Total			100,000			100,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)			100,000			100,000
Total			100,000			100,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 thru FY '20

City of Hagerstown, Maryland

Project # 45-C0047
Project Name City Park Lake Improvements

Type Improvement
Useful Life 25 - 50 years
Category Land Improvements
Location: City Park
Year Submitted: Ongoing
Department Parks
Contact Tissue
Priority Planned Improvement
Status Active



Description

Replacement of walls around perimeter of upper and middle lakes, associated sidewalk improvements, and landscape enhancements. Repairs to these walls as they deteriorate will be completed by Park Division staff.

The lower lake walls were reconstructed in three phases:

1995: Phase I- Key Street end
 1998: Phase II- Virginia Avenue side
 2004: Phase III- Museum Drive side

The 7.1 acre lower lake needs to be dredged to remove 100+ years of sediment. Plan to design extent of dredging in FY16 and acquire permits and waste site approval. Construction targeted for FY17 in October 2016 through March 2017. Possibly fundable under stormwater TMDL - Reduction Grant.

Justification

The goal is to improve deteriorating facilities and provide necessary maintenance. In addition, City Park was recently rated one of the most beautiful municipal city parks in America. Last, the preservation of the lake helps to maintain the beauty of the lake, which is visited by tens of thousands of people each year.

Budget Impact/Other

Less than \$5,000 would be saved on maintenance costs as the wall needs to be fully replaced and is not worthy of patching or repairing.

Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$60K is \$5K

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	60,000	1,100,000			500,000	1,660,000
Total	60,000	1,100,000			500,000	1,660,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	60,000	1,100,000			500,000	1,660,000
Total	60,000	1,100,000			500,000	1,660,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0065
Project Name Public Works Vehicles

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



Description

Per Vehicle and Equipment schedule.

FY16: John Deere Mower #063 (\$12,000), New Supervisor truck (\$25,000), Roller #084 (\$15,000), Bucket truck #601 (\$75,000)

FY17: Chevy blazer #003 (\$30,000), Ford tractor #005 (\$25,000), Ford dump truck #017 (\$100,000), Chevy truck #034 (\$30,000), Unit #62 Mower (\$15,000), Sterling dump truck #026 (\$150,000)

FY18: Sterling Actera Dump #027 (\$150,000), Schwarze Sweeper #092 (\$250,000), Chevy truck #046 (\$30,000)

Justification

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

Budget Impact/Other

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

Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$75K is \$6K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	127,000	350,000	430,000	290,000	408,000	1,605,000
Total	127,000	350,000	430,000	290,000	408,000	1,605,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	75,000	250,000	400,000	200,000	345,000	1,270,000
Transfers to CIP-General Fund	52,000	100,000	30,000	90,000	63,000	335,000
Total	127,000	350,000	430,000	290,000	408,000	1,605,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0093
Project Name Pavement Markings

Type Improvement
Useful Life 5 years
Category Infrastructure-Streets
Location: City-Wide
Year Submitted: Ongoing
Department Engineering
Contact Tissue
Priority Public Safety
Status Active



Description

Upgrading pavement markings around the City with emphasis on crosswalks, school zones, and public safety. One crosswalk costs about \$500. A typical intersection can cost \$3,000 to \$5,000 for all pavement markings. Propose a four year plan to upgrade deteriorated "stop bars" and "crosswalks" city wide.

Justification

Improve safety. Public expects streets to be properly marked. Marked crosswalks are desirable.

Budget Impact/Other

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.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	50,000	25,000	15,000	15,000		105,000
Total	50,000	25,000	15,000	15,000		105,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
State Highway User Revenue	50,000					50,000
Transfers to CIP-General Fund		25,000	15,000	15,000		55,000
Total	50,000	25,000	15,000	15,000		105,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0099
Project Name Market House Improvements



Type Improvement **Department** Public Works
Useful Life 5 years **Contact** Deike and Lestitian
Category Machinery and Equipment **Priority** Planned Improvement
Location: Market House
Year Submitted: 1992

Status Active

Description

The Community City Center Plan Catalyst Project #7 focuses on a reinvention of the Farmer's Market. Physical improvements to the interior, exterior, exterior lighting and signage will be required. These improvements will assist in positioning the Market for future success.

The interior improvements include an interior storefront to the rear room section for an anchor tenant, improved and inviting exterior lighting, and a much larger sign.

Justification

These improvements will position the market to further the goals and details outlined in Catalyst Project

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	30,000	120,000				150,000
Total	30,000	120,000				150,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)		120,000				120,000
CIP Fund - GF Fund Balance	30,000					30,000
Total	30,000	120,000				150,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0128
Project Name Police Radios

Type Improvement
Useful Life 5 - 7 years
Category Machinery and Equipment
Location: Police Department
Year Submitted: Ongoing
Department Police
Contact Holtzman
Priority Public Safety
Status Active



Description

Police radio replacement schedule. The budget represents replacement of radio equipment based on a 5-7 year useful life cycle, distributed over 4 years. Replacement plan, which includes portable and mobile radios each year, is as follows:
 FY16: 39 radios - Funding reduced to cover 23 radios
 FY18: 40 radios
 FY19: 40 radios
 FY20: 30 radios

FY16 includes 3 additional portable radios needed for spares while others are repaired or serviced.

Justification

Modern radio technology ensures police personnel can continue to communicate effectively with each other, and with other public safety agencies. Radio communications are vital to the safety of the public and police.

The current Washington County radio system became operational in calendar year 2010. At that time, HPD replaced all outdated radio equipment with the new mobile and hand held radio equipment required to access this system.

Electronic radio equipment has a limited useful life, generally 5-7 years.

Current radio models have been discontinued.

Budget Impact/Other

Replacement of current radios should begin in FY16 based on recommended operating life. The radios require occasional repair or replacement due to damage and replacement of batteries. The operating budget also includes \$8,000 per year in maintenance costs for repairs to radio equipment.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	54,800		128,560	128,560	96,420	408,340
Total	54,800		128,560	128,560	96,420	408,340

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund	54,800		128,560	128,560	96,420	408,340
Total	54,800		128,560	128,560	96,420	408,340

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0129
Project Name Police Vehicles

Type Replacement
Useful Life 5 years
Category Automobiles and Trucks
Location: Police Department
Year Submitted: Ongoing
Department Police
Contact Holtzman
Priority Public Safety
Status Active



Description

FY16: Adding 2 new patrol vehicles plus all auxiliary equipment (radios, computers, e-tickets, prisoner transport cages, weapons mounts, emergency lighting, etc.) @ \$49,000 each (\$98,000) to provide take-home cars for the increased number of police officers now living within city limits; replacing Unit 957 (98 Crown Victoria - \$46,000); Unit 954 (97 Chevy Lumina - \$8,000); Unit 949 (98 Ford Taurus - \$8,000); Unit 943 (97 Ford Explorer - \$9,000). Replacement costs are lower than additions because the radios will be transferred from the retired vehicles.

FY17: Adding 1 new patrol vehicle plus all auxiliary equipment (radios, computers, e-tickets, prisoner transport cages, weapons mounts, emergency lighting, etc.), to provide take-home car for the increased number of police officers now living within city limits- \$49,000); Unit 959 (98 Crown Victoria - \$46,000); Unit 960 (98 Crown Victoria - \$46,000); Unit 962 (00 Crown Victoria - \$46,000); Unit 967 (00 Crown Victoria - \$46,000); Unit 982 (00 Crown Victoria - \$46,000); Unit 998 (98 Crown Victoria - \$46,000).

FY18: Unit 995 (01 Ford Escape - \$46,000); Unit 972 (04 Crown Victoria - \$46,000); Unit 988 (03 Crown Victoria - \$46,000); Unit 999 (01 Crown Victoria - \$46,000); Unit 963 (03 Crown Victoria - \$46,000); Unit 944 (04 Crown Victoria - \$46,000); Unit 953 (05 Ford Expedition - \$46,000); 948 (97 GMC Jimmy - \$10,000).

FY19: Unit 934 (06 Crown Victoria - \$46,000); Unit 935 (06 Crown Victoria - \$46,000); Unit 936 (06 Crown Victoria - \$46,000); Unit 939 (06 Crown Victoria - \$46,000); Unit 940 (06 Crown Victoria - \$46,000); Unit 9401 (06 Crown Victoria - \$46,000); 979 (04 Honda Accord - \$10,000).

FY20: Unit 930 (07 Dodge Charger - \$46,000); Unit 932 (07 Dodge Charger - \$46,000); Unit 941 (06 Crown Victoria - \$46,000); Unit 942 (06 Crown Victoria - \$46,000); Unit 946 (07 Dodge Charger - \$46,000); Unit 975 (07 Dodge Charger - \$46,000); Unit 951 (03 Nissan Pathfinder - \$10,000)

Justification

Many patrol vehicles are operated around the clock with in-town driving and considerable idling. Staff had 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.

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

Budget Impact/Other

Post warranty maintenance is assumed in the department operating budget.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	169,000	325,000	332,000	286,000	286,000	1,398,000
Total	169,000	325,000	332,000	286,000	286,000	1,398,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund	169,000	325,000	332,000	286,000	286,000	1,398,000
Total	169,000	325,000	332,000	286,000	286,000	1,398,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0130
Project Name Street Crime Cameras/CPTED

Type Replacement
Useful Life 5 years
Category Machinery and Equipment
Location: Various locations
Year Submitted: Ongoing
Department Police
Contact Holtzman
Priority Public Safety
Status Active



Description
 The City has more than 100 security cameras. As they reach the end of their useful life, they will need to be replaced. Included in the replacement plans is the conversion from wireless to fiber connectivity for more efficient system operation and image display. FY16 budget reflects 10 camera components. The budget for future fiscal years represents 15 camera components per year at \$10,000 each.

Justification
 Street crime cameras have been successfully utilized to monitor known trouble spots, provide real-time information during crimes and incidents in progress, and provide video recordings used in criminal and traffic investigations.

Budget Impact/Other
 Recurring cost is the maintenance agreement with the vendor and is expected to increase as new cameras are added to the system.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	100,000		150,000	150,000	150,000	550,000
Total	100,000		150,000	150,000	150,000	550,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund	100,000		150,000	150,000	150,000	550,000
Total	100,000		150,000	150,000	150,000	550,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0133
Project Name Engineering Vehicles

Type Replacement
Useful Life 6 - 10 years
Category Automobiles and Trucks
Location: City Hall
Year Submitted: Ongoing
Department Engineering
Contact Tissue
Priority Cost Avoidance
Status Active



Description

Replacement program for vehicles for department personnel, these are NOT additions to the fleet. There is a vehicle replacement schedule maintained by CMG.

FY16: No Replacement Scheduled
FY17: Replace Colorado truck #702 (\$16,000) and Impala sedan #703 (\$17,000)
FY18: Replace Colorado truck #701 (\$17,000)
FY19: Replace Jeep Liberty #709 (\$17,000)
FY20: Replace Chevy Cargo Van #710 (\$20,000)

Justification

Replace deteriorated vehicles - low cost vehicles in the fleet have limited life and maintenance costs increase dramatically once vehicles get about eight to ten years old.

Budget Impact/Other

Replacement of six to ten-year-old vehicles saves about \$1,500 annually in repairs and part replacement.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings		33,000	17,000	17,000	20,000	87,000
Total		33,000	17,000	17,000	20,000	87,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund		33,000	17,000	17,000	20,000	87,000
Total		33,000	17,000	17,000	20,000	87,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0140
Project Name A & E Trail

Type Improvement
Useful Life 100 years
Category Land Improvements
Location: City-Wide
Year Submitted: 2015
Department Engineering
Contact Tissue
Priority Planned Improvement
Status Active



Description

Development of a trail that will eventually connect the city center Arts & Entertainment District/Farmers Market to City Park (Fine Arts Museum) and other cultural destinations. Ultimate goal is new market-rate housing adjacent to the trail. This project is included in the Community City Center Plan as Catalyst Project #5.

FY16: Phase I: Trail (Park Circle to Antietam Street)

FY18: Phase III: Development of triangle park near park circle.

Justification

Community City Center Plan Catalyst Project #5. This project is also listed as a Mayor & Council priority in "Goals & Priorities" approved by Mayor & Council in December 2014.

Budget Impact/Other

Significant Impact. Operations will have to maintain landscaping, maintain park, trash/dog bag removal, lighting costs, etc., estimated cost at over \$25,000 annually.

Based on a 20 year term, preliminary annual debt service impact for the 2015 general fund supported bond issue of \$1.5M is \$109.5K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Land Acquisition			100,000			100,000
Construction/Maintenance	2,065,000		300,000			2,365,000
Total	2,065,000		400,000			2,465,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)			255,000			255,000
Grants-State	155,000					155,000
Grants-State Program Open Space	45,000		145,000			190,000
Prior Bond Proceeds	1,500,000					1,500,000
Transfers to CIP-Prop Mgmt Fund	365,000					365,000
Total	2,065,000		400,000			2,465,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0182
Project Name Police Crime Lab Equipment

Type Unassigned **Department** Police
Useful Life 5 - 7 years **Contact** Holtzman
Category Machinery and Equipment **Priority** Planned Improvement
Location: Police Department
Year Submitted: 2009
Status Active



Description

FY16: Replace Digital crime and accident scene documentation system (\$50,000), and Gas Chromatograph/Mass Spectrometer (\$110,000). The city currently has only unit which serves the entire county, including the Prosecutor's office.

Justification

Documenting and diagramming serious crime and accident scenes is labor intensive and currently requires multiple people to manually measure, record, and diagram. The proposed system collects crime scene data using laser and digital photography, and produces detailed 3D diagrams. HPD staff plans to collaborate with other county law enforcement agencies in establishing a cadre of personnel trained in the use of the equipment, making it available to all county law enforcement.

The GCMS is used in vast array of forensic tests and is required for investigative and prosecutorial purposes. It is a standard piece of scientific equipment used by forensic laboratories.

Budget Impact/Other

Initial purchases are anticipated to include multiple year maintenance agreements.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	160,000					160,000
Total	160,000					160,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Grants-Federal	160,000					160,000
Total	160,000					160,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0217
Project Name Accessibility Ramps

Type Improvement
Useful Life 20 years
Category Infrastructure-Sidewalks
Location: To be determined
Year Submitted: Ongoing
Department Engineering
Contact Tissue
Priority Probable Grant
Status Active



Description

This project provides ADA-compliant ramps and sidewalks citywide. Staff addresses complaints and installs ramps/sidewalks along 'pavement preservation' streets which is a requirement when paving is done. Improvements are budgeted at \$2,000 - \$2,500 per ramp.

FY16: \$75,000 Install accessibility ramps Citywide along overlay streets (Rhode Island Avenue, Glenwod Avenue, South Burhans, South Mulberry Avenue, and Hamilton Boulevard, etc.).

FY17 - FY19: Install and/or replace approximately 20 accessibility ramps per 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.

Budget Impact/Other

None.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	75,000	40,000	40,000	40,000		195,000
Total	75,000	40,000	40,000	40,000		195,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-CDBG Fund	60,000	40,000	40,000	40,000		180,000
Transfers to CIP-General Fund	15,000					15,000
Total	75,000	40,000	40,000	40,000		195,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0226
Project Name Police Firing Range

Type Improvement **Department** Police
Useful Life 30 years **Contact** Holtzman
Category Machinery and Equipment **Priority** Planned Improvement
Location: Smithsburg Watershed Area
Year Submitted: 2011
Status Active



Description

FY16: Road and parking lot improvements.

Justification

Firearms training and qualification, including judgmental training, is mandated by state law. Due to improvements in recent years, the police firing range has become a well designed firearms training facility. It is utilized by all Washington County law enforcement agencies, as well as several state and federal agencies. The current road and parking area are constructed of crush and run material and need annual maintenance due to weather erosion. The planned improvements are intended to mitigate that need.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	25,000					25,000
Total	25,000					25,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Grants-Federal	25,000					25,000
Total	25,000					25,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0237
Project Name Park Equipment

Type Replacement
Useful Life 15 years
Category Machinery and Equipment
Location: To be determined
Year Submitted: 2008
Department Parks
Contact Mason
Priority Planned Improvement
Status Active



Description

Projects are contingent on receiving State funding.

FY16: Spring of 2016 will install park benches & picnic tables for various parks (\$30,000), POS funding is for replacement of equipment in southend of City Park which is approximately 25 years old (oldest one in the park system)

Justification

Merry-go-rounds are starting to deteriorate.

The park benches and picnic tables will improve park facilities for use by the general public.

Staff will continue to apply for funding from Program Open Space and Community Parks and Playgrounds.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	65,000					65,000
Total	65,000					65,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Grants-State CP&P	30,000					30,000
Grants-State Program Open Space	31,500					31,500
Transfers to CIP-General Fund	3,500					3,500
Total	65,000					65,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0241
Project Name Fire Training Tower



Type Improvement **Department** Fire
Useful Life 25 years **Contact** Dieterich
Category Buildings and Structures **Priority** Planned Improvement
Location: City Fire Training Center
Year Submitted: 2009
Status Active

Description

FY16: Replace deteriorating fencing surrounding the training center. (\$70,000) - Reduced to \$20,000 to make some repairs.

FY17: Replace existing Fire Training Tower (\$600,000) at the City Fire Training Center on Bowman Avenue near the wastewater treatment plant.

FY20: Pave and repair roads to the existing Fire Training Tower at the City Fire Training Center on Bowman Avenue near the wastewater treatment plant. (\$100,000)

Justification

FY16: The training center needs to be secured at all times

FY17: This local fire training center has been used by the City and various other area fire departments for required firefighter skills training since the 1970's.

FY19: The paving is deteriorating and in need of resurfacing.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	20,000	600,000			100,000	720,000
Total	20,000	600,000			100,000	720,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)		600,000				600,000
Transfers to CIP-General Fund	20,000				100,000	120,000
Total	20,000	600,000			100,000	720,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0242
Project Name Junior Fire Engine Company #3

Type Maintenance **Department** Fire
Useful Life 50 years **Contact** Dieterich
Category Buildings and Structures **Priority** Planned Improvement
Location: Eastern Blvd
Year Submitted: 2013
Status Active



Description

Replace leaking rubber roof at Fire Engine Company #3.

Justification

Roofing is currently leaking and causing damage to interior of the building.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance			100,000			100,000
Total			100,000			100,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)			100,000			100,000
Total			100,000			100,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0243
Project Name Major Signal Intersection Upgrades

Type Improvement **Department** Engineering
Useful Life 5 - 10 years **Contact** Tissue
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: System-wide
Year Submitted: 1997
Status Active



Description
 Traffic signals at these locations are currently situated along the sidewalk. In order to improve visibility, workers will construct a mast arm pole to hang the signals over the travel lanes. Pedestrian signals will also be upgraded to become more visible.
 FY16: Mulberry & Antietam - Last intersection on Mulberry Street without overhead signals, and A.P.S.(\$37,500 SRTS Grant)
 FY17: Cleveland @ Liberty and Franklin (\$337,500 SRTS Grant)

Justification
 These changes increase safety on our streets and sidewalks by making lights for pedestrians and motorists more visible.

Budget Impact/Other
 Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$100K is \$8K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design	37,500	8,000				45,500
Construction/Maintenance	100,000	409,500				509,500
Total	137,500	417,500				555,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	100,000	80,000				180,000
Grants-State	37,500	337,500				375,000
Total	137,500	417,500				555,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0245
Project Name LED Signal Lights

Type Improvement **Department** Public Works
Useful Life 10 years **Contact** Deike
Category Machinery and Equipment **Priority** Cost Avoidance
Location: City-Wide
Year Submitted: 2005
Status Active



Description

Replace 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.

Budget Impact/Other

LED lights have proven to save upwards of 75% to 80% in electrical costs. Labor is reduced since LEDs have a life expectancy of 10 years while incandescent bulbs burn for one to two years.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	15,000	15,000	15,000	15,000		60,000
Total	15,000	15,000	15,000	15,000		60,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund	15,000	15,000	15,000	15,000		60,000
Total	15,000	15,000	15,000	15,000		60,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

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

Type Replacement **Department** Community Development
Useful Life 10 years **Contact** Lestitian
Category Automobiles and Trucks **Priority** Cost Avoidance
Location: Downtown
Year Submitted: 2013



Status Active

Description

See Vehicle and Equipment replacement schedule. Vehicle and equipment replacements are being deferred in this budget cycle.

FY17: Econ Develop: Jeep Liberty #850 (\$25,000)
 FY17: Code Admin: Jeep Liberty #750 (\$25,000)
 FY17: Planning: Chevy truck #401 (\$20,000)
 FY18: Econ Develop: Chevy Cavalier #717 (\$20,000) - Replacing with truck
 FY18: Code Admin: Chevy truck #718 (\$20,000)
 FY19: Code Admin Ford Focus #713 (\$25,000) - Replacing with 4WD Truck

Justification

Replace deteriorating equipment

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings		70,000	40,000	25,000		135,000
Total		70,000	40,000	25,000		135,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund		70,000	40,000	25,000		135,000
Total		70,000	40,000	25,000		135,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0250
Project Name Public Works Operations Center Improvement Program

Type Improvement **Department** Public Works
Useful Life 5 - 10 years **Contact** Deike
Category Buildings and Structures **Priority** Planned Improvement
Location: City Shed
Year Submitted: Ongoing
Status Active



Description

Various improvements to building built in 1938. Improvement projects include the following:

FY16: Replace roof. Roof was installed in 1995 with a ten year warranty. Current estimate is \$4.50 to \$5.00 per square foot.

FY17: Construct roof canopy over front entry door.

Justification

This facility was built in 1938. Since its construction, multiple departments have used it. The building needs continual repairs due to its age. Roof was installed in 1995. It is a rubber roof held down by ballast rock. 10 Year warranty has long since expired.

Budget Impact/Other

Operational costs will not be affected at this time. Most of these projects are replacements or reconstruction of existing amenities.

Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$120K is \$9K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	120,000	6,000	6,000	6,000	6,000	144,000
Total	120,000	6,000	6,000	6,000	6,000	144,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	120,000					120,000
Transfers to CIP-General Fund		6,000	6,000	6,000	6,000	24,000
Total	120,000	6,000	6,000	6,000	6,000	144,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0280
Project Name Downtown Beautification Program

Type Improvement **Department** Public Works
Useful Life 50 years **Contact** Deike
Category Land Improvements **Priority** Planned Improvement
Location: Downtown
Year Submitted: Ongoing
Status Active



Description

Complements pedestrian street lighting program with trees, pole banners, and other amenities.

FY 16: Funds for streetscape improvements in the downtown area. Install metal tree boxes, place new public art, and create/add planters.

Justification

Enhances and improves the appearance of the downtown.

The Comp Plan recommends the continuation of a full range of physical improvements on an incremental basis to the downtown area. These should be aimed at improving the downtown's image and attractiveness through traffic calming measures; gateway and pedestrian enhancements; landscaping and streetscaping; and improvement of public parking facilities.

Budget Impact/Other

Depending upon the amenities or enhancements, operational costs could be affected.

Example: Additional lighting would add to electrical costs.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	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 '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund Balance	10,000					10,000
Transfers to CIP-General Fund	15,000	25,000	25,000	25,000	25,000	115,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0308
Project Name Police Building Renovation

Type Improvement **Department** Police
Useful Life 10 - 20 years **Contact** Holtzman
Category Buildings and Structures **Priority** Planned Improvement
Location: Police Department
Year Submitted: Ongoing
Status Active



Description

FY16 includes: replacement of 2 small overhead air handlers or 1 larger unit (\$10,000); interior renovations (relocation of patrol/operations offices, renovation of CID, renovations to 3rd floor Records area; security storage cages in the weapons armory room, continued security improvements - \$41,000).

FY17 includes replacement of 2 small overhead air handlers or 1 larger unit (\$10,000); repaving & restriping the Police Department parking lot and the portion of McPherson St. that runs through the lot (\$50,000).

FY18 through FY20 includes replacement of 2 small overhead air handlers or 1 larger unit (\$10,000); other capital improvement needs that will occur based on the age of the police department building.

Justification

The 14 heat pumps in the police building are an integral part of the HVAC system in the police building and many are beyond their expected useful life. Replacement will occur only as needed.

The renovations are continuations of previous projects intended to replace original and aging interior components of the police building, enhance security, and make more efficient use of existing space.

Budget Impact/Other

No new or additional impact on the operational budget is expected from these renovations.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	51,000	75,000	30,000	30,000	30,000	216,000
Total	51,000	75,000	30,000	30,000	30,000	216,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund	51,000	75,000	30,000	30,000	30,000	216,000
Total	51,000	75,000	30,000	30,000	30,000	216,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0324
Project Name Alley Reconstruction

Type Improvement
Useful Life 40 years
Category Infrastructure-Alleys
Location: Various locations
Year Submitted: Ongoing
Department Engineering
Contact Tissue
Priority Planned Improvement
Status Active



Description

Replace deteriorated alleys. In 2014 staff conducted a comprehensive condition survey of all the alleys in the city. The overall network is in relatively poor condition. We are suggesting that we use bond proceeds to begin to catch up on the overall condition.

Alley 3-36 (portion adjacent to 109 Besster Street - drainage) - \$20,000
 Alley 1-123 (beside Memorial Ree) - \$40,000
 Alley 1-124 (Blooms alley) - \$47,000
 Alley 5-54 (E. Irvin to Mulberry) - \$75,000
 Alley 5-49 (Manila to Hillcrest) - \$90,000
 Alley 5-67 (Lieba south - Hilcrestrest to Alley 5-68) - \$45,000*
 Alley 5-67 (Lieba north - Alley 5-68 to Pangborn) - \$50,000*
 Alley 5-68 (Mulberry to Lieba alley) - \$19,000*
 Alley 5-69 (Lieba Alley to View Street) - \$20,000*
 Alley 5-42 (Laurel to Cypress) - \$39,000
 Alley 5-41 (Laurel to Alley 5-42) - \$21,000
 Alley 5-52 (Hilcrest to Mulberry) - \$64,000

*Confirm with Columbia gas that no mains/services require replacement
 **estimates do not include retaining walls or drainage structures

Justification

Replacement - useful life has been exhausted and surface is deteriorated.

Budget Impact/Other

Creating CIP to replace or build alleys frees DPW to focus on other priorities. 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.

Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$530K is \$39K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	530,000	50,000	500,000	50,000		1,130,000
Total	530,000	50,000	500,000	50,000		1,130,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	530,000		500,000			1,030,000
Transfers to CIP-General Fund		50,000		50,000		100,000
Total	530,000	50,000	500,000	50,000		1,130,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0326
Project Name City Hall Improvements

Type Replacement
Useful Life 15 years
Category Buildings and Structures
Location: City Hall
Year Submitted: 1990
Department Public Works
Contact Deike
Priority Planned Improvement
Status Active



Description
FY16: Paint the exterior of the clock tower (\$50,000); and install a separate A/C system for the Council Chambers.
FY17: Replace the existing heating system and install a new building wide A/C system.
FY18: Bathroom exhaust fans (\$7,000) and various minor projects throughout building (\$3,000)
FY19: Paint exterior emergency stairwell.

Justification
FY16: The clock tower paint finish is rough and in need of new paint. The council chambers shares an A/C system with the first floor. A/C is either "on" for the first floor or the second floor, but cannot function for both at the same time.
FY17: City Hall opened in 1940 before the advent of air conditioning. The building is a mix of window units and smaller systems proving A/C to small suites.
FY18: None of the restrooms have an exhaust system. Windows are the primary means of ventilation.

Budget Impact/Other
FY16: Increased energy use. FY17: Increased energy use.
Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$50K is \$4K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	100,000	250,000	10,000	25,000	25,000	410,000
Total	100,000	250,000	10,000	25,000	25,000	410,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	50,000	250,000				300,000
CIP Fund - GF Fund Balance	50,000					50,000
Transfers to CIP-General Fund			10,000	25,000	25,000	60,000
Total	100,000	250,000	10,000	25,000	25,000	410,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0387
Project Name Staley Park Pavilion

Type Improvement
Useful Life 50 years
Category Amenities
Location: Staley Park
Year Submitted: 2013
Department Parks
Contact Mason
Priority Probable Grant
Status Active



Description

Located behind the Potterfield pool, Staley Park has play equipment, National Little League, and a very small pavilion. There is a large demand due to the thousands of visitors to the park each year.

Justification

Existing pavilion accomodates approximately 12 people. We propose to add a large 20'X30' pavilion that can be reserved by the public.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	25,000					25,000
Total	25,000					25,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Grants-State CP&P	25,000					25,000
Total	25,000					25,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0400
Project Name Bridge Repair Program

Type Maintenance
Useful Life 30 years
Category Infrastructure-Bridges
Location: City-Wide
Year Submitted: Ongoing
Department Engineering
Contact Tissue
Priority Cost Avoidance
Status Active



Description

Inspect, maintain, and repair 13 existing bridges (any structure longer than 20 ft.) per bi-annual inspection required by law. The program is funded by Federal funds passed to us from the State via the County. County cooperation is essential to ensure funding is committed.

FY15 - 16: Expansion Dam project: to replace expansion dams on Mt Aetna , Wilson, Virginia and Various Bridges (Completed Summer 2015)

Burhans Bridges: Construction should start April 2015 and conclude by October with the following costs: construction \$1,400,000, NSRR Watchman \$200,000 and Inspection \$70,000 (the city share for this project is 316,776. We will spend a third (\$104,536) in FY15 and the balance of \$212,240 will be spent in FY 16.

Justification

Rehabilitates deteriorating facilities. County passes State/Federal funds through to City as they see the priorities.

Budget Impact/Other

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.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	1,061,200					1,061,200
Total	1,061,200					1,061,200

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Excise Tax Fund	212,240					212,240
Grants-State	848,960					848,960
Total	1,061,200					1,061,200

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0433
Project Name Signal Controller Upgrades

Type Improvement **Department** Public Works
Useful Life 10 years **Contact** Deike
Category Machinery and Equipment **Priority** Planned Improvement
Location: Various locations
Year Submitted: 1993
Status Active



Description
 Upgrade signal controllers to current technology.
 FY 17-18: Replace older signal controllers with new models.

Justification
 FY17-18: To meet current Traffic Safety standards and upgrade equipment to maintain system reliability.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings		15,000	15,000			30,000
Total		15,000	15,000			30,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund		15,000	15,000			30,000
Total		15,000	15,000			30,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0439
Project Name Steam Engine Museum

Type Improvement **Department** Parks
Useful Life 10 - 20 years **Contact** Mason
Category Buildings and Structures **Priority** Planned Improvement
Location: City Park
Year Submitted: 1990
Status Active



Description

Funds were contributed by John Long for the Museum. A comprehensive plan for improvements is currently being developed to determine immediate and long-term needs for the museum. Once this plan is completed, the contribution from John Long will be used to implement any changes.

FY16: Painting of various items (funded from the contribution) such as caboose along City Park Drive and additional signs.

FY18: Pavilion (to be funded with State POS grant monies and 10% city match)

Justification

By undertaking additional future improvements, we would prevent foremost the deterioration of the nearly 100-year-old locomotive 202 and the cabooses in the collection. Their continued good condition and their accurate restoration 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.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	13,451		25,000			38,451
Total	13,451		25,000			38,451

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund Balance	13,451					13,451
Grants-State Program Open Space			22,500			22,500
Transfers to CIP-General Fund			2,500			2,500
Total	13,451		25,000			38,451

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0444
Project Name Stormdrain System Upgrades

Type Maintenance **Department** Engineering
Useful Life 100 years **Contact** Tissue
Category Infrastructure-Storm Drains **Priority** Planned Improvement
Location: Various locations
Year Submitted: Ongoing
Status Active



Description

FY17 and FY18: Plan on unspecified work to deal with aging system. Reconstruct sub-standard and deteriorating storm drain inlets and pipes. This may be pipe replacement or a City-wide system inspection.

Justification

Replace deteriorating system as problems arise or install new storm drain based on complaints.

Budget Impact/Other

Decrease potential problems with drain as current system is over 100 years old. New stormdrain will cost less than \$5,000 per mile/per year to maintain based on current spending.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		40,000	40,000			80,000
Total		40,000	40,000			80,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund		40,000	40,000			80,000
Total		40,000	40,000			80,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0451
Project Name Geographic Information System

Type Improvement
Useful Life 5 years
Category Software
Location: City-Wide
Year Submitted: Ongoing
Department Information Technology
Contact Nicewarner
Priority Planned Improvement
Status Active



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 the 2010 GIS Strategic Plan in accomplishing the organization of this data and making it available for City departments in the analysis of their operations.

Justification

Due to staffing and priority projects, this CIP was cut back in FY13-14 to review the strategic plan and determine steps moving forward. This technology will be vital in integrating with our financial systems, including Utility billing and tax, and providing information to our citizens through our improved web page. The state will continue to look for this type of information in coordination with their StateStat initiatives.

Budget Impact/Other

Maintenance fees are currently budgeted and included for the ESRI GIS platform in the IT/SS expense budget. These maintenance costs remain static through FY17 .

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design	15,000	15,000	100,000	15,000	15,000	160,000
Equip/Vehicles/Furnishings			20,000			20,000
Other	50,000	50,000		50,000	50,000	200,000
Total	65,000	65,000	120,000	65,000	65,000	380,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund Balance	65,000	22,889				87,889
Transfers to CIP-Electric Fund		12,633	35,000	20,000	20,000	87,633
Transfers to CIP-General Fund		4,212	15,000	5,000	5,000	29,212
Transfers to CIP-Wastewater Fund		12,633	35,000	20,000	20,000	87,633
Transfers to CIP-Water Fund		12,633	35,000	20,000	20,000	87,633
Total	65,000	65,000	120,000	65,000	65,000	380,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0458

Project Name Curb and Sidewalk Replacement Program

Type Maintenance

Department Engineering

Useful Life 30 years

Contact Tissue

Category Infrastructure-Sidewalks

Priority Planned Improvement

Location: City-Wide

Year Submitted: Ongoing

Status Active



Description

Reconstruct deteriorated curb and sidewalk that are the City's responsibility.

Includes addressing damage caused by street trees and fixing random problem areas (where the City is responsible). This assists Public Works with street tree issues. This is a million dollar plus problem city wide and this program addresses the problems on planned "overlay" streets and other areas as funds allow \$25,000 per year temporarily due to budget constraints. Actual need is (\$100,000+ per year).

FY16: Replace brick crosswalks at Antietam/Potomac (\$40,000) and sidewalks damaged by street trees (\$25,000)

Justification

Improvement of deteriorating facilities to benefit general population, remove tripping hazard at sidewalks damaged by street trees.

Budget Impact/Other

Assist Public Works Department in addressing wide-scale problem of sidewalks damaged by street trees.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	65,000	25,000	25,000	25,000	25,000	165,000
Total	65,000	25,000	25,000	25,000	25,000	165,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
State Highway User Revenue	30,000					30,000
Transfers to CIP-CDBG Fund	35,000					35,000
Transfers to CIP-General Fund		25,000	25,000	25,000	25,000	100,000
Total	65,000	25,000	25,000	25,000	25,000	165,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0522
Project Name City Park Improvements

Type Improvement
Useful Life 25 years
Category Land Improvements
Location: City Park
Year Submitted: Ongoing
Department Parks
Contact Mason
Priority Planned Improvement
Status Active



Description
Construct improvements to existing parking lots in City Park. Includes parking, landscaping, walkways and lighting (#514).
FY16 - FY18: At the request of neighborhood groups, in early 2015 staff will review with Mayor & Council the possibility of changing the Christmas display to be a "Drive/Walk thru" City Park Experience.
FY16: Phase I: Relocate all silhouette displays throughout park
FY17: Phase II: 15 Uplights 400' each direction on the west bank
FY18: Phase III: Fountain
FY19: Includes the upper parking lot by tennis courts & pavilion.
FY20: Includes the upper parking lot by Mansion House.
Justification
Existing lots are gravel, full of potholes, and are poorly lit and landscaped. Improvements to the south lot in 2006 were widely affirmed by the public who visit City Park. Continue to improve the upper parking lots to provide the same level of public improvements that has been achieved at both the south parking lot and the Digby parking lot.
Seasonal lighting is very popular in other communities. Supports Neighborhood First Group's Ideas.
Budget Impact/Other
Decrease in maintenance costs of gravel lot less than \$1,000 per year. Increase long term costs of \$2,000 per year for curb and pavement maintenance and \$500 annually in additional lighting costs.
Minimal additional electric costs due to use of LED technology for seasonal lighting

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design					15,000	15,000
Construction/Maintenance	20,000	30,000	10,000	250,000	235,000	545,000
Equip/Vehicles/Furnishings				10,000		10,000
Total	20,000	30,000	10,000	260,000	250,000	570,000
Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Grants-State Program Open Space				225,000	225,000	450,000
Transfers to CIP-General Fund	20,000	30,000	10,000	35,000	25,000	120,000
Total	20,000	30,000	10,000	260,000	250,000	570,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0527

Project Name State Highway Retrofit Sidewalk Program



Type Improvement

Department Engineering

Useful Life 30 years

Contact Tissue

Category Infrastructure-Sidewalks

Priority Probable Grant

Location: State Routes

Year Submitted: 2005

Status Active

Description

This is a 100% State Highway funded program for state routes in the City. This project needs to comply with State's Transportation Improvement Plan (TIP)

Priorities include:

FY16: Route 11 from east of Sherman to Wesel Boulevard & Church Street north to TBH Concrete Plant for a total of 3105 LF of new sidewalk.

FY17: Route 65 (East side) from Wilson to Downsville Road to Scarlett Hills

FY18: US40 from Nottingham to Bartow Drive/Garland Groh Blvd

Work will be completed as State funds become available.

Justification

Part of the "Livable City Plan" to install and improve sidewalks. Part of priority area where residential neighborhoods interface with commercial areas. This encourages walking.

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.

Budget Impact/Other

Enforcement of snow removal, but all maintenance costs transferred to adjoining property owner.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	250,000	500,000	500,000			1,250,000
Total	250,000	500,000	500,000			1,250,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Grants-State	250,000	500,000	500,000			1,250,000
Total	250,000	500,000	500,000			1,250,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0560
Project Name Traffic Calming

Type Improvement
Useful Life 30 years
Category Infrastructure-Streets
Location: Various locations
Year Submitted: Ongoing
Department Engineering
Contact Tissue
Priority Planned Improvement
Status Active



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.

FY16: Working with various Neighborhood First groups, and following our policy, install medians, mini-roundabouts 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.

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.

Budget Impact/Other

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.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	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 '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund	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

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0568

Project Name Cable Inet



Type Improvement

Department Information Technology

Useful Life 10 years

Contact Nicewarner

Category Machinery and Equipment

Priority Contract Obligation

Location: City-Wide

Year Submitted: 2001

Status Active

Description

Public television and institutional network capital facilities and equipment. Improvement to I-Net connectivity. Near term projects include upgrade of network switch hardware and deployment of additional fiber cabling for institutional use.

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 for this type of project through the cable franchise agreement in place with Antietam Cable.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	44,000					44,000
Equip/Vehicles/Furnishings	14,000	14,000	14,000	14,000	14,000	70,000
Total	58,000	14,000	14,000	14,000	14,000	114,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund Balance	44,000					44,000
PEG Fee	14,000	14,000	14,000	14,000	14,000	70,000
Total	58,000	14,000	14,000	14,000	14,000	114,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0569
Project Name Cable PEG

Type Improvement
Useful Life 10 years
Category Machinery and Equipment
Location: City-Wide
Year Submitted: 2015
Department Community Development
Contact Griffin and Nicewarner
Priority Contract Obligation
Status Active



Description

Capital equipment and equipment upgrades for Public, Education and Government Cable Channels. Near term project includes development of studio for government channel, upgrade for education equipment and start for public access.

Justification

This is a communication service to the citizens of Hagerstown. This allows citizens to have channels pertaining to Public Access, Education and Government. The use of these funds is contractually required for this type of project through the cable franchise agreement in place with Antietam Cable.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	42,000	42,000	46,500	46,500	46,500	223,500
Total	42,000	42,000	46,500	46,500	46,500	223,500

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
PEG Fee	42,000	42,000	46,500	46,500	46,500	223,500
Total	42,000	42,000	46,500	46,500	46,500	223,500

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0570
Project Name Parks Vehicles and Equipment

Type Replacement
Useful Life 5 - 10 years
Category Automobiles and Trucks
Location: Fairground Park
Year Submitted: Ongoing
Department Parks
Contact Mason
Priority Planned Improvement
Status Active



Description

We have deferred vehicle replacements and need to start replacing worn out items. See Vehicle and Equipment replacement schedule.

FY16: Replace Ford F150 truck #312 (\$30,000) - Deferred to a later date

FY17: Replace Ford Dump truck #308 (\$80,000), JD Gator #317 (\$8,000), JD Tractor (\$65,000), and JD Gator #378 (\$10,000)

FY18: Replace Chevy truck #331 (\$30,000); Gravely Mower #369 (\$12,000); Gravely PM Mower #379 (\$12,000); and Shur-trail trailer #380 (\$5,000)

FY19: Replace Bobcat loader #319 (\$60,000); and John Deere backhoe #333 (\$100,000)

Justification

Improved Service.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	0	163,000	59,000	160,000		382,000
Total	0	163,000	59,000	160,000		382,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)		65,000		100,000		165,000
Transfers to CIP-General Fund	0	98,000	59,000	60,000		217,000
Total	0	163,000	59,000	160,000		382,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0594
Project Name Installation of Street Trees

Type Improvement **Department** Engineering
Useful Life 100 years **Contact** Tissue
Category Land Improvements **Priority** Planned Improvement
Location: City-Wide
Year Submitted: Ongoing
Status Active



Description

Installation of street trees to improve aesthetics and livability. 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. Work toward achieving a goal of 30% tree cover in the city by 2050.

Staff will continue to seek grants from the Chesapeake Bay Trust (See CIP 639) and Forest Conservation Act funds. To meet 30% goal (tree coverage goal), the City will need to contribute.

Justification

Benefits the community, 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.

Budget Impact/Other

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 has been minimized by selecting appropriate species).

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	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 '16	FY '17	FY '18	FY '19	FY '20	Total
Reforestation Funds	40,000					40,000
Transfers to CIP-General Fund		40,000	40,000	40,000	40,000	160,000
Total	40,000	40,000	40,000	40,000	40,000	200,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0595
Project Name New Sidewalks

Type Improvement
Useful Life 30 years
Category Infrastructure-Sidewalks
Location: Various locations
Year Submitted: Ongoing
Department Engineering
Contact Tissue
Priority Public Safety
Status Active



Description

The City would like to complete the network of sidewalks in the community, creating a path that connects several neighborhoods and commercial areas. Grant assistance will be sought when possible.

FY16: Installation of curbing and sidewalk - location to be determined.

FY18: CDBG funded Carr Street (\$35,000)

Justification

A sidewalk system encourages city residents to walk rather than drive to their destination. New sidewalks will help complete the current system on City-owned property, targeted to be built near schools and where residential and commercial areas border one another. The sidewalk system will be further enhanced by upgraded park amenities and additional landscaping as part of the Livable City initiatives.

Budget Impact/Other

Enforcement of snow removal, but all maintenance costs transferred to adjoining property owner.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	15,000		35,000			50,000
Total	15,000		35,000			50,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
State Highway User Revenue	15,000					15,000
Transfers to CIP-CDBG Fund			35,000			35,000
Total	15,000		35,000			50,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0624
Project Name Fairground Grandstand Improvements

Type Improvement
Useful Life 25 - 50 years
Category Buildings and Structures
Location: Fairground Park
Year Submitted: 2004
Department Parks
Contact Tissue
Priority Contract Obligation
Status Active



Description

City Council endorsed concept plan in 2007 that converts the grandstand into a "community center". The building could provide two full size athletic courts, walking/jogging trail, and could support a 1290-seat auditorium or be converted to a 155 booth craft/expo area or a 980-seat banquet area.

This project is listed as a priority in the Mayor & Council's 2015-2016 "Goals & Priorities" approved December 2014.

FY17 includes the construction of a recreation room for 4-season activities such as zumba, aerobics, etc. Design is complete and building permit issued. Work includes HVAC, lights, windows, foyer and wall construction.

Justification

Rehabs deteriorating facilities, adds to community and allows the park to be used all four seasons of the year.

The Comprehensive Plan recommends exploring development of an indoor recreation center with multi-purpose rooms for use by residents and community groups.

Budget Impact/Other

Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$125K is \$9K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design			500,000			500,000
Construction/Maintenance	125,000			4,000,000	4,000,000	8,125,000
Total	125,000		500,000	4,000,000	4,000,000	8,625,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	125,000		500,000	4,000,000	4,000,000	8,625,000
Total	125,000		500,000	4,000,000	4,000,000	8,625,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0626
Project Name Fairgrounds Park Improvements

Type Improvement
Useful Life 15 - 25 years
Category Infrastructure-Streets
Location: Fairground Park
Year Submitted: 2004
Department Parks
Contact Mason
Priority Planned Improvement
Status Active



Description

Park Pavilion: Pavillions are very popular. The two existing pavilions in Fairgrounds Park are rented continuously. This Pavilion would be located in the north end of the park near the soccer fields.

Soccer Fields Lights: Working with Hagerstown Area Youth Soccer League (HAYSL), this project would install field lights to allow expanded use of fields.

Justification

Park Pavilion: Pavilions rent for \$50 p/day and are continually rented.

Soccer Field Lights: Probably grants. Project is contingent upon 2 grants and an MOU with HAYSL. Increased activity and recreational opportunities. This is part of the "Heal City" initiative and is part of "Goals & Priorities" approved by the Mayor and Council in December 2014.

Budget Impact/Other

Anticipate \$1,000 to \$1,500 in additional revenue from rental. Very little additional cost to the City (Park attendant monitoring)

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design		15,000				15,000
Construction/Maintenance		230,000				230,000
Total		245,000				245,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Contribution by Others		79,000				79,000
Grants-Private		100,000				100,000
Grants-State Program Open Space		63,000				63,000
Transfers to CIP-General Fund		3,000				3,000
Total		245,000				245,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0637
Project Name Storm Water Management Implementation

Type Improvement
Useful Life Indefinite
Category Infrastructure-Storm Drains
Location: City-Wide
Year Submitted: Ongoing
Department Engineering
Contact Tissue
Priority Probable Grant
Status Active



Description

Purpose of this project is to address Environmental Protection Agency and Maryland Department of the Environment mandates to reduce the pollutants discharged into State waterways and the Chesapeake Bay. In accordance with the State's Watershed Implementation Plan (WIP) initiative, the City must implement Best Management Practices (BMPs) to improve stormwater quality; BMP's likely to be explored include stream restorations, urban tree planting, urban nutrient management programs, the retrofit of existing stormwater facilities to enhance their pollutant reduction efficiency, and the construction of new management facilities. Full compliance with the State/Federal regulations will pose a major financial challenge to the City.

FY16: Potential project of decreasing impervious areas in Industrial Park along with a bioretention area.

Justification

Compliance with EPA/MDE mandates will require significant funding for analysis, design, construction, and maintenance of new or enhanced stormwater management facilities. While the exact cost of this effort is undetermined, preliminary estimates of the cost to meet EPA/MDE goals by 2025 are in the range of \$30 - \$60 million. While a portion of this cost may be funded through current General Fund revenue and unreserved fund balance, future bonds, and future State/Federal grants, the City must likely consider implementation of a stormwater utility fee to fund the required improvements if future State funding is insufficient.

Budget Impact/Other

As new stormwater facilities are constructed, maintenance costs for the City will increase accordingly.

Additionally, based on a 20 year term, preliminary annual debt service impact for the 2015 general fund supported bond issue of \$100K is \$7.7K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design	50,000	50,000	50,000	50,000		200,000
Construction/Maintenance	550,000	1,000,000	1,000,000	1,000,000		3,550,000
Total	600,000	1,050,000	1,050,000	1,050,000		3,750,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)		800,000	800,000	800,000		2,400,000
Grants-State	500,000	250,000	250,000	250,000		1,250,000
Prior Bond Proceeds	100,000					100,000
Total	600,000	1,050,000	1,050,000	1,050,000		3,750,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0639
Project Name Green Streets

Type Improvement
Useful Life 50 years
Category Storm Water
Location: Various locations
Year Submitted: 2014

Department Engineering
Contact Tissue
Priority Probable Grant

Status Active



Description

Reconstruct existing streets to improve pedestrian access, decrease impervious surfaces, and construct new planting beds and tree pits to provide stormwater management. Compliance with EPA/MDE mandates requires reduction in runoff by eliminating unnecessary pavement.

FY16: Potential projects to narrow streets or install BMP's (Best Management Practices) include:

- E. Irvin @ Mulberry
- Columbia @ View Street
- E Irvin @ Potomac Heights Blvd
- E Irwin @ Calvert Terrace
- Mealey Parkway @ Calvert Terrace

FY17 - FY20: Addressing future storm water EPA mandates.

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 streetscape.

Budget Impact/Other

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.).

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	110,000	800,000	800,000	800,000		2,510,000
Total	110,000	800,000	800,000	800,000		2,510,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)		600,000	600,000	600,000		1,800,000
Grants-State	100,000	200,000	200,000	200,000		700,000
Transfers to CIP-General Fund	10,000					10,000
Total	110,000	800,000	800,000	800,000		2,510,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0640
Project Name Signal Timing Optimization

Type Improvement **Department** Engineering
Useful Life 5 years **Contact** Tissue
Category Machinery and Equipment **Priority** Planned Improvement
Location: City-Wide
Year Submitted: Ongoing

Status Active



Description
Evaluate existing signals using computer modeling and re-time signals based on the ever changing traffic volume. FY16: Frederick Street at Memorial and Mill Streets FY17: Eastern Boulevard interface with County widening project FY18: Northern Avenue corridor
Justification
Most cost effective way to reduce delay and congestion.
Budget Impact/Other
Operational cost neutral. This process optimizes the signal timing decreasing motorist delay and frustration.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design	20,000	20,000	20,000			60,000
Total	20,000	20,000	20,000			60,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund	20,000	20,000	20,000			60,000
Total	20,000	20,000	20,000			60,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 thru FY '20

City of Hagerstown, Maryland

Project # 45-C0663
Project Name Fire Department Breathing Apparatus Equip

Type Replacement
Useful Life 15 years
Category Machinery and Equipment
Location: Fire Dept Admin
Year Submitted: 2014

Department Fire
Contact Dieterich
Priority Planned Improvement

Status Active



Description

Replacing 72 breathing apparatus will fully outfit all front line fire equipment. It will also outfit the reserve equipment when called into service. All fire apparatus are needed on a large fire. It will outfit the battalion staff vehicles as well as the Fire Marshall's vehicles. Fire Department employees service and maintain all current breathing apparatus used by City employees. (Includes service for utilities department like Wastewater and the RC Willson Water Plant in Williamsport.)

Justification

Current breathing apparatus was purchased in 2000 and some in 2006. In 2006, we also purchased kits to upgrade the breathing apparatus purchased in 2000. These all meet the 2002 NFPA Standard.

There has been 2 standard updates since the equipment has been purchased. We are now working under the 2013 NFPA standard. The next standard update is anticipated in 2018. This is the time that new equipment should be purchased to bring us up to the current standards. With the purchase we would receive a breathing apparatus, 2 cylinders and a standard face piece. We would also need around 100 additional face pieces for career staff and active volunteers.

Finally, we need to replace the existing cascade system; it will no longer meet our needs due to higher pressure needed to fill the cylinders. (The cascade system is used to fill the cylinders with air.) The new apparatus runs at a higher pressure 6000 psi. The current system does not have a compliant fill station. The new system will reduce the risk of injury as a result as catastrophic failures.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings				650,000		650,000
Total				650,000		650,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Loan				650,000		650,000
Total				650,000		650,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

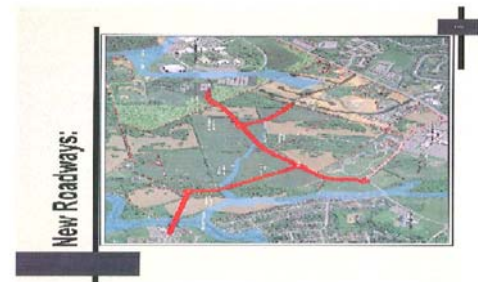
City of Hagerstown, Maryland

Project # 45-C0685
Project Name Professional Court Extension

Type Increase Capacity
Useful Life 25 years
Category Infrastructure-Streets
Location: Professional Court
Year Submitted: 2005

Department Engineering
Contact Tissue
Priority Planned Improvement

Status Active



Description

Mayor & Council have not yet made any decision regarding the funding of this project.

The overall project is the creation of a new street network beyond the current eastern edge of the City. While Washington County government is already working on funding the initial phases of the street network, another portion of the project is the construction of a new 370' long multi-span bridge over Antietam Creek to the new street network for new development and as a means of providing a connection between the Eastern Boulevard corridor and Robinwood Drive.

Design work of this portion of the project will commence in 2015 and is funded by a \$1,120,000 grant the county received from MDOT. This connection will prove to be a vital link in the community's transportation system on the eastern side of the City and would help to relieve traffic congestion on US Route 40. A road network will make development of the adjoining land as a bio-tech business park more feasible and, if annexed, create economic development opportunities for the City. Total project cost of just the new streets is estimated at \$24.7 million for the entire connection improvements between Eastern Boulevard and Robinwood Drive.

If the annexation of land is realized and a memorandum of understanding is executed between the City and County, the City's responsibility is the widening and reconstruction of the existing Professional Court to accommodate the construction of a new multi-span bridge over Antietam Creek. Construction will start late 2017 or early 2018.

Justification

Provides redundant, more direct access to area (where hospital is now located) from the downtown and north side of the City.

Listed as a priority in the Mayor & Council's 2015-2016 "Goals & Priorities" approved December 2014 and the City's Comp Plan recommends this project as an improvement that would enhance the City's transportation network.

Budget Impact/Other

Long-term increase in maintenance costs of roughly \$20,000 annually for plowing, pavement maintenance, bridge maintenance, and pavement markings on new road within City limits. Additional lighting costs of \$3,000 annually.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		1,000,000				1,000,000
Total		1,000,000				1,000,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)		1,000,000				1,000,000
Total		1,000,000				1,000,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0717
Project Name Multi-Use Trails

Type Improvement
Useful Life 15 - 25 years
Category Land Improvements
Location: Memorial Blvd
Year Submitted: 2011

Department Parks
Contact Tissue
Priority Probable Grant

Status Active



Description

Construct a multi-use (pedestrian, bicycle, rollerblade, etc.) path and/or trail at various locations.

FY16 -17: Marsh Run Trail would connect City Park to Municipal Stadium. Project is complete or is funded east of Potomac Street. Preliminary design of the 2000 LF "missing link" of the "March Run" Trail will commence in 2015 and is funded by a "Bike Maryland" MDOT Grant. Assuming CSXRR grants permission to install a tunnel under their spur, FY16 will be the completion of the design and FY17 would be the construction.

This initiative is listed as a priority in the Mayor & Council's 2015-2016 "Goals & Priorities" approved December 2014.

Justification

The Bicycle Advisory Committee endorsed a plan to create a multi-use trail from Hager Park to City Park.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design	75,000					75,000
Construction/Maintenance		500,000				500,000
Total	75,000	500,000				575,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Grants-Federal		500,000				500,000
Grants-State	75,000					75,000
Total	75,000	500,000				575,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0718

Project Name Public Works Storage Yard Expansion



Type Improvement

Department Public Works

Useful Life 50 years

Contact Deike

Category Buildings and Structures

Priority Planned Improvement

Location: 50 W. Memorial Blvd.

Year Submitted: 2006

Status Active

Description

Develop the vacant lot across from the Department of Public Works and Bester Elementary School.

FY16: Site planning for new facility.

FY17-18: Construct a new Public Works vehicle and equipment storage building.

Justification

Master plan approved by the Mayor and Council.

Budget Impact/Other

Additional building maintenance costs and grounds costs.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design	10,000					10,000
Construction/Maintenance		375,000	525,000			900,000
Total	10,000	375,000	525,000			910,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)		375,000	525,000			900,000
CIP Fund Balance	10,000					10,000
Total	10,000	375,000	525,000			910,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0733
Project Name R. Paul Smith Boulevard



Type Increase Capacity
Useful Life 25 years
Category Infrastructure-Streets
Location: Howell Road at US 40
Year Submitted: 2006
Department Engineering
Contact Tissue
Priority Planned Improvement
Status Active

Description

FY19& FY20: Construct a new connector/access road to be fully developer funded. Alignment based on Metropolitan Planning Organization study of the area.

Justification

Required to develop Harrison's tract.

Included in the long-range Transportation Plan of the Hagerstown/Eastern Panhandle region, as well as the Comprehensive Plan, recommend this project to improve the regional transportation system.

Budget Impact/Other

Long-term increase of roughly \$30,000 annually for plowing, pavement maintenance, signal maintenance, and pavement markings on new road within City limits. Additional lighting costs of \$4,000 annually.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design				500,000		500,000
Construction/Maintenance					4,500,000	4,500,000
Total				500,000	4,500,000	5,000,000

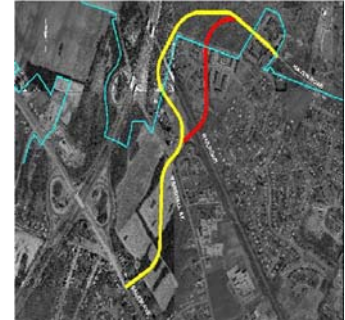
Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Contribution by Others				500,000	4,500,000	5,000,000
Total				500,000	4,500,000	5,000,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0735
Project Name Northwest Connector



Type Increase Capacity
Department Engineering
Useful Life 25 years
Contact Tissue
Category Infrastructure-Streets
Priority Planned Improvement
Location: Haven Road to Marshall Street
Year Submitted: 2006
Status Active

Description

In conjunction with development and consistent with a presentation to City Council in July, 2006, the City share would be 60' clear span bridge over railroad and a road from the bridge to Marshall Street (unless development proposed otherwise). The traffic study was finalized in January 2012.

Justification

Traffic volumes on Salem Avenue have increased 90% since 1997 and 34% on Burhans and Pennsylvania Avenue. Salem cannot be widened and anything to decrease traffic on Salem would benefit long term congestion. This road is "missing link" in the transportation system.

The Comprehensive Plan recommends working with other agencies to pursue the timely completion of selected projects that facilitate traffic movement around the City's periphery. This project was specifically identified.

Budget Impact/Other

Long-term increase in maintenance costs of roughly \$20,000 annually for plowing, pavement maintenance, bridge maintenance, and pavement markings for road within City limits. Additional lighting costs of \$3,000 annually.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design			80,000			80,000
Land Acquisition			200,000			200,000
Construction/Maintenance				1,500,000	3,400,000	4,900,000
Total			280,000	1,500,000	3,400,000	5,180,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)			280,000	1,000,000	850,000	2,130,000
Contribution by Others				500,000	2,400,000	2,900,000
Excise Tax Fund					150,000	150,000
Total			280,000	1,500,000	3,400,000	5,180,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0739
Project Name Municipal Financial System

Type Maintenance
Useful Life 5 years
Category Software
Location: City Hall
Year Submitted: 2007-2008

Department Information Technology
Contact Nicewarner
Priority Planned Improvement



Status Active

Description

This project will allow for investment in new technologies to be offered by Tyler echnologies for the MUNIS Financial System utilized by the City. These new technologies will include increased mobile capabilities for our Engineering, Utility, and Code Enforcement staff. There are also website enhancements that will be available in FY15-16 that may be of use to the City.

Justification

Justification:Our City workforce has become an increasingly mobile one. There are now needs for the ability of staff to access our financial systems from the field be it on an nspection site, Engineering or Utility project. The enhancements to our financial system will provide increased efficiencies for staff in the field to better respond to the needs of the citizens.

Budget Impact/Other

There will be yearly maintenance costs added to any new acquisition of product, These costs are generally not known until acquisition.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Other	24,000	24,000	24,000	24,000	24,000	120,000
Total	24,000	24,000	24,000	24,000	24,000	120,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund Balance	24,000					24,000
Transfers to CIP-Electric Fund		6,000	6,000	6,000	6,000	24,000
Transfers to CIP-General Fund		6,000	6,000	6,000	6,000	24,000
Transfers to CIP-Wastewater Fund		6,000	6,000	6,000	6,000	24,000
Transfers to CIP-Water Fund		6,000	6,000	6,000	6,000	24,000
Total	24,000	24,000	24,000	24,000	24,000	120,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0751
Project Name Neighborhood Parks

Type Improvement
Useful Life 25 years
Category Land Improvements
Location: City-Wide
Year Submitted: 2009
Department Parks
Contact Tissue
Priority Planned Improvement
Status Active



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). This initiative is listed as a priority in the Mayor & Council's 2015-2016 "Goals & Priorities" approved December 2014.

FY16: Park development - one of the areas identified for a park is 806-808 West Washington Street
 FY17: Land acquisition (Phase II)

Justification

Our Comprehensive Plan recommends developing new neighborhood parks and pocket parks in under-served portions of the City. Specific areas of future need are: 1) Salem Ave corridor, 2) Wilson Blvd corridor, and 3) Potomac Ave corridor.

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.

Budget Impact/Other

Additional operating costs will include mowing, tree trimming, etc.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Land Acquisition		80,000				80,000
Construction/Maintenance	250,000					250,000
Total	250,000	80,000				330,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-CDBG Fund	250,000	80,000				330,000
Total	250,000	80,000				330,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0764

Project Name Winter Street School-Neighborhood Park



Type Improvement

Department Parks

Useful Life 50 years

Contact Tissue

Category Land Acquisition

Priority Probable Grant

Location: Franklin & Winter Streets

Year Submitted: 2008

Status Active

Description

Winter Street School is programmed to be closed and torn down in FY17. The idea is the space will be donated to the city to develop green space park and play area in FY18. Staff is working with Washington County Board of Education to coordinate work.

Will request funding from Program Open Space.

This initiative is listed as a priority in the Mayor & Council's 2015-2016 "Goals & Priorities" approved December 2014.

Justification

Need additional park in west end of Hagerstown. This park will be a year-round park for the neighborhood as identified in the Comprehensive Plan.

The Comprehensive Plan recommends developing new neighborhood parks in under-served portions of the City. This location is in an underserved area. The project is also listed as a priority in the Mayor & Council's 2015-2016 "Goals & Priorities" approved in December 2014.

Budget Impact/Other

Increase of in-house maintenance - mowing, trash pickup, utilities, purchase of amenities, etc.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance			200,000			200,000
Total			200,000			200,000
Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Grants-State Program Open Space			180,000			180,000
Transfers to CIP-General Fund			20,000			20,000
Total			200,000			200,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0773
Project Name Kiwanis Park



Type Improvement **Department** Parks
Useful Life Indefinite **Contact** Tissue
Category Land Improvements **Priority** Contract Obligation
Location: Light Business Park
Year Submitted: 2009
Status Active

Description

The developer of the Light Business Park off Eastern Boulevard donated land along the Antietam Creek to the Kiwanis Club for the purpose of creating a park with access to Antietam Creek. The Kiwanis Club agreed to assist with maintenance of this public park. Phase I will be constructed in winter 2015 and includes parking lot, access road, signs, etc. Phase II is stream Access/Paths (\$208,330) with grant monies and a Soil Conservation District match to build stream access. Work will be completed in Summer 2015.

FY16 Phase III: Pavilion (\$25,000) and paths (\$100,000) with State POS grant monies and a 10% city match of \$15,000 for start-up (benches, tables, trashcans, bike racks.) Work will be completed Summer 2015.

Future phases may consist of renovating old house, adding park amenities, and various other improvements.

Justification

The Comprehensive Plan identifies as an issue the fact that there is little public access to Antietam Creek and other streams that could serve as greenways. The draft Comprehensive Plan recommends that the City investigate potential locations for linear parks along Antietam Creek and Hamilton Run and pocket parks around the City.

This project is listed as a priority in the Mayor & Council's 2015-2016 "Goals & Priorities" approved December 2014.

Budget Impact/Other

Assume \$1,500 in annual lighting costs and \$10,000 in annual parking lot and general up keep costs.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	125,000					125,000
Equip/Vehicles/Furnishings	15,000					15,000
Total	140,000					140,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Grants-State Program Open Space	112,500					112,500
Transfers to CIP-General Fund	27,500					27,500
Total	140,000					140,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0774
Project Name Antietam Creek Greenway Trail



Type Improvement
Useful Life 25 - 50 years
Category Land Improvements
Location: Howell Road to Funkstown
Year Submitted: 2009
Department Parks
Contact Mason
Priority Planned Improvement
Status Active

Description

Discussions have occurred with the property owner and the Town of Funkstown and interest was expressed by both parties for this project. Land would be donated by the property owner and the portion of the trail in Hagerstown would be developed by the City. State grant funding would be explored to facilitate the project.

Assume cost to pave 8' wide trail at approximately \$60 per linear foot. Project is assumed to be from Howell Road to Funkstown (about 8,000 LF) and could be done in phases.

Justification

The Comprehensive Plan identifies as an issue the fact that there is little public access to Antietam Creek and other streams that could serve as greenways. The draft Plan recommends that the City investigate potential locations for linear parks along Antietam Creek and Hamilton Run.

This project is also consistent with the City's most recent Strategic Plan.

Budget Impact/Other

Assume \$7,000 in annual lighting costs and \$14,000 annually in pavement maintenance costs (to overlay after 25 years.)

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Land Acquisition			150,000			150,000
Construction/Maintenance				480,000		480,000
Total			150,000	480,000		630,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Contribution by Others			150,000			150,000
Excise Tax Fund				48,000		48,000
Grants-State				432,000		432,000
Total			150,000	480,000		630,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0812
Project Name Pangborn Lake Reconstruction

Type Improvement
Useful Life 50 years
Category Storm Water
Location: Pangborn Park
Year Submitted: 2010
Department Parks
Contact Tissue
Priority Documented Savings
Status Active



Description

Dredging of lake, replacement of deteriorating stone walls with natural "edge", construction of fishing pier, improve lake inflow/outflow, restore adjacent Hamilton Run with natural techniques.

Design work will be completed in 2015. We have obtained "Waterway Construction Permit" and MHT & MDE approvals.

City staff will be seeking state grant funding for a portion of this project with work to be completed by Fall 2016 or Spring 2017.

Justification

Water in lake is less than 12" deep due to sedimentation, walls are deteriorating, drains not functioning. Work would be a "greener" natural shoreline.

Budget Impact/Other

Less maintenance of walls, more vegetation to maintain.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		500,000				500,000
Total		500,000				500,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)		400,000				400,000
Grants-State		100,000				100,000
Total		500,000				500,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0822
Project Name Potterfield Pool Improvements



Type Improvement **Department** Parks
Useful Life 25 years **Contact** Mason
Category Buildings and Structures **Priority** Improve Service
Location: Potterfield Pool
Year Submitted: 2011
Status Active

Description

Maintaining the pool and adding attractions periodically is essential to keeping this facility a vibrant recreation option for city residents.
 FY16: Whitecoat replacement and deck caulking.
 FY18: Undetermined improvement/maintenance project

Justification

This initiative is listed as a priority in the Mayor & Council's 2015-2016 "Goals & Priorities" approved December 2014.

Budget Impact/Other

None

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	40,000		50,000			90,000
Total	40,000		50,000			90,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund - GF Fund Balance	40,000					40,000
Transfers to CIP-General Fund			50,000			50,000
Total	40,000		50,000			90,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0837
Project Name George Washington Statue

Type Improvement **Department** Planning
Useful Life 100 years **Contact** Giffin
Category Land Improvements **Priority** Planned Improvement
Location: W Washington Street
Year Submitted: 2012

Status Active



Description

To design and install a 10 percent over-life-size statue of George Washington, which will be mounted on a natural stone base and located in City Center, in front of the Washington County Courthouse on W. Washington Street.

Justification

To support Economic Development goals to increase foot traffic in the City Center and to support Comprehensive Plan goals to strengthen downtown's role as a regional tourist destination. This statue will improve the downtown streetscape and display public art in the A&E district. As the first county named for George Washington in the country, a tribute to Washington in the heart of our community would be appropriate.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	45,000					45,000
Total	45,000					45,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund Balance	30,950					30,950
Contribution by Others	6,050					6,050
Transfers to CIP-Economic Redevelopment	8,000					8,000
Total	45,000					45,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0839

Project Name MELP

Type Improvement

Department Finance

Useful Life 50 years

Contact Spiker

Category Buildings and Structures

Priority Planned Improvement

Location: Eastern Blvd @ Mt. Aetna Roa

Year Submitted: 2012

Status Active



Description

The MELP was owned by the City of Hagerstown and operated as an electric generation facility for over fifty years. The property was sold to Hagerstown Fiber and Light to be utilized as a generation facility twenty years ago and subsequently sold to Partners Marketing LLP, where it remains in private ownership. MELP has not been utilized in over twenty years and has deteriorated to the point where demolition is the only viable option.

The City of Hagerstown and Partners Marketing, LLP/Hagerstown Commodities, LLC have negotiated a Release and Settlement Agreement in the amount of \$650,000 for the sale of the MELP property and as a contribution for the associated remediation projects. The property transfer and transfer of City funds will occur at the end of the demolition project, after the restoration of the property has occurred, per the terms of the Agreement. The tentative completion date for the transfer is July 2015.

Future site development is not addressed within this CIP but is addressed in CIP C0856. Additionally, no funding is in place regarding any relocation of the electric facilities owned by the HLD, Potomac Edison, or Cascades, LLP. Rough estimates based upon prior facility construction could approach \$6M/\$8M for the relocations.

Justification

The City of Hagerstown owns all of the surrounding property and rights-of-ways and easements on approximately .4318 acres of the 2.9633 acres property. It is in the best interest of the City to protect the aforementioned property rights through ownership of the property and controlling the demolition and future development of the property. The City also owns a 54" wastewater line which runs under the property to the City's Wastewater Plant. This line is a critical component of our Collections System which needs to be protected.

Budget Impact/Other

Based on a 20 year term, preliminary annual debt service impact for the 2015 general fund supported bond issue of \$650K is \$47.3K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Land Acquisition	650,000					650,000
Total	650,000					650,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Prior Bond Proceeds	650,000					650,000
Total	650,000					650,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0843
Project Name Hagerstown Ice Rink

Type Replacement
Useful Life 10 years
Category Energy Savings
Location: Ice Rink
Year Submitted: 2013

Department Parks
Contact Tissue
Priority Planned Improvement



Status Active

Description

The new 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 new 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. Primary source of funding for these improvement will be the rent paid by the HIAAA which is assumed to be \$3,000 per month starting in April 2017. Between April 1, 2014 and April 1, 2017, the HIAAA will be completing the locker room project and make improvements to the dasher boards, public address system, purchasing new rental skates, and doing other long-term maintenance. The following schedule of improvements and prices are based on input from the rink manager and HIAAA Board members.

FY16: Beam and girder painting to prevent rust (\$40k) - Reduced to \$20k
 FY17/18: Long term maintenance work to building to be determined (\$20k) each year
 FY19: Upgrades to flooring, and HVAC including building dehumidification (\$150k)

The operating rent that will be received in future years will be used to offset the City's portion of costs as follows:

FY17: \$9,000 rental income
 FY18 - FY20: \$36,000 rental income

Justification

Supports the Hagerstown Ice Amateur Athletic Association who operates the Ice Rink, which is a city owned building.

Budget Impact/Other

Decrease in electric costs to City.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	20,000	20,000	20,000	150,000	36,000	246,000
Total	20,000	20,000	20,000	150,000	36,000	246,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Contribution by Others	10,000	5,000	5,000	37,000	36,000	93,000
Transfers to CIP-General Fund	10,000	15,000	15,000	113,000		153,000
Total	20,000	20,000	20,000	150,000	36,000	246,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0846
Project Name Standby Generator Replacement

Type Replacement
Useful Life 25 years
Category Unassigned
Location: Public Works
Year Submitted: 2013

Department Public Works
Contact Deike
Priority Public Safety

Status Active



Description

Replacement of the existing standby generator at 51 W. Memorial Blvd. The generator powers the fuel island (lights, gas pumps) and ligths in the supervisor's office in the event of a power failure.

Justification

Existing generator is over 25 years old. The enclosure is in need of Replacement. The fueling station services all departments and Community Rescue Service.

Budget Impact/Other

Ensures that standby power is available in an emergency so the fuel pumps will continue to operate during a power failure.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	2,000					2,000
Equip/Vehicles/Furnishings	10,000					10,000
Total	12,000					12,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
CIP Fund Balance	12,000					12,000
Total	12,000					12,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0851
Project Name Dog Park II

Type Improvement
Useful Life 20 years
Category Infrastructure-Parks
Location: To be determined
Year Submitted: 2013

Department Parks
Contact Tissue
Priority Planned Improvement

Status Active



Description

The dog park at Fairground Park is very heavily used. At times there are over 20 dogs onsite. The National Recreation and Parks Association (NRPA) recommends one dog park for every 20,000 population.

In the coming year, discussions will be held with Mayor & Council regarding a location for this Dog Park.

Justification

Heavy use of existing facility warrants second facility.

Budget Impact/Other

Mowing, cleaning, grass maintenance, lighting. Amount to \$5,000 + annually.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		60,000				60,000
Total		60,000				60,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Excise Tax Fund		6,000				6,000
Grants-State Program Open Space		54,000				54,000
Total		60,000				60,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0853
Project Name Marsh Run Walls Rehabilitation

Type Maintenance
Useful Life 30 years
Category Amenities
Location: Marsh Run
Year Submitted: 2013
Department Engineering
Contact Tissue
Priority Cost Avoidance
Status Active



Description

In August 2013, Engineering staff completed an extensive inspection of this facility from Municipal Stadium to Park Circle. 88 areas were noted to be experiencing cracks, loss of wall section, spawl, or in need of re-pointing mortar.

Phase I: Reconstruct deteriorated stone and concrete walls of the 5 worst areas identified in the August 2013 inspections. These repairs were completed in the Fall of 2014 for \$100,000.

FY16: Phase II reconstruction to continue on other areas identified during the August 2013 inspection.

Justification

This work will help avoid larger expenditures and costly operating maintenance repairs in the future.

Budget Impact/Other

Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$400K is \$30K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	400,000		500,000			900,000
Total	400,000		500,000			900,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	400,000		500,000			900,000
Total	400,000		500,000			900,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0854
Project Name Downtown Redevelopment

Type Improvement
Useful Life 25 years
Category Unassigned
Location: Downtown
Year Submitted: 2013
Department Finance
Contact Hepburn
Priority Planned Improvement
Status Active



Description
Revitalization of the City Center is a top priority of the Mayor and Council. The focus of this CIP is to assist in the overall revitalization efforts creating economic redevelopment. The money designated here is for one-time project costs and expenditures. These bond funds may be part of a tax-exempt or taxable bond issuance. A decision on any future City commitments for the use of these funds will be considered over the next year.
Justification
The proposed project will concentrate on improvements to increase downtown foot traffic, add amenities, support the Arts & Entertainment District, remove blight, encourage private sector development, or related activities.
Budget Impact/Other
Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$1.5M is \$110K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Other	1,500,000					1,500,000
Total	1,500,000					1,500,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	1,500,000					1,500,000
Total	1,500,000					1,500,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0856

Project Name Antietam Park (at former MELP site)

Type Improvement

Department Parks

Useful Life 50 years

Contact Tissue

Category Infrastructure-Parks

Priority Planned Improvement

Location: Eastern Blvd @ Mt. Aetna Roa

Year Submitted: 2013

Status Active



Description

Development of a plan for the revitalization and re-use of the MELP property is one of the Mayor & Council's adopted goals. Possible creation of small passive park on portion of land where the former MELP building stood based on decisions of Mayor and Council. The creation of this green space would include: walkways, creek access, creek overlook, parking and passive park space. This project phase will not occur until the MELP site is already acquired and cleared (project C0839) and excludes the costs associated with those steps.

This project excludes removal of any dam and does not include any substation relocations.

Justification

The creation of this park will offer another recreation opportunity for children and families to explore. In addition, Mayor & Council have stated one of its priorities is the removal of the former MELP building to create a more pleasant surrounding. Reuse of this property is listed as a priority in the Mayor & Council's 2015-2016 "Goals & Priorities" approved December 2014.

Budget Impact/Other

New park would be additional maintenance costs, estimated at \$10,000 annually.

Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$625K is \$46K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design	13,000					13,000
Construction/Maintenance	612,000					612,000
Total	625,000					625,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	625,000					625,000
Total	625,000					625,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0858
Project Name Overhead Crane



Type Improvement **Department** Public Works
Useful Life 50 years **Contact** Deike
Category Machinery and Equipment **Priority** Improve Service
Location: CMG
Year Submitted: 2014

Status Active

Description

Installation of an overhead crane to assist the vehicle and equipment mechanics in the maintenance and repair of the city's fleet of over 300 cars, trucks and heavy equipment. Items requiring the use of a crane includes items such as dump truck tail gates, salt spreaders, pumps, truck mounted cranes, motors, etc.

Justification

Safety is paramount in the repair and maintenance of the city's fleet. Lifting heavy and awkward pieces such as tail gates, motors and salt spreaders need to be handled in a controllable manner to prevent injury to either staff, the equipment or both. The installation of a crane will aid staff in the safety of their work while providing a level of efficiency to complete the repairs in a timely manner.

Budget Impact/Other

Will provide better employee safety when handling heavy objects such as transmissions, pumps, salt spreaders, etc.

Based on a 20 year term, preliminary annual debt service impact for the 2016 general fund supported bond issue of \$50K is \$4K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	50,000					50,000
Total	50,000					50,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (General Fund)	50,000					50,000
Total	50,000					50,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0859
Project Name Community Garden

Type Improvement
Useful Life 30 years
Category Infrastructure-Parks
Location: 319 South Potomac Street
Year Submitted: 2014

Department Parks
Contact Tissue
Priority Probable Grant

Status Active



Description

As part of our "Sustainable Maryland" initiative, the Mayor & Council in October 2014 approved establishing a community garden at 319 South Potomac Street. Phase I construction will commence in February 2015. Phase II is in FY16 and includes fence construction and other amenities. TASK FORCE will serve as the "Operating Committee" of the gardens for 2015.

Justification

Encourages individuals and groups to produce some of their own food organically, sustainably, and locally. We plan to follow the "Sustainable Maryland" model.

Project listed as a priority in the Mayor & Council's 2015-2016 "Goals & Priorities" approved in December 2014.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	70,500					70,500
Total	70,500					70,500

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Contribution by Others	500					500
Grants-Private	40,000					40,000
Grants-State CP&P	30,000					30,000
Total	70,500					70,500

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0860
Project Name Mobile License Plate Readers

Type Unassigned
Useful Life 5 years
Category Machinery and Equipment
Location: Police Department
Year Submitted: 2014
Department Police
Contact Holtzman
Priority Public Safety
Status Active



Description

LPR technology uses specialized cameras and computers to quickly capture large numbers of license plate photographs and compare them to a list of plates of interest, or "hot list." LPR systems can identify a target plate within seconds of reading it, allowing law enforcement to identify target vehicles that may otherwise be overlooked.

FY17 - FY19: Purchase one unit per year at \$20,000 per unit.

Justification

The LPR is a tool with a variety of uses, including the detection of stolen vehicles, vehicles with revoked or suspended registrations, uninsured vehicles, vehicles operated by drivers with suspended or revoked licenses. It is also used to detect vehicles involved in other crimes, and in finding wanted and missing persons. The technology is available in mobile systems mounted on police vehicles, and fixed camera systems that can be mounted on posts or on the roadside. Mobile LPR systems are designed to allow officers to patrol at normal speeds while the system reads license plates they come in contact with and alerts them if there is a match to a "hot list."

Budget Impact/Other

Post-warranty maintenance is assumed in the department operating budget.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings		20,000	20,000	20,000		60,000
Total		20,000	20,000	20,000		60,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-General Fund		20,000	20,000	20,000		60,000
Total		20,000	20,000	20,000		60,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0864
Project Name Sidewalk Cellar Door Enhancements

Type Replacement
Department Engineering
Useful Life
Contact Tissue
Category Infrastructure-Sidewalks
Priority Planned Improvement
Location: Downtown
Year Submitted: 2015

Status Active



Description

This project enhances the safety of the sidewalk system in downtown Hagerstown by replacing deteriorated cellar doors that are located in the public sidewalk. Deteriorated cellar doors are replaced in kind with new doors or completely removed and replaced with a new section of sidewalk. This sidewalk cellar door replacement program is a cooperative effort between the Parks & Engineering Department, the Department of Community and Economic Development and private property owners.

Justification

Replacing deteriorated sidewalk cellar doors enhances the safety and walkability of the City's downtown sidewalk system for all residents, visitors and patrons of businesses in the downtown.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	30,000					30,000
Total	30,000					30,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Transfers to CIP-CDBG Fund	30,000					30,000
Total	30,000					30,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0866
Project Name Longmeadow Park Improvements

Type Improvement **Department** Parks
Useful Life 50 years **Contact** Tissue
Category Land Improvements **Priority** Planned Improvement
Location: Hamilton Run
Year Submitted: 2015
Status Active



Description
Hamilton Run flows adjacent Longmeadow Park and is severely eroding the banks. In conjunction with local landowners, this project will improve the stream and recreational opportunities at the park. City staff has applied for a Federal Grant for this project. Phase I: 900' Long stream restoration project Phase II: Improve paths to Country Club Road with bridge over Hamilton Run
Justification
Stream is eroding and impacting properties Done in complete cooperation with the American Legion
Budget Impact/Other
Minimal impact, additional maintenance, street light operations. Less than \$5,000 annually.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design		87,500				87,500
Land Acquisition		20,000				20,000
Construction/Maintenance		400,000	30,000			430,000
Total		507,500	30,000			537,500

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Excise Tax Fund		20,000				20,000
Grants-Federal		487,500				487,500
Grants-State			30,000			30,000
Total		507,500	30,000			537,500

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 45-C0868

Project Name Public Art

Type Improvement

Department Engineering

Useful Life 50 years

Contact Tissue

Category Land Improvements

Priority Planned Improvement

Location: City-Wide

Year Submitted: 2015

Status Active



Description

Partnering with the local art community (Washington County Arts Council, Washington County Museum of Fine Arts, Barbara Ingram School for the Arts, Valley Art Association, and others) we propose an annual public art project. We plan to identify sites within City Park and Downtown Hagerstown for the placement of contemporary sculptures that would be site-specific works of art.

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.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	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 '16	FY '17	FY '18	FY '19	FY '20	Total
Contribution by Others	10,000	10,000	10,000	10,000	10,000	50,000
Transfers to CIP-General Fund	15,000	15,000	15,000	15,000	15,000	75,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0090
Project Name Electric Vehicles

Type Replacement
Useful Life 10 years
Category Automobiles and Trucks
Location: Electric Department
Year Submitted: Ongoing
Department Electric Fund
Contact Fridinger
Priority Planned Improvement
Status Active



Description

Replace fleet vehicles scheduled for replacement under the Vehicle Replacement Program. There will be no increase in fleet size.

FY16 - Replace Bucket Truck 121
 FY17 - Replace Backhoe, Meter Reader, and Meter Service Vehicles - 109 through 113, and John Deere 117
 FY18 - Replace Digger Derrick - 120
 FY19 - Replace Bucket Truck 124
 FY20 - Replace Full Size Pick Up Trucks (122, 126, 131), Meter Van 137, and Air Compressor 134

Justification

Replace deteriorating mobile equipment to improve safety for workers and to reduce service restoration time. Unit 121 is the oldest in the fleet. It is becoming increasingly difficult to locate and secure repair parts for the older equipment.

Budget Impact/Other

Maintenance costs will be reduced with the replacement of older fleet vehicles.

All units proposed replace existing fleet vehicles.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	250,000	184,000	210,000	225,000	139,000	1,008,000
Total	250,000	184,000	210,000	225,000	139,000	1,008,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund	250,000	184,000	210,000	225,000	139,000	1,008,000
Total	250,000	184,000	210,000	225,000	139,000	1,008,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0111
Project Name Telemetry Equipment

Type Improvement **Department** Electric Fund
Useful Life 10 years **Contact** Fridinger
Category Machinery and Equipment **Priority** Planned Improvement
Location: Electric Department
Year Submitted: 1997
Status Active



Description

Construction of communication networks (wired and wireless) to facilitate transmission of data and/or voice from installed devices in the electric system. These devices may be located in city owned facilities or equipment.

Justification

Funding in fiscal year 2016 is budgeted to begin fiber optic installation at Mitchell Avenue for SCADA communication and for upgrades to the meter reading handheld units. Currently the substation is communicating with the SCADA system through a third-party wireless network. It is questionable as to whether or not this network will be available in the future. Fiscal year 2017 budget plans for improvement in communication delay and errors between devices monitored within the substations by the SCADA system with the purchase of additional RS-232 to Ethernet converters. Fiscal Years 2018 and beyond plans for the provision of ongoing maintenance of operation. There are presently no plans for vehicle or electric meter communications.

Budget Impact/Other

HLD installation of communications for SCADA, metering, and system monitoring.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	30,000	10,000	10,000	10,000	10,000	70,000
Equip/Vehicles/Furnishings	10,000	20,000	10,000	10,000	10,000	60,000
Total	40,000	30,000	20,000	20,000	20,000	130,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund	40,000	30,000	20,000	20,000	20,000	130,000
Total	40,000	30,000	20,000	20,000	20,000	130,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0118
Project Name Central Substation



Type Improvement **Department** Electric Fund
Useful Life 25 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Church Street
Year Submitted: 2006
Status Active

Description
 Construct new 34.5/13.8 kV package substation near City Center to offload substations on the northwest end of town. The substation will be located on HLD owned property in the rears of the 200 block of Jonathan Street and the unit block of W. Church Street.

Justification
 Needed to meet future power requirements in City Center and on the outskirts of town.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance			150,000	100,000	100,000	350,000
Equip/Vehicles/Furnishings			50,000	400,000	100,000	550,000
Total			200,000	500,000	200,000	900,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund			200,000	500,000	200,000	900,000
Total			200,000	500,000	200,000	900,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0220
Project Name Wesel Boulevard Development

Type Improvement **Department** Electric Fund
Useful Life 50 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Wesel Boulevard
Year Submitted: Ongoing
Status Active



Description

Provide for electric power in the HLD service territory along Wesel Blvd. at the CSX Business Park.
 Funds are allotted for potential future development.

Justification

Provide electric service to new customers within the service territory of the HLD.

Budget Impact/Other

If development occurs, service will be extended to new customers.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		20,000	20,000	20,000	20,000	80,000
Equip/Vehicles/Furnishings		30,000	30,000	30,000	30,000	120,000
Total		50,000	50,000	50,000	50,000	200,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund		50,000	50,000	50,000	50,000	200,000
Total		50,000	50,000	50,000	50,000	200,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0258
Project Name Hagerstown Business Park

Type Improvement **Department** Electric Fund
Useful Life 50 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Sweeney Dr
Year Submitted: Ongoing
Status Active



Description

Provide electric power and service to new development in the Hagerstown Business Park. One lot remains along Sweeney Drive requiring distribution service extension and possible future commercial/industrial rezoning and development beyond the existing cul-de-sac. Residential development is budgeted as C0706.

Justification

Provide electric service to new customers within the service territory of the HLD.

Budget Impact/Other

Service will be provided to new customers that locate within the Business Park.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		20,000	20,000	20,000	20,000	80,000
Equip/Vehicles/Furnishings		30,000	30,000	30,000	30,000	120,000
Total		50,000	50,000	50,000	50,000	200,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund		50,000	50,000	50,000	50,000	200,000
Total		50,000	50,000	50,000	50,000	200,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0259

Project Name System Reconductoring

Type Improvement

Department Electric Fund

Useful Life 50 years

Contact Fridinger

Category Infrastructure-Utilities

Priority Planned Improvement

Location: City-Wide

Year Submitted: Ongoing

Status Active



Description

Upgrade 13.8kV distribution and 600V or less secondary services.

Justification

This project is required to improve service and reliability by replacing undersized or deteriorated cable/wire and associated equipment prior to failure.

Budget Impact/Other

Operational costs may occur as deteriorated or undersized wire fails.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	10,000	10,000	10,000	10,000	10,000	50,000
Equip/Vehicles/Furnishings	10,000	10,000	10,000	10,000	10,000	50,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund	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

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0388
Project Name Pedestrian Lighting

Type Improvement **Department** Electric Fund
Useful Life 25 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: City-Wide
Year Submitted: Ongoing
Status Active



Description

Install ornamental street lighting in areas designated by the Mayor and City Council

FY17: 400 Block of North Potomac Street

Justification

Improve aesthetics along the main streets and walks within the City.

Budget Impact/Other

Additional lighting will increase street light operation and maintenance budgets for HLD. It will also increase electricity usages charges to the General Fund.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		50,000	50,000	50,000	50,000	200,000
Equip/Vehicles/Furnishings		50,000	50,000	50,000	50,000	200,000
Total		100,000	100,000	100,000	100,000	400,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund		100,000	100,000	100,000	100,000	400,000
Total		100,000	100,000	100,000	100,000	400,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0540

Project Name Underground Replacement

Type Replacement

Department Electric Fund

Useful Life 30 years

Contact Fridinger

Category Infrastructure-Utilities

Priority Planned Improvement

Location: Various locations

Year Submitted: 2015

Status Active



Description

Replace aging underground primary cable 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 or individual customers.

Budget Impact/Other

Decrease extensive labor to locate and replace cable during unplanned outages.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	50,000	50,000	50,000	50,000	50,000	250,000
Equip/Vehicles/Furnishings	50,000	50,000	50,000	50,000	50,000	250,000
Total	100,000	100,000	100,000	100,000	100,000	500,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric 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 PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0541
Project Name Supplemental Lighting



Type Unassigned
Useful Life 30 years
Category Infrastructure-Utilities
Location: Various locations
Year Submitted: 2015

Department Electric Fund
Contact Fridinger
Priority Public Safety

Status Active

Description

Provide for lighting upgrades to designated areas of the city using HLD stock materials. In coordination with other city departments.

Justification

Reimbursement provided by General Fund Account 0150002-5836.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	10,000	10,000	10,000	10,000	10,000	50,000
Equip/Vehicles/Furnishings	10,000	10,000	10,000	10,000	10,000	50,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Contribution by Others	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

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0542

Project Name Building and Site Improvements

Type Improvement

Department Electric Fund

Useful Life 30 years

Contact Fridinger

Category Buildings and Structures

Priority Planned Improvement

Location: 425 E. Baltimore Street

Year Submitted: 2001

Status Active



Description

Make improvements to the HLD facility on East Baltimore Street.

FY16 - Complete roof replacement with extended manufacturer warranty of 25 - 30 years utilizing bond financing.

Justification

The existing rubber roof and rain gutters are approaching 30 years of age. Several leaks have been patched/repared over the years and most recently, seam separations have been repaired.

Budget Impact/Other

Based on a 20 year term, preliminary annual debt service impact for the 2015 general fund supported bond issue of \$650K is \$47.3K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	675,000	25,000	25,000	25,000	25,000	775,000
Total	675,000	25,000	25,000	25,000	25,000	775,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund	25,000	25,000	25,000	25,000	25,000	125,000
Prior Bond Proceeds	650,000					650,000
Total	675,000	25,000	25,000	25,000	25,000	775,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0544
Project Name Bulldog Substation Upgrade



Type Improvement **Department** Electric Fund
Useful Life 25 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Burhans Boulevard
Year Submitted: 2001
Status Active

Description
 Remove aging station transformer and related equipment. Equipment located at site will not be required after the third bay at the Mitchell Substation is installed (C0778).

Justification
 Oldest substation transformer on system (approximately 40 years old) is reaching the end of the expected lifespan of a substation transformer. 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.

Budget Impact/Other
 Removing transformer and/or station will result in lower station maintenance costs and increase reliability of service.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance				10,000	10,000	20,000
Equip/Vehicles/Furnishings				10,000	10,000	20,000
Total				20,000	20,000	40,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund				20,000	20,000	40,000
Total				20,000	20,000	40,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0546
Project Name Streetlight Replacement

Type Replacement
Useful Life 30 years
Category Infrastructure-Utilities
Location: Various locations
Year Submitted: 2016
Department Electric Fund
Contact Fridinger
Priority Planned Improvement
Status Active



Description

Replace direct buried streetlight circuit, obsolete fixtures, and non-standard poles..
 FY16 - Noland Drive
 FY17 - Pangborn Blvd

Justification

Unable to provide for replacement materials for uniformity. Existing cable is in poor condition.

Budget Impact/Other

Decrease extensive labor to locate fault and replace cable during unplanned outages.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	15,000	15,000				30,000
Equip/Vehicles/Furnishings	10,000	10,000				20,000
Total	25,000	25,000				50,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund	25,000	25,000				50,000
Total	25,000	25,000				50,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0591
Project Name A & E District Upgrades

Type Improvement
Useful Life 50 years
Category Infrastructure-Utilities
Location: South Potomac Street
Year Submitted: 2004
Department Electric Fund
Contact Fridinger
Priority Planned Improvement
Status Active



Description
 Provide system upgrades and improvements on the north side of South Potomac Street in conjunction with City projects and developer plans.

Justification
 Improved aesthetics and improvements to the A&E district of Downtown Hagerstown

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	12,000	12,000	12,000	12,000	12,000	60,000
Equip/Vehicles/Furnishings	20,000	20,000	20,000	20,000	20,000	100,000
Total	32,000	32,000	32,000	32,000	32,000	160,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund	32,000	32,000	32,000	32,000	32,000	160,000
Total	32,000	32,000	32,000	32,000	32,000	160,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

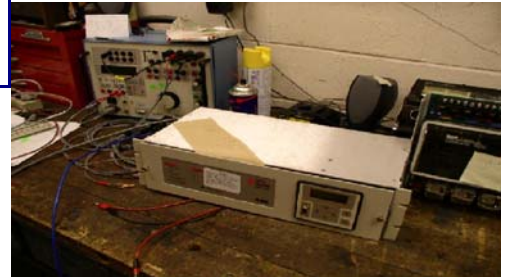
City of Hagerstown, Maryland

Project # 50-C0609

Project Name Test Equipment

Type Improvement **Department** Electric Fund
Useful Life 10 years **Contact** Fridinger
Category Machinery and Equipment **Priority** Planned Improvement
Location: 425 E. Baltimore Street
Year Submitted: Ongoing

Status Active



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, and etc.

Justification

Improve reliability of service and meet testing and calibration requirements set forth by the Maryland Public Service Commission.

Budget Impact/Other

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.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	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 '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund	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 PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0778
Project Name Mitchell Substation Third Bay

Type Improvement **Department** Electric Fund
Useful Life 50 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Mitchell Avenue
Year Submitted: 2009
Status Active



Description
 To provide for the increase in electrical capacity for customers served from the Mitchell Ave. substation. The installation of the 3rd bay will allow for distribution circuit flexibility and ready the station for the acceptance of a 3rd station class transformer. If current loading trends continue, there may be an opportunity to remove the Bulldog substation from service (C0544).

Justification
 To continue to provide reliable electric distribution service to customers.

Budget Impact/Other
 Increase reliability for the service territory.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		50,000	50,000			100,000
Equip/Vehicles/Furnishings		10,000	50,000			60,000
Total		60,000	100,000			160,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund		60,000	100,000			160,000
Total		60,000	100,000			160,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0797
Project Name Spare Regulators

Type Maintenance
Useful Life 25 - 50 years
Category Machinery and Equipment
Location: Various locations
Year Submitted: 2009
Department Electric Fund
Contact Fridinger
Priority Improve Service
Status Active



Description

Purchase and/or refurbish voltage regulators and controllers for various substations to maintain proper operation.

Justification

Replace/Refurbish/Repair substation voltage regulators as needed to maintain voltage levels within limits mandated by the Maryland Public Service Commission.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	15,000	15,000	15,000			45,000
Total	15,000	15,000	15,000			45,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund	15,000	15,000	15,000			45,000
Total	15,000	15,000	15,000			45,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0802
Project Name Wildlife Protection

Type Improvement **Department** Electric Fund
Useful Life 25 years **Contact** Fridinger
Category Machinery and Equipment **Priority** Improve Service
Location: Various locations
Year Submitted: 2009
Status Active



Description

Purchase and install wildlife protection on substation equipment.

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.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	5,000	5,000	5,000	5,000	5,000	25,000
Equip/Vehicles/Furnishings	10,000	10,000	10,000	10,000	10,000	50,000
Total	15,000	15,000	15,000	15,000	15,000	75,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	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 PROGRAM

FY '16 *thru* FY '20

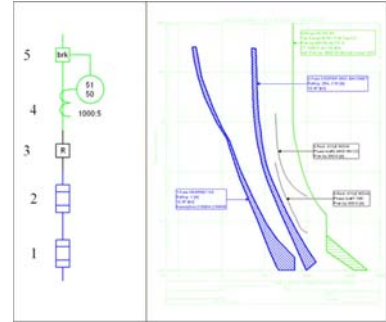
City of Hagerstown, Maryland

Project # 50-C0833
Project Name Feeder Coordination

Type Improvement
Useful Life 10 years
Category Infrastructure-Utilities
Location: Various locations
Year Submitted: 2012

Department Electric Fund
Contact Fridinger
Priority Planned Improvement

Status Active



Description

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.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	15,000	15,000	15,000	15,000	15,000	75,000
Equip/Vehicles/Furnishings	10,000	10,000	10,000	10,000	10,000	50,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric 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

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 50-C0842
Project Name Circuit Upgrades

Type Improvement **Department** Electric Fund
Useful Life 50 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Wesel to Burhans
Year Submitted: 2006



Status Active

Description

Construct final section of 34.5 kV subtransmission loop between substations. Final section of line will connect the Wesel Substation in the south with the Mitchell substation in the west. A future tap from this line section will be constructed at a future date to provide an alternate feed to the proposed Central Substation (C0118)

Justification

Will improve ability to switch load between substations improving service outage restoration times during substation outages caused by downed subtransmission lines or source loss at any one of our metering points.

Budget Impact/Other

Will provide further options to switch load and expedite restoration of service to customers.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	10,000	50,000	50,000	50,000	50,000	210,000
Equip/Vehicles/Furnishings	10,000	100,000	100,000	100,000	100,000	410,000
Total	20,000	150,000	150,000	150,000	150,000	620,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Electric Fund	20,000	150,000	150,000	150,000	150,000	620,000
Total	20,000	150,000	150,000	150,000	150,000	620,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 52-C0117
Project Name Water Vehicles

Type Replacement **Department** Water Fund
Useful Life 10 years **Contact** Hausrath
Category Automobiles and Trucks **Priority** Planned Improvement
Location: Water Department
Year Submitted: Ongoing
Status Active



Description
FY16: Unit 213 Mower (\$4,600) ,Unit 232 1999 - 1 Ton Dump Trk (\$48,000) ,Unit 237 1998 Backhoe (\$80,200) , Unit PO3 2007 Mail Trk (\$21,000) , Unit 210 2000 3/4 Ton Trk (\$31,500) , Unit 212 2005 1/2 Ton Trk (\$25,600),Unit 244 2006 SUV (\$22,600)
FY17: Unit 205 2003 Svc Trk (81,700), Unit 208 2005 Svc Trk (\$68,000), Unit 215 2006 Dump Trk (\$86,700), Unit 226 2007 Mtr. Rd (\$22,500), Unit 227 2003 Trk PS (\$26,300), Unit 254 2004 Plant Trk (\$25,000)
FY18: Unit 218 F450 Box Trk (\$45,900), Unit 219 1999 Crane Trk (\$154,000), Unit 228 Backhoe (\$96,200), Unit 201 2007 SUV (\$25,400), Unit 221 Mower (\$5,000)
FY19: Unit 211 F-750 Dump (\$78,750), Unit 257 Backhoe (\$96,000), Unit 240 SUV (\$24,700), Unit 238 Slope Mower (\$54,500)
FY20 : Unit 233 - Dump Truck (\$60,800); Unit 230 - SUV (\$24,000), Unit 223 Backhoe (58,000), Unit 216 Svc Trk (\$80,600)
Justification
Replace Fleet Vehicles scheduled for replacement under the Vehicle Replacement Program - No additional vehicles are being added to the Water Dept. Fleet.
Replace Deteriorating Mobile Equipment to Improve Safety for Workers, and to Customer Service Request Time.
Budget Impact/Other
Maintenance costs will be reduced with the replacement of older fleet vehicles.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	233,500	310,200	326,500	253,950	223,400	1,347,550
Total	233,500	310,200	326,500	253,950	223,400	1,347,550

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Water Fund	233,500	310,200	326,500	253,950	223,400	1,347,550
Total	233,500	310,200	326,500	253,950	223,400	1,347,550

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 52-C0166
Project Name Willson Treatment Plant



Type Replacement **Department** Water Fund
Useful Life 50 years **Contact** Hausrath
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Willson Plant
Year Submitted: Ongoing
Status Active

Description

FY16: Various plant improvements each year for equipment replacement to include pumps, motors, communication equipment, etc. Rebuild one high service pump, rebuild/replace two low service pumps, rehab/replace plant oil furnace (installed in 1929), and replace roof on main plant structure.

Note: This work is independent of the planned Phased Plant Improvement Projects

Justification

Improve service and increase system reliability.

Budget Impact/Other

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.

Additionally based on a 20 year term, preliminary annual debt service impact for the 2016 water fund supported bond issue of \$180K is \$13K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	25,000	25,000	25,000	25,000	25,000	125,000
Equip/Vehicles/Furnishings	185,000	194,250	203,963	214,161	224,869	1,022,243
Total	210,000	219,250	228,963	239,161	249,869	1,147,243

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Water Fund)	180,000	181,750	191,463	201,661	212,369	967,243
Water Fund	30,000	37,500	37,500	37,500	37,500	180,000
Total	210,000	219,250	228,963	239,161	249,869	1,147,243

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 52-C0167
Project Name Willson Transmission Mains

Type Improvement **Department** Water Fund
Useful Life 75 years **Contact** Hausrath
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Willson Plant
Year Submitted: 2006
Status Active



Description

FY16- FY20: Phase 2 - Begin Engineering Design to extend the 36" transmission mains from Bottom Road to the Creek (work will include a directional bore under the Conococheaque Creek)

FY18: Phase 3 - Begin design to extend the 36" transmission Mains from the Conococheaque Creek to Governors Lane.

Justification

To replace deteriorated infrastructure - reliability.

This project has been identified and is consistent with recommendations in the City Comprehensive Plan. The old Cast 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.

Budget Impact/Other

Replace and/or upgrade deteriorating infrastructure - reliability.

Operational cost should decrease as a result of this project associated with time and materials to repair and road repair.

Additionally based on a 30 year term, preliminary annual debt service impact for the 2015 MDE low interest bond issue of \$500K is \$22K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		3,250,000	4,250,000		3,500,000	11,000,000
Engineering	500,000	500,000	400,000	500,000	350,000	2,250,000
Total	500,000	3,750,000	4,650,000	500,000	3,850,000	13,250,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
MDE Loan	500,000	3,750,000	4,650,000	500,000	3,850,000	13,250,000
Total	500,000	3,750,000	4,650,000	500,000	3,850,000	13,250,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 52-C0168
Project Name Edgemont Reservoir Improvements

Type Improvement **Department** Water Fund
Useful Life 50 years **Contact** Hausrath
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Watershed - Smithsburg
Year Submitted: Ongoing
Status Active



Description

FY16 - Continue to monitor reservoir seepage (Triad Engineering) and make required Maryland Department of the Environment (MDE) Improvements. Begin Study and Design to either repair the toe drain and spillway seepage or breach the reservoir per MDE Dam Safety Division requirements.

FY17: Continue MDE required reservoir improvements
FY18: Continue MDE required reservoir improvements
FY16 - FY20 : \$150,000 each year for Watershed Land Acquisition and Improvements in the Watershed

Justification

Improve System and Increase Reliability - Work will ensure the Edgemont Reservoir is repaired and maintained in accordance with MDE Dam Safety Division requirements.

Funding from Earnings on Investment on the Appalachian Trail will be used to help fund Watershed work.

Budget Impact/Other

Planned improvement to address regulatory requirements.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		100,000	100,000	100,000		300,000
Other	150,000	150,000	150,000	150,000	150,000	750,000
Engineering	100,000	25,000	25,000	25,000	25,000	200,000
Total	250,000	275,000	275,000	275,000	175,000	1,250,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
MDE Loan	100,000	125,000	125,000	125,000	25,000	500,000
Water Fund	150,000	150,000	150,000	150,000	150,000	750,000
Total	250,000	275,000	275,000	275,000	175,000	1,250,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 52-C0323
Project Name Zone 3 Standpipe

Type Improvement
Useful Life 50 years
Category Infrastructure-Utilities
Location: Water Department
Year Submitted: 2001
Department Water Fund
Contact Hausrath
Priority Planned Improvement
Status Active



Description

This project will result in the construction of a new water storage tank or an upgrade to Pump Station 3 (located on Orchard Hill Drive). 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

To address system deficiencies in Zone 3; improvement required by Sierra Nevada Corporation (SNC) Agreement.

Cost share of \$100,000 from SNC.

Budget Impact/Other

Planned improvement to enhance reliability.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings					100,000	100,000
Total					100,000	100,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
ARDI Fund Balance					100,000	100,000
Total					100,000	100,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 52-C0405
Project Name Breichner WTP Improvements



Type Improvement **Department** Water Fund
Useful Life 25 years **Contact** Hausrath
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Breichner Plant
Year Submitted: Ongoing
Status Active

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 Chloramination once the Willson Phase IV work is complete. Additional upgrades will include upgrading the electrical and SCADA equipment, internal piping and enhanced filtration sufficient to treat the raw water supply. Upgrade(s) will likely cost \$2,500,000 (engineering and construction). Upgrades will be phased in once the Willson Plant upgrades are complete.

FY16 - FY20: \$50,000 annually for miscellaneous required rehab/replacement.

FY16: Begin Design for Plant upgrades for compliance with Safe Drinking Water Act Disinfectant By-Product Rule (Stage 2) requirements and the Long Term 2 Enhanced Surface Water Treatment Rule. Improvements and Edgemont Viability Study must be completed prior to this work commencing.

Justification

Replace and/or upgrade aging equipment to achieve compliance with the Enhanced Long Term 2 Surface Water Treatment Rule requirements and to continue to ensure a back-up water supply.

Budget Impact/Other

Planned improvement to enhance reliability.

Additionally based on a 30 year term, preliminary annual debt service impact for the 2016 MDE low interest bond issue of \$100K is \$4.3K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	50,000	550,000	2,050,000	50,000	50,000	2,750,000
Engineering	100,000	350,000	150,000			600,000
Total	150,000	900,000	2,200,000	50,000	50,000	3,350,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
MDE Loan	100,000	850,000	2,150,000			3,100,000
Water Fund	50,000	50,000	50,000	50,000	50,000	250,000
Total	150,000	900,000	2,200,000	50,000	50,000	3,350,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 thru FY '20

City of Hagerstown, Maryland

Project # 52-C0648
Project Name Adm. & Engineering Equipment

Type Improvement
Useful Life 5 years
Category Infrastructure-Utilities
Location: Wastewater treatment plant
Year Submitted: Ongoing
Department Water Fund
Contact Hausrath
Priority Planned Improvement
Status Active



Description

FY16 - FY20: Upgrade computer equipment and info-water program (Hydraulic Model and GIS).

The Hydraulic Model is included in this CIP which is interfaced with the City GIS Project.

Justification

To replace and/or upgrade engineering computer hardware and software.

Budget Impact/Other

To ensure accuracy and reliability of engineering equipment.

Will require funding through the operations budget 52-74001 to keep software management agreements current.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Software	10,000	10,000	10,000	10,000	10,000	50,000
Total	10,000	10,000	10,000	10,000	10,000	50,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Water Fund	10,000	10,000	10,000	10,000	10,000	50,000
Total	10,000	10,000	10,000	10,000	10,000	50,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 52-C0651
Project Name Pump Station Improvements

Type Improvement
Useful Life 25 years
Category Infrastructure-Utilities
Location: Various locations
Year Submitted: Ongoing
Department Water Fund
Contact Hausrath
Priority Planned Improvement
Status Active



Description

FY16 - FY20: \$75,000 for replacement of critical equipment at all stations (pumps, SCADA Upgrade, etc.)

FY18: Design of New Suction and Discharge Mains at Pump Station 6 at Greendale Street (\$150,000); Misc. Pump Replacements (developer driven)

FY19: Construction of the Pump Station 6 Improvements (suction and discharge) - Work will be contingent on the Water Master Plan Update recommendations

FY20: Design for the Relocation of PS2 (\$400,000); Construction of New PS2 (\$1,500,000) - Note PS2 is located on Northern Ave. (developer driven)

Justification

Replace and/or upgrade deteriorating infrastructure-reliability. PS2 (Northern Ave) relocation will be development driven. It is possible that a portion of the funding will be through developer contribution.

Budget Impact/Other

Replace and/or upgrade deteriorating infrastructure - reliability.

Note: upgrades to the pump stations will not likely change the overall operating costs.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	75,000	75,000	75,000	575,000	1,575,000	2,375,000
Engineering			150,000	50,000	400,000	600,000
Total	75,000	75,000	225,000	625,000	1,975,000	2,975,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Contribution by Others			150,000	550,000	1,900,000	2,600,000
Water Fund	75,000	75,000	75,000	75,000	75,000	375,000
Total	75,000	75,000	225,000	625,000	1,975,000	2,975,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 52-C0653
Project Name Distribution Services - Meter Program

Type Replacement **Department** Water Fund
Useful Life 25 years **Contact** Hausrath
Category Infrastructure-Utilities **Priority** Cost Avoidance
Location: Water Department
Year Submitted: 2004

Status Active



Description

The Distribution System has approximately 28,000 meters - useful life of a meter is 25 years. There are approximately 300 large meters which are tested annually. MDE Policy requires we reduce our unaccounted for water to 10% or less - our lost water is about 20%. The meter program is the most cost effective way to reduce lost water through accurate metering devices. This work also ensures that all customers are paying their share of the cost to treat and deliver the water.

FY16: Begin the fire line metering program which will include the evaluation of unmetered fire lines and installation of a fire meter if evaluation shows consistent use on the fire line.

Funding in FY16 through FY20 is set aside for the Large Meter Program and any required software and/or hardware upgrades associated with the Sensus meter reading system.

Justification

Replace aging equipment to ensure water and sewer rates are an accurate reflection of the required revenue.

The Water Department has set a goal of having all existing residential meters replaced with new meters and radio read units by 2016. This upgrade to the meter system will increase accuracy and reduce customer service complaints associated with human error.

Budget Impact/Other

Unaccounted for water will be reduced and the appropriate fees will be collected from each customer served by Water and/or Sewer.

When project is complete, department efficiencies will increase - also expect revenues to increase associated with better read accuracy.

Additionally based on a 20 year term, preliminary annual debt service impact for the 2015 general fund supported bond issue of \$915K is \$68.5K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	250,000	250,000	250,000	250,000	250,000	1,250,000
Allocated Labor	80,000	80,000	80,000	80,000	80,000	400,000
Total	330,000	330,000	330,000	330,000	330,000	1,650,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Water Fund	330,000	330,000	330,000	330,000	330,000	1,650,000
Total	330,000	330,000	330,000	330,000	330,000	1,650,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 52-C0709
Project Name Distribution System Rehab - Main Replacement

Type Replacement
Useful Life 50 years
Category Infrastructure-Utilities
Location: Water Department
Year Submitted: Ongoing
Department Water Fund
Contact Hausrath
Priority Planned Improvement
Status Active



Description

FY16: Continue the leak detection program. Continue to replace aging infrastructure throughout the Distribution System - will coordinate with City/County and State road projects.

FY16-FY20: Continue to replace aging infrastructure throughout the Distribution System. \$50,000 per year will be dedicated to the hydrant and valve program.

Justification

Replace deteriorating infrastructure, improve safety for workers, and improve customer service.

Main replacement will be based on age of mains, main failure and the removal of transite (asbestos concrete) pipe.

Budget Impact/Other

Replace and/or upgrade deteriorating infrastructure - reliability.

Reduction in operating cost associated with road repairs as distribution system is upgraded (materials and road repairs.)

Additionally based on a 20 year term, preliminary annual debt service impact for the 2016 water fund supported bond issue of \$206K is \$15.5K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	206,000	212,180	218,545	225,102	231,855	1,093,682
Allocated Labor	200,000	206,000	212,180	218,545	225,102	1,061,827
Total	406,000	418,180	430,725	443,647	456,957	2,155,509

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Water Fund)	206,000	212,180	218,545	225,102	231,855	1,093,682
Water Fund	200,000	206,000	212,180	218,545	225,102	1,061,827
Total	406,000	418,180	430,725	443,647	456,957	2,155,509

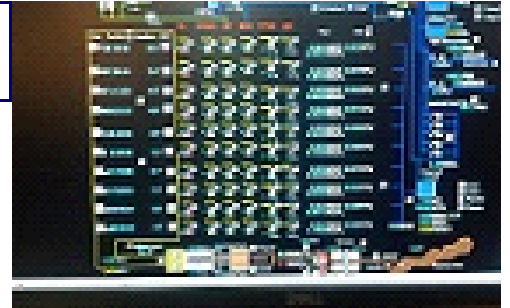
CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 52-C0820

Project Name Water System SCADA Improvements



Type Improvement

Department Water Fund

Useful Life 15 years

Contact Hausrath

Category Infrastructure-Utilities

Priority Planned Improvement

Location: Water Department

Year Submitted: Ongoing

Status Active

Description

FY16: Upgrade MP2 Software (\$25,000)

FY17: Continue Breichner Plant SCADA Upgrade (\$600,000) - work will be contingent on the Edgemont Source Water Viability Study

FY16 - FY20: Software/Hardware required SCADA upgrades (\$150,000)

Justification

Replace and/or upgrade aging equipment and facilities. SCADA upgrades will increase operational efficiency.

Budget Impact/Other

Upgrades will replace aging equipment. To maintain existing SCADA to ensure treatment efficiencies.

Additionally based on a 30 year term, preliminary annual debt service impact for the 2016 MDE low interest bond issue of \$100K is \$4.3K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	150,000	725,000	150,000	150,000	150,000	1,325,000
Engineering	25,000	25,000				50,000
Total	175,000	750,000	150,000	150,000	150,000	1,375,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
MDE Loan	100,000	700,000				800,000
Water Fund	75,000	50,000	150,000	150,000	150,000	575,000
Total	175,000	750,000	150,000	150,000	150,000	1,375,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 52-C0863
Project Name RC Wilson - Traveling Screen Replacement

Type Replacement **Department** Water Fund
Useful Life 30 years **Contact** Hausrath
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: R.C. Willson Plant-Williamsport
Year Submitted: 2016

Status Active



Description

FY16: Advertise, Bid and replace the existing Traveling Screens - the existing traveling screens have exceeded their useful life and have required extensive repairs over the past 3 to 5 years. Future repairs would require extensive re-construction of the existing screens and the useful life of this type of repair is approximately 5 years. The existing screens were installed in 1976.

Justification

Replacement of deteriorating critical equipment. Improve system reliability and reduce short term maintenance expenses.

Budget Impact/Other

Replace deteriorating critical equipment. Short term maintenance costs will be eliminated associated with the existing equipment.

Additionally based on a 30 year term, preliminary annual debt service impact for the 2016 MDE low interest bond issue of \$700K is \$30.5K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	750,000					750,000
Engineering	25,000					25,000
Total	775,000					775,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
MDE Loan	700,000					700,000
Water Fund	75,000					75,000
Total	775,000					775,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0004
Project Name Wastewater Vehicle Replacement

Type Replacement
Useful Life 6 years
Category Automobiles and Trucks
Location: CS, WWTP, Admin.
Year Submitted: Ongoing
Department Wastewater Fund
Contact Moss
Priority Planned Improvement
Status Active



Description
FY16: No new vehicles FY17: Replace 2000 #512 Dump Truck (\$135,000); 1988 #520 Case Tractor (\$25,000); Replace 2003 #508 Utility Truck (\$153,000); Replace 2002 #534 Ford Escape (\$30,000); Replace 2001 #592 John Deere Backhoe (\$95,000) FY18: Replace 2004 F450 utility Truck #525(\$95,000); Replace 2005 #535 New Holland Tractor (\$25,000); Replace 1989 #519 Chevy 7D042 Vacuum Truck (\$105,000) FY19: Replace 1993 #513 Kohler Generator (\$65,000); Replace 2002 # 595 Tandem Dump Truck(\$180,000) FY20: Replace 2006 # 528 Jet-Vac Cleaner (\$750,000)
Justification
Replacement units - reduced maintenance costs anticipated
Budget Impact/Other
Newer vehicle require less maintenance thus reducing O&M costs.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings		438,000	225,000	245,000	750,000	1,658,000
Total		438,000	225,000	245,000	750,000	1,658,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Wastewater Fund		438,000	225,000	245,000	750,000	1,658,000
Total		438,000	225,000	245,000	750,000	1,658,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0267
Project Name Manhole Raising

Type Improvement **Department** Wastewater Fund
Useful Life 40 years **Contact** Moss
Category Infrastructure-Utilities **Priority** Public Safety
Location: City-Wide
Year Submitted: Ongoing
Status Active



Description

Raise manholes to meet new street grade, replace three-inch thick lids with lighter more accessible lids.

Manhole raising frame replacement (\$25,000); 25 Manhole Conversion Risers & Lids (\$8,500)

Justification

Annual overlay projects.

Budget Impact/Other

Reduction of liability cost - road improvements.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	36,000	36,000	36,000	36,000	36,000	180,000
Total	36,000	36,000	36,000	36,000	36,000	180,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Wastewater Fund	36,000	36,000	36,000	36,000	36,000	180,000
Total	36,000	36,000	36,000	36,000	36,000	180,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0299
Project Name Pump Station Improvements

Type Improvement **Department** Wastewater Fund
Useful Life 40 years **Contact** Moss
Category Infrastructure-Utilities **Priority** Public Safety
Location: System-wide
Year Submitted: Ongoing
Status Active



Description
FY16: Replacement and upgrades to Collection System Pump Stations; these stations convey wastewater to wastewater treatment plant from low lying areas. Muffin Monster Motors, Drive Gear, Cutters(\$45,000). Upgrade SCADA RTU at 10 stations (\$50,500); New Soft Starts at various stations (\$26,500); Repairs and Replacement of security fence (\$22,000)
FY17 - 20: Ongoing improvement projects
Justification
Reduce maintenance and increase safety and security of stations.
Budget Impact/Other
Replacing obsolete equipment is needed due to the unavailability of parts for existing units. New soft starts reduce the peak inrush of power required to start large pump motors which helps reduce electric bills.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	144,000	75,000	75,000	75,000	75,000	444,000
Total	144,000	75,000	75,000	75,000	75,000	444,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Wastewater Fund	144,000	75,000	75,000	75,000	75,000	444,000
Total	144,000	75,000	75,000	75,000	75,000	444,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

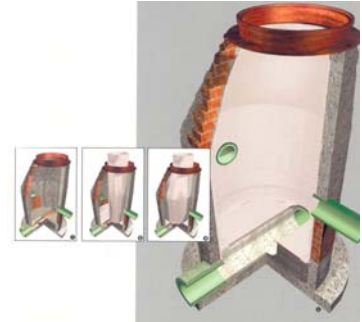
City of Hagerstown, Maryland

Project # 54-C0327
Project Name Collection System Rehabilitation

Type Improvement
Useful Life 40 years
Category Infrastructure-Utilities
Location: City-Wide
Year Submitted: Ongoing

Department Wastewater Fund
Contact Moss
Priority Public Safety

Status Active



Description

Collection system personnel to continue Point repairs through out the system (estimated at \$400,000 / year).

FY17 - Re-route forcemain for Station #8 to discharge into Station #18 & #26 (\$1,200,000)

Justification

Reducing the inflow and infiltration will provide future re-capturing of allocation for the WWTP.

Consistent with Comprehensive Plan - identified need to address long-term wastewater issues with projected capacity deficits

FY17 - By re-routing the forcemain for Station #8 into #18 & #26 it will reduce the burden on Station #4 and open that area up to development.

Budget Impact/Other

Reduction of I/I will free up capacity for future growth (future revenues).

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	400,000	1,600,000	400,000	400,000	400,000	3,200,000
Total	400,000	1,600,000	400,000	400,000	400,000	3,200,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Wastewater Fund)		700,000	200,000	200,000	200,000	1,300,000
Contribution by Others		700,000				700,000
Wastewater Fund	400,000	200,000	200,000	200,000	200,000	1,200,000
Total	400,000	1,600,000	400,000	400,000	400,000	3,200,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0565
Project Name East End Pump Station

Type Improvement **Department** Wastewater Fund
Useful Life 40 years **Contact** Moss
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: East End
Year Submitted: 2001
Status Active



Description
 Construction of a lift station on Hebb Road, west of the Dual Highway.
 2,400' sewer main, 4,000' force main, jack and bore with sleeve 250' under Dual Highway. Project would be completed by a developer in future.

Justification
 Pump Station #9 (Four Points), has reached capacity, new station needed to promote growth and development.

Budget Impact/Other
 Possible increase in electrical cost and pump station maintenance.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design		75,000				75,000
Construction/Maintenance		300,000	300,000	300,000		900,000
Total		375,000	300,000	300,000		975,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Contribution by Others		300,000	300,000	300,000		900,000
Wastewater Fund		75,000				75,000
Total		375,000	300,000	300,000		975,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0584
Project Name WWT Plant Equipment

Type Replacement
Useful Life 20 years
Category Machinery and Equipment
Location: Wastewater treatment plant
Year Submitted: Ongoing
Department Wastewater Fund
Contact Moss
Priority Public Safety
Status Active



Description
 Replace various aging equipment or add additional new equipment to maintain efficient operations and permit compliance.
 FY17: Replace the Electrical Switch Gear located in the Main control Building and O2 Building (\$125,000).

Justification
 Deteriorating equipment, requires replacement to maintain MDE compliance.

Budget Impact/Other
 Should reduce Annual Maintenance and Repair of Equipment cost.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings		125,000	100,000	100,000		325,000
Total		125,000	100,000	100,000		325,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Wastewater Fund)		125,000	100,000	100,000		325,000
Total		125,000	100,000	100,000		325,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0585
Project Name WWT Buildings and Structures

Type Improvement **Department** Wastewater Fund
Useful Life 50 years **Contact** Moss
Category Buildings and Structures **Priority** Planned Improvement
Location: 1 Clean Water Circle
Year Submitted: Ongoing
Status Active



Description
Wastewater Buildings - renovations, repairs and maintenance. FY16: Upgrade heating and cooling systems in WW Operations Building. Demo of 4 side Equalization Building & tank, we plan to use current staff for most of the work, but may need some contract help for demo. Other various building improvements such as replacing the flooring in main lobby area.
Justification
Aging structure that requires repairs and improvements. The administration building was last upgraded in 1980, improvements and upgrades are needed. The boiler systems for both buildings are beyond their useful life and have been leaking. A systemwide evaluation need to be completed for the operations building to determine the best option to pursue for both heating and cooling.
Budget Impact/Other
Reduce future operation and maintenance costs to keep the heating and cooling systems in service.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	100,000	25,000	25,000	25,000	25,000	200,000
Total	100,000	25,000	25,000	25,000	25,000	200,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Wastewater Fund	100,000	25,000	25,000	25,000	25,000	200,000
Total	100,000	25,000	25,000	25,000	25,000	200,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0657
Project Name Oxygen System Improvements

Type Replacement **Department** Wastewater Fund
Useful Life 20 years **Contact** Moss
Category Infrastructure-Utilities **Priority** Public Safety
Location: Wastewater treatment plant
Year Submitted: Ongoing
Status Active



Description

Specialized Services includes work by an outside consultant to tie-in controls for oxygen control panels into SCADA system.

Justification

Improve reliability, efficiencies, and maintain MDE compliance.

Budget Impact/Other

Anticipated reduction in plant's maintenance cost associated with the oxygen process.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	10,000					10,000
Total	10,000					10,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Wastewater Fund	10,000					10,000
Total	10,000					10,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0711
Project Name Solids Processing-Pelletizer and WWTP Improvements

Type Improvement **Department** Wastewater Fund
Useful Life 20 years **Contact** Moss
Category Machinery and Equipment **Priority** Contract Obligation
Location: Wastewater treatment plant
Year Submitted: Ongoing
Status Active



Description
 Upgrade or replace equipment in the Sludge Pelletizing facility (Synagro). The pelletizing building and the equipment is owned by the City. Synagro is contracted to operate and maintain all the equipment in this facility. The wastewater operations staff verify all expenses for repair parts and subcontract work billed to the City by Synagro.

Justification
 Improve reliability and maintain MDE compliance.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	50,000	50,000	50,000	50,000		200,000
Total	50,000	50,000	50,000	50,000		200,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Wastewater Fund	50,000	50,000	50,000	50,000		200,000
Total	50,000	50,000	50,000	50,000		200,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0712
Project Name Sludge Storage Phase I Improvement



Type Maintenance **Department** Wastewater Fund
Useful Life **Contact** Moss
Category Machinery and Equipment **Priority** Planned Improvement
Location: Wastewater treatment plant
Year Submitted: 2016
Status Active

Description

This project will upgrade equipment in the WWTP and the Sludge Pelletizing facility (Synagro). The pelletizing building and the equipment is owned by the City, but Synagro is proposing to complete the upgrades for this facility. The wastewater operations staff will also be evaluating our sludge handling process.

FY15 & FY16- Phase 1; Planning, Design and Construction of new sludge storage facilities for the wastewater treatment plant, current storage was constructed during the 1980 plant upgrade and in need of a new aeration system.

FY17 & FY18 - Phase 2; Synagro will upgrade the pelletizing facility as a part of their extended contract. We will look at the total sludge operation process for upgrades.

Justification

Improve reliability and maintain MDE compliance.

Budget Impact/Other

May cause increase to future operational budget to offset costs of improvements.

Based on a 20 year term, preliminary annual debt service impact for the 2016 wastewater fund supported bond issue of \$1M is \$74K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	1,000,000	1,000,000	1,000,000	1,000,000		4,000,000
Total	1,000,000	1,000,000	1,000,000	1,000,000		4,000,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Wastewater Fund)	1,000,000	1,000,000	1,000,000	1,000,000		4,000,000
Total	1,000,000	1,000,000	1,000,000	1,000,000		4,000,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0713
Project Name Collection System Equipment

Type Improvement **Department** Wastewater Fund
Useful Life 15 years **Contact** Moss
Category Machinery and Equipment **Priority** Planned Improvement
Location: Clean Water Circle
Year Submitted: Ongoing
Status Active



Description
Replaces various aging equipment or adds additional new equipment to maintain efficient operations and permit compliance. FY16: Rehab Unit 563 CCTV (\$85,000) camera, computer; Unit 563 new software (\$15,500) Generators unit 563 and 518 (\$10,500);
Justification
Improve reliability of existing equipment.
Budget Impact/Other
Will reduce annual maintenance cost. Based on a 20 year term, preliminary annual debt service impact for the 2016 wastewater fund supported bond issue of \$111K is \$8K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	111,000	80,000	80,000	80,000	80,000	431,000
Total	111,000	80,000	80,000	80,000	80,000	431,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Wastewater Fund)	111,000	80,000	80,000	80,000	80,000	431,000
Total	111,000	80,000	80,000	80,000	80,000	431,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0745
Project Name Laboratory Equipment

Type Replacement
Useful Life 15 years
Category Machinery and Equipment
Location: Wastewater treatment plant
Year Submitted: Ongoing
Department Wastewater Fund
Contact Moss
Priority Planned Improvement
Status Active



Description

Replace various aging equipment or add additional new equipment to maintain efficient operations and permit compliance.

\$10,000 for unexpected breakdown

Justification

Improve reliability of existing equipment.

Budget Impact/Other

No impact to future operating budgets.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	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 '16	FY '17	FY '18	FY '19	FY '20	Total
Wastewater Fund	10,000	10,000	10,000	10,000	10,000	50,000
Total	10,000	10,000	10,000	10,000	10,000	50,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0767
Project Name Grinder Pump Replacement Program

Type Replacement **Department** Wastewater Fund
Useful Life 10 years **Contact** Moss
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Various locations
Year Submitted: 2007

Status Active



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 wastewater main. The Grinder Pump is used to pump the wastewater into the public wastewater main.

This program will replace 20 grinder pumps per year, including the discharge assemblies (annual program).

This program will be entering its seventh year in the budget process.

Grinder pump discharge assembly - 12 @ \$960.00 each (\$12,000)

This program will be entering its sixth year in the budget process.

Grinder pump discharge assembly:12 @ \$960 each (\$11,520)

Justification

Replace deteriorating equipment.

Budget Impact/Other

Reduction of annual maintenance cost is anticipated.

Based on a 20 year term, preliminary annual debt service impact for the 2016 wastewater fund supported bond issue of \$112K is \$8K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	112,000	112,000	112,000	112,000	112,000	560,000
Labor (CS)	50,000	50,000	50,000	50,000	50,000	250,000
Total	162,000	162,000	162,000	162,000	162,000	810,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Wastewater Fund)	112,000	112,000	112,000	112,000	112,000	560,000
Wastewater Fund	50,000	50,000	50,000	50,000	50,000	250,000
Total	162,000	162,000	162,000	162,000	162,000	810,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0832
Project Name Eliminate Pump Stations

Type Improvement **Department** Wastewater Fund
Useful Life 40 years **Contact** Moss
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Western MD Parkway
Year Submitted: 2011
Status Active



Description

FY16: Design, permitting and construction of gravity main and package pump station to eliminate Pump Station # 6 (\$160,000)
 FY17: Pump Station # 15 (Noland Village) may need new pumps or maybe demolished if nearby gravity piping is completed (\$300,000)

Justification

Eliminate annual operating cost and eliminate the need to replace the pumps and pump controls, emergency generators.

Budget Impact/Other

Eliminate the cost of operating a pump station, eliminate potential for a pump station overflow.
 Based on a 20 year term, preliminary annual debt service impact for the 2016 wastewater fund supported bond issue of \$160K is \$12K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	160,000	300,000	300,000			760,000
Total	160,000	300,000	300,000			760,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Wastewater Fund)	160,000	300,000	300,000			760,000
Total	160,000	300,000	300,000			760,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 54-C0834
Project Name Trunk Lines and Laterals

Type Improvement **Department** Wastewater Fund
Useful Life 40 years **Contact** Moss
Category Infrastructure-Utilities **Priority** Contract Obligation
Location: Various locations
Year Submitted: Ongoing
Status Active



Description

Purchase or transfer of infrastructure, which are often necessary to connect the City and County Systems.

Justification

Provide efficient use of wastewater infrastructure throughout system.

Budget Impact/Other

These funds are designated for the purchase of Right of Ways and/or Easements sometimes needed to connect City and County infrastructure.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Land Acquisition	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 '16	FY '17	FY '18	FY '19	FY '20	Total
Wastewater 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 PROGRAM

FY '16 thru FY '20

City of Hagerstown, Maryland

Project # 56-C0173

Project Name Parking Facilities - 3rd Parking Deck



Type Improvement

Department Parking Fund

Useful Life 50 years

Contact Deike and Tissue

Category Buildings and Structures

Priority Planned Improvement

Location: To be determined

Year Submitted: 2011

Status Active

Description

A parking study conducted in 2012 by Rich & Associates communicated that current parking demand will not support a third deck. A downtown economic study by Urban Partners in 2014 linked the possible future need for additional parking to Catalyst Project #1 which is the development of new retail/office space in the downtown. The city is seeking a developer for this catalyst project through a Request For Information titled Catalyst Project #1 – Office Development & Recruitment. Within that RFI, parking will initially be provided by the Central Parking Lot and the University District Parking Deck. The RFI states "once capacity of existing off-street facilities is exhausted, it is the intention of the City to construct additional off-street parking facilities."

FY18: Land acquisition and design phase

FY19: Construction phase of a new approximately 490 space deck

Justification

Provide additional needed parking to support redevelopment of the city center area including: residential, office, and commercial development, as well as any other downtown revitalization projects. Intent is to get paying customers above the current level as funding sources do not include any general fund support.

Budget Impact/Other

For this deck to be financially viable to the City, it is critical to have new and additional paying parking system customers in our downtown area beyond current levels. The operating revenue from a third deck, combined with other Parking Fund revenue, would need to meet total Parking operating expenses plus related debt service expenses to avoid general fund subsidies and revenue shortfalls.

Bond financing to fund either all or a portion of the planning/design phase and land acquisition would be needed by the end of calendar year 2018. Plus bond financing would be needed for the construction phase within twelve months of the land acquisition. Finally, the preliminary annual debt service is estimated to be \$595K for a 30 year term.

Annual operation costs are estimated to be \$145,000 to \$150,000 for a full year beginning in FY21 and half of this amount for partial year open in FY20.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Planning/Design				875,000		875,000
Land Acquisition				700,000		700,000
Construction/Maintenance					8,425,000	8,425,000
Total				1,575,000	8,425,000	10,000,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Parking Fund)				1,575,000	8,425,000	10,000,000
Total				1,575,000	8,425,000	10,000,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 56-C0749

Project Name Upgrades to Parking Decks



Type Maintenance

Department Parking Fund

Useful Life 10 - 20 years

Contact Deike

Category Buildings and Structures

Priority Planned Improvement

Location: Downtown

Year Submitted: 2007

Status Active

Description

CIP is to provide funding for upgrades and refurbishments for both parking decks.

FY16: Caulking of joints in both decks. Construction of shelter roof over A&E Stairwell on east side of structure

FY17: Funding provided for general repairs and improvements to both decks

FY18: Replacement of gate equipment for A&E

FY19: Funding provided for general repairs and improvements to both decks

FY20: Replacement of gate equipment for University District Deck

Justification

University District Deck opened in 1986 and received major refurbishments in 2013 and 2014. No major structural issues at this time. Continued refurbishments prevents 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.

Budget Impact/Other

Refurbishment prevents further deterioration of the facilities and costlier repairs.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	30,000	30,000	200,000	30,000	200,000	490,000
Total	30,000	30,000	200,000	30,000	200,000	490,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Parking Fund	30,000	30,000	200,000	30,000	200,000	490,000
Total	30,000	30,000	200,000	30,000	200,000	490,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 56-C0829
Project Name Parking Fund Vehicles

Type Replacement
Useful Life 10 years
Category Automobiles and Trucks
Location: North Potomac Street
Year Submitted: Ongoing
Department Parking Fund
Contact Deike
Priority Planned Improvement
Status Active



Description

Per Vehicle and Equipment schedule

FY16: GEO Tracker #037 (\$25,000)
 FY17: Sweeper #050 (\$35,000)

Justification

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

Budget Impact/Other

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

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	25,000	35,000				60,000
Total	25,000	35,000				60,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Parking Fund	25,000	35,000				60,000
Total	25,000	35,000				60,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 56-C0857
Project Name Parking Lot Improvements

Type Maintenance **Department** Parking Fund
Useful Life 15 - 25 years **Contact** Deike
Category Buildings and Structures **Priority** Planned Improvement
Location: Various locations
Year Submitted: 2014
Status Active



Description
Improve the overall condition of surface parking lots to include: preservation of the pavement, sidewalk improvements, lighting and handicap accessible ramps.
FY16: Central Lot parking lot pavement preservation, sidewalk improvements, and lighting improvements (\$60,000) FY17: Market Lot parking lot pavement preservation, sidewalk improvements, and lighting improvements (\$30,000) FY18: Rochester Lot parking lot pavement preservation, sidewalk improvements, and lighting improvements (\$30,000) FY19: Elizabeth Hager Lot parking lot pavement preservation, sidewalk improvements, and lighting improvements (\$15,000) FY20: Antietam Street lot pavement preservation (\$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. Light improvements by transitioning to LED lights improve security while reducing energy costs.
Budget Impact/Other
Reduction in electrical costs for parking lot lighting. LED light saves 50% to 75% in utility costs.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	60,000	30,000	30,000	15,000	10,000	145,000
Total	60,000	30,000	30,000	15,000	10,000	145,000
Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Parking Fund	60,000	30,000	30,000	15,000	10,000	145,000
Total	60,000	30,000	30,000	15,000	10,000	145,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 56-C0867
Project Name Parking System Improvements

Type Improvement
Useful Life 15 years
Category Machinery and Equipment
Location: Downtown
Year Submitted: 2015

Department Parking Fund
Contact Deike
Priority Improve Service

Status Active



Description

One of the Mayor and Council's Goals & Priorities is to "promote a more customer-oriented parking experience" for parkers in the downtown. Project could include one or all of the following: kiosk parking for Pay-And-Display; pay by phone through a smart phone application or the installation of new meter heads that accept multiple forms of payment including credit cards.

Justification

To provide multiple, payment options for those visiting the downtown and parking. Parking includes on-street and off-street lot parking. Different methods of payment provide a driver with options and thus enhance the parking experience.

Budget Impact/Other

Industry standards indicate that parking paid by phone (smart phone app) and credit card increase parking revenues while providing a better parking experience.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	25,000					25,000
Total	25,000					25,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Parking Fund	25,000					25,000
Total	25,000					25,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 57-C0395
Project Name Golf Course - Vehicles/Equipment



Type Improvement **Department** Golf Fund
Useful Life 5 years **Contact** Mason
Category Automobiles and Trucks **Priority** Cost Avoidance
Location: Greens at Hamilton Run
Year Submitted: 2008

Status Active

Description
See vehicle and equipment replacement schedule. FY16: Replace Lightweight Reel Mower #326 (\$30,000), Purchase motor sand trap rake/edger (\$10,000) FY17: Replace 1995 Pickup #332 (\$35,000) FY18: Replace 2004 Cushman Sprayer #389 (\$30,000) FY19: Replace 1995 Kubota Tractor #353 (\$20,000) FY20: Replace Turf truckster #373A (\$20,000)
Justification
Replace deteriorated equipment. Maintain reliable and efficient equipment necessary to operate and maintain golf course.
Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Equip/Vehicles/Furnishings	40,000	35,000	30,000	20,000	20,000	145,000
Total	40,000	35,000	30,000	20,000	20,000	145,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Golf Fund	40,000	35,000	30,000	20,000	20,000	145,000
Total	40,000	35,000	30,000	20,000	20,000	145,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 58-C0755
Project Name Alms House Repairs

Type Maintenance
Useful Life 5 - 10 years
Category Buildings and Structures
Location: 239 N. Locust Street
Year Submitted: 2009
Department Property Management Fund
Contact Deike
Priority Planned Improvement
Status Active



Description

Stabilize building and ensure it complies with the City's exterior code compliance regulations. Seek Mayor and Council guidance on future.

Justification

To bring building up to current property codes with regard to the exterior. Additional funding will be required approximately every 5 years to at least paint the exterior woodwork while long term redevelopment opportunities are explored.

Budget Impact/Other

Building will quickly deteriorate without preventative maintenance. Future costs will rise dramatically as repairs are delayed. General maintenance will consist of trash collection, weed control, mowing grass and shoveling sidewalks.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		5,000				5,000
Total		5,000				5,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Property Management Fund		5,000				5,000
Total		5,000				5,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 58-C0779
Project Name Roslyn Building Renovation

Type Replacement
Useful Life 25 years
Category Unassigned
Location: 17-25 E. Franklin Street
Year Submitted: 2016

Department Property Management Fund
Contact Deike
Priority Planned Improvement

Status Active



Description

FY16: Replacement of windows (\$100,000) - total of 66 windows
 FY18: Roof Replacement (\$100,000)

Justification

Wood windows have deteriorated including many window sills along the East and South sides of the building. Need is immediate.

Roof is original to renovation over 15 years ago. Useful life has been met or exceeded.

Budget Impact/Other

Not sure of any long range plans for property. Projects listed will probably require bond financing since Property Management is cash strapped.

Based on a 20 year term, preliminary annual debt service impact for the 2015 general fund supported bond issue of \$100K is \$6.3K.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	100,000		100,000			200,000
Total	100,000		100,000			200,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Bond Financing (Prop Mgmt Fund)			100,000			100,000
Prior Bond Proceeds	100,000					100,000
Total	100,000		100,000			200,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 58-C0803
Project Name Elizabeth Hager Center

Type Replacement
Useful Life 15 - 25 years
Category Machinery and Equipment
Location: 10-14 N. Potomac St.
Year Submitted: 2010
Department Property Management Fund
Contact Deike
Priority Planned Improvement
Status Active



Description

FY16-20: Painting, various leasehold improvements and continued replacement of HVAC units.

Justification

Budget Impact/Other

New HVAC should be more efficient possibly saving on heating/cooling costs.

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	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 '16	FY '17	FY '18	FY '19	FY '20	Total
Property Management Fund	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

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 58-C0828
Project Name Hagerstown Small Business Center

Type Improvement
Useful Life 25 - 50 years
Category Buildings and Structures
Location: 60 W Washington Street
Year Submitted: 2011

Department Property Management Fund
Contact Lestitian
Priority Planned Improvement

Status Active



Description

The City continues to support small business through revitalization of the building located at 60 West Washington Street, which was acquired in 2011. The final phase of renovations for the middle portion of the building included the creation of a collaborative work space, three offices, and a conference room. This space will provide incubation, assistance, and networking opportunities for new and existing downtown businesses. A USDA Rural Business Enterprise Grant was awarded to the City in the amount of \$174,000 for the construction and fit out the Business Resource Center.

FY17: Painting retail space (\$5,000)

FY18: Painting USMH space (\$10,000); and roof replacement (\$80,000)

Justification

As part of the City of Hagerstown's commitment to enhance economic development in the City Center, the building was acquired in April 2011 in order to create a small business incubator. The small business incubator will aide in the creation of small businesses and allow small businesses to grow and expand.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance		5,000	90,000			95,000
Total		5,000	90,000			95,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Property Management Fund		5,000	90,000			95,000
Total		5,000	90,000			95,000

CAPITAL IMPROVEMENT PROGRAM

FY '16 *thru* FY '20

City of Hagerstown, Maryland

Project # 58-C0836
Project Name 36-40 North Potomac Street

Type Improvement **Department** Property Management Fund
Useful Life 25 - 50 years **Contact** Lestitian
Category Buildings and Structures **Priority** Planned Improvement
Location: 36-40 N Potomac St
Year Submitted: 2012

Status Active



Description

The Artist Lofts and Cooperative Gallery, located at 36-40 North Potomac Street, is an impactful redevelopment project that created live/work spaces for artists seeking to live in the downtown.

The building was acquired in 2011 and façade renovations were completed in 2012. The existing residential units have received a complete makeover and have been transformed into open, loft style apartments. The vacant commercial space has been renovated and will house the cooperative gallery creating additional work space and retail space for the resident artists.

Improvements to the rear parking area and upgrades the ground level storage areas are planned for FY16.

Justification

In keeping with the goals of the City of Hagerstown's Comprehensive Plan, the building located at 36-40 N Potomac Street was acquired in September 2011 in order to create artist housing in the A&E District. The building has been renovated to create live/work spaces for artists who will have access to a cooperative gallery on the first floor.

Budget Impact/Other

Expenditures	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Construction/Maintenance	15,000					15,000
Total	15,000					15,000

Funding Sources	FY '16	FY '17	FY '18	FY '19	FY '20	Total
Property Management Fund	15,000					15,000
Total	15,000					15,000

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