

CITY OF HAGERSTOWN



MAYOR & CITY COUNCIL'S ADOPTED BUDGET

Fiscal Year 2017 - 2018

July 1, 2017 - June 30, 2018

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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, 2016

Jeffrey R. Egan

Executive Director

PREFACE

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.

FY2018 Operating and Capital Budget Process

Throughout the current fiscal year, the City Administrator and Department Managers have presented and discussed various budget agenda topics with Mayor and Council. The budget discussion topics took place between July 2016 through February 2017 and provided opportunities and guidance for the creation of the FY18 budget document. A listing of discussion topics and dates are located in the budget message in Section 1.

During the month of December 2016, departmental management and staff conducted departmental reviews of the Capital Improvement Program (CIP) projects. The Department Managers obtained requests from departments, neighborhoods, and homeowners for CIP projects. To assist the City Administrator in determining and recommending projects for funding, priorities were placed on capital projects that impact the City's facilities and infrastructure, safety and environment, legal provisions, and budget. During the same timeframe, Department Managers met with Budget staff to review individual departmental CIP requests.

In addition, the first public hearing on CDBG funding needs was held on December 4, 2016.

Budget review meetings began in January 2017 between Department Managers and the Budget Committee to consider departmental operating budget requests. In addition, discussions and/or meetings were held with Department Managers to review initial CIP projects for prioritization of timing and funding within department and City goals. From January 2017 through March 2017, 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 FY18 City Administrator's Proposed Operating Budget and the Capital Improvements Program for FY18 - FY22 for presentation to Mayor and Council.

On March 31, 2017, the City Administrator and Budget staff, in conjunction with City Management, will present the Mayor and Council with the FY18 City Administrator's Proposed Budget for review. The Mayor and Council and the City's senior management will work together from April 4, 2017 to May 23, 2017 to review and discuss the proposed budget and CIP projects. A public hearing will be scheduled for May 16, 2017 to discuss the Operating Budget, Capital Improvement Program (CIP), and property tax rates. A second public hearing will be scheduled for May 3, 2017 to discuss the Community Development Block Grant funding needs.

THE BUDGET DEVELOPMENT PROCESS
FISCAL YEAR 2017/2018

Mayor and Council are scheduled to introduce the ordinance for the approval of the budget and CIP projects on May 16, 2017. 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 23, 2017. To conclude the Budget Development Process, Budget staff will implement the FY18 Mayor and Council's Adopted Budget and the FY18 - FY22 approved CIP budget during June and July 2017. The FY18 adopted budget will become effective on July 1, 2017. 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 industry 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 and commerce; the name has stuck throughout the years due to the city's unique positioning at the hub of Interstate 81 and Interstate 70. Today creative service and technology-related companies are recognizing Hagerstown's close proximity to Baltimore and the D.C.-metropolitan area as an asset, and Hagerstown is seeing a trend in those companies locating in the city. 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 City developed Engine Room Art Space, a cooperative gallery managed by artists who live and create in loft apartments on the upper floors. 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.

The Hagerstown Cultural Trail now connects the downtown Arts & Entertainment District with City Park and the Museum of Fine Arts. The trail is one of eight catalyst projects outlined in the Community's City Center Plan, a 10-year roadmap for downtown development that is being implemented through public-private partnerships. Spanning a half-mile, the brick paver pathway makes the route between these two popular destinations more walkable and will feature open green spaces, gathering areas, and public art that embraces our community's heritage, culture, and values. The "Mural of Unusual Size", one of the landmark pieces, will be completed by Hense, an internationally-renowned artist.

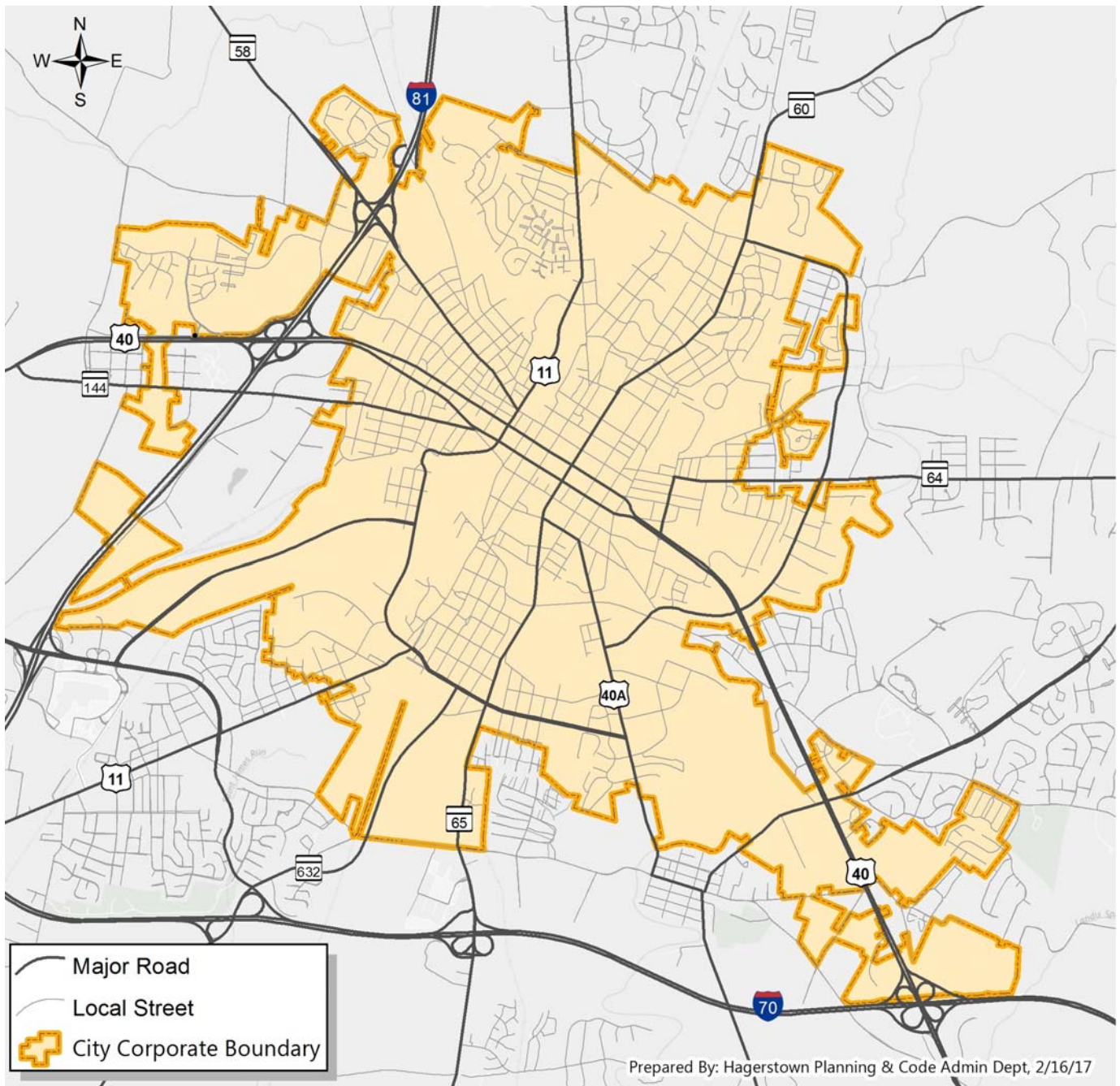
City Park is one of 19 parks throughout the park system, which also includes the community's first Dog Park. All parks and recreation facilities owned and managed by the City are smoke-free, with the exception of Municipal Stadium and The Greens at Hamilton Run, a nine-hole golf course overlooking a 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 6 universities offering 13 undergraduate programs and 7 graduate programs, including a doctorate-level degree. The City, in partnership with a private developer and USMH, completed the first student housing project, renovating a vacant 19-room boarding house into apartments for eight students.

The population of the City of Hagerstown and its surrounding suburbs grew by approximately 5.6% between 2006 and 2015. More recently the trend has remained flat. The 2015 population estimate for the City of Hagerstown is 40,210 with the suburban fringe containing approximately another 61,490. In the City of Hagerstown, there are currently 1,027 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 over 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. Hagerstown has received national attention for the Krumpke's New Year's Eve Donut Drop, which is hosted by a downtown business, High Rock Studios, 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 2017/2018



MAP – STATE OF MARYLAND
FISCAL YEAR 2017/2018



MISCELLANEOUS STATISTICS – JUNE 30, 2016
FISCAL YEAR 2017/2018

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)	824
Responses to Fire alarms	3,623
Average response time (in minutes)	4:14
Malicious False alarms (included in above number)	30
Public fire education programs	1,029
Persons in attendance at public education programs	8,572

Parks and Recreation

Parks and Playgrounds (299.427 acres)	20
Minor League Baseball Stadium (9.94 Acres)	1
Outdoor Swimming Pool (Claude M Potterfield Pool 1.5 acres)	1
Total attendance at swimming pool	21,876
Average daily attendance at pool	264
Municipal Golf Course (The Greens at Hamilton Run 61.9 acres)	1
Total attendance at golf course	10,759
Average daily attendance at golf course	39

Electric Department

Number of active accounts	16,936
Number of meters (in use)	17,691
Kilowatt hours purchased	297,411,446
Kilowatt hours sold	287,368,823
System peak demand-kilowatts	60,680
Number of substations – 34.5KV to 13.8KV	7

Water Department

Number of active accounts-City	13,215
Number of active accounts-County	15,778
Total number of active accounts	28,993
Daily average productions in million gallons	
R.C. Willson Plant (365 days)	11.5
Wm. M. Breichner Plant (365 days)	0
Greatest consumption for a single day	14.28
Plant pumping capacity per day	20
Average daily metered consumption	8.05
Miles of water mains (estimate)	430

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
2016 (Estimate)	40,432

Police Department

Parking ticket violations issued	7,985
Net parking fines	\$ 105,235
Safe Speed Program citations issued	33,468
Calls for service	54,762
Alarm calls (included in above number)	484

Public Works

Miles of paved streets and alleys	153.9
Number of traffic signals maintained	136

Parking Facilities Department

Number of lots	12
Number of Parking Spaces (metered or rented)	
Lots	750
Streets	363
Parking Decks:	2
Number of Parking Spaces	625
Number of Permit Parkers	605

Wastewater Department

Number of active accounts-City	12,930
Number of active accounts-County	2,934
Number of active accounts-District (JSA)	3,633
Number of active accounts-Total	19,497
Daily average of sewage treated (in million gallons)	7.02
Daily average plant capacity (in million gallons)	8
Number of City owned pumping stations	23
Miles of collection system – City owned	157

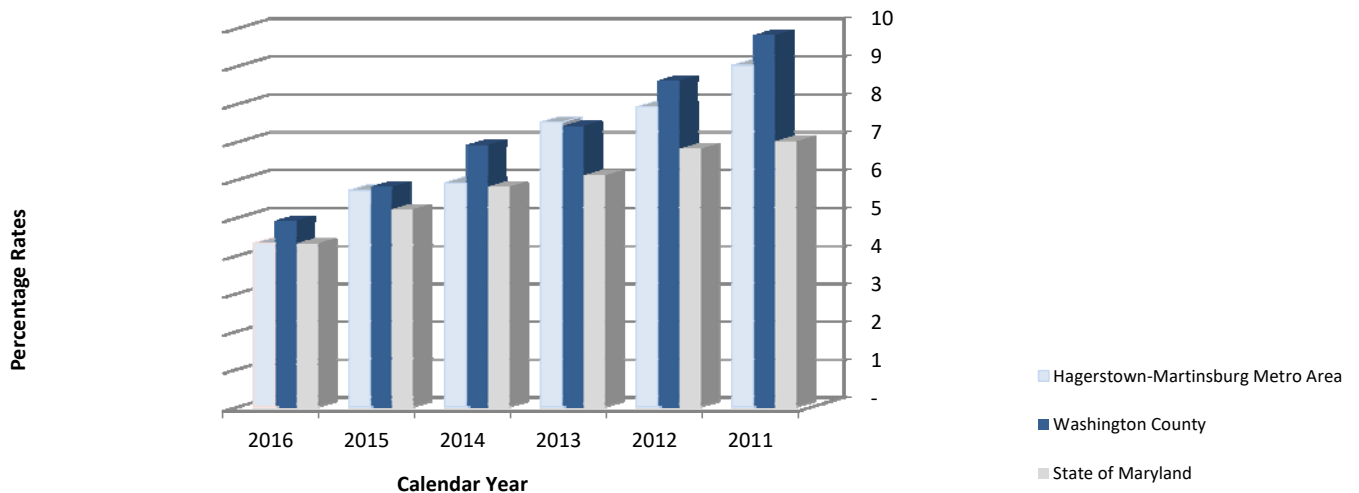
MISCELLANEOUS STATISTICS – JUNE 30, 2016
FISCAL YEAR 2017/2018

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

Employer	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Washington County Public Schools	3,100	1	4.62%	2,750	1	4.12%
Meritus Health, Inc. (Washington County Health System, Inc.)	2,740	2	4.08%	2,738	2	4.10%
State of Maryland	2,385	3	3.55%	2,538	3	3.80%
Citicorp Credit Services, Inc	2,300	4	3.43%	2,470	4	3.70%
First Data Merchant Services	2,183	5	3.25%	2,165	5	3.24%
Washington County Government	1,352	6	2.01%	1,000	7	1.50%
Volvo Powertrain NA (Mack Trucks, Inc.)	1,300	7	1.94%	1,698	6	2.54%
FedEx Ground	900	8	1.34%			
Hagerstown Community College	890	9	1.33%	684	9	1.02%
The Bowman Group, LLC	746	10	1.11%			
Staples Distribution Center				760	8	1.14%
Federal Government				671	10	1.00%
Total	17,896		26.66%	17,474		26.16%

Source: Principal Employers for Washington County MD provided by Hagerstown/Washington County EDC
Total County employment for 2016 was 67,108 and 2007 was 66,780, supplied by Bureau of Labor Statistics.

Unemployment Rate History



MISCELLANEOUS STATISTICS – JUNE 30, 2016
FISCAL YEAR 2017/2018

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

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Washington Real Estate	\$ 59,636,067	1	2.25%	\$ 47,426,778	1	2.23%
Lowe's Home Centers, Inc.	35,347,527	2	1.33%	22,177,352	3	1.04%
Tractor Supply Company	22,066,733	3	0.83%			
Homes for Hagerstown LLC (Hagerstown Apartments)	20,255,100	4	0.76%	17,211,298	4	0.81%
Walmart Real Estate Business Trust	20,128,400	5	0.76%	16,590,666	5	0.78%
RPAI Hagerstown LLC	19,462,200	6	0.73%			
Stone House Maryland LLC (Oekos Stone House)	18,061,100	7	0.68%			
Cortpark LLC	15,914,467	8	0.60%			
Cortpark II LLC	15,914,467	9	0.60%			
Verizon-Maryland	15,241,420	10	0.57%	27,453,170	2	1.29%
Columbia Gas of Maryland, Inc.				12,469,330	6	0.59%
Washco Centre at Antietam Creek				11,203,998	7	0.53%
Sams Real Estate Business Trust				11,014,800	8	0.52%
Inland Southeast Valley Park LLC				10,830,200	9	0.51%
York Pinewood Apts. LP				10,539,566	10	0.50%
Totals	\$ 242,027,481		9.11%	\$ 186,917,158		8.79%

Source: City of Hagerstown FY16 CAFR (Comprehensive Annual Financial Report)

ESTABLISHING THE TAX RATES
FISCAL YEAR JULY 1, 2017 TO JUNE 30, 2018
CITY OF HAGERSTOWN, MARYLAND

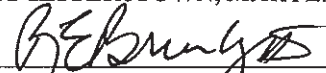
Pursuant to the Charter of the City of Hagerstown and the general public laws of the State of Maryland, the legislative body of the City of Hagerstown is charged with establishing tax rates; and the Mayor and Council, as the duly constituted legislative body for the City of Hagerstown has complied with 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, 2017 through June 30, 2018, is hereby established as follows:

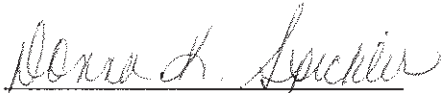
- A. All real property is hereby levied and chargeable on the basis of \$0.941 per \$100 based on the assessed value of said properties as required by the Charter of the City of Hagerstown, the Maryland Constitution, and the Annotated Code of Maryland.
- B. All business personal property, except as otherwise 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 \$2.353 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, 2017 up to and including July 31, 2017, 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, 2017 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, 2017 and shall govern for the period set forth.

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND



Robert E. Bruckley II, Mayor



Donna Spickler, City Clerk

Date of Introduction: May 16, 2017
Date of Passage: May 23, 2017
Effective Date: July 1, 2017

ORDINANCE No. 0-17-08

ESTABLISHING THE BUDGET FOR
FISCAL YEAR JULY 1, 2017 TO JUNE 30, 2018
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 16, 2017 after eighteen days' notice in a newspaper of general circulation.

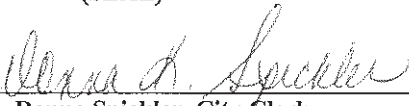
NOW, THEREFORE BE IT RESOLVED, ENACTED and ORDAINED by the Mayor and Council of the City of Hagerstown, that the budget for the City for the fiscal year beginning July 1, 2017 and ending June 30, 2018, is hereby established as follows:

Funds	Proposed FY18 Budget	Mayor and Council Approved FY18 budget
General Fund	\$ 44,422,161	\$ 43,966,577
Community Development Block Grant Fund	1,202,434	1,202,434
Other Special Revenue Funds	993,523	993,523
General/Capital Improvement Projects	12,273,575	12,105,429
Total Government Funds	58,891,693	58,267,963
Electric Fund	24,053,782	24,053,782
Water Fund	17,567,493	17,567,493
Wastewater Fund	16,576,655	16,576,655
Parking Fund	1,381,288	1,381,288
Golf Fund	478,807	478,807
Property Management Fund	906,389	906,389
Total Enterprise Funds	60,964,414	60,964,414
Service & Trust Funds	10,590,582	10,590,582
Total Combined Uses of Funds	\$ 130,446,689	\$ 129,822,959

BE IT FURTHER ORDAINED that the effective date of the budget established herein is July 1, 2017 and shall govern for the period set forth.

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND

(SEAL)


Donna Spickler, City Clerk


Robert E. Brochey II, Mayor

Date of Introduction: May 16, 2017
Date of Passage: May 23, 2017
Effective Date: July 1, 2017

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

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE (ALL FUNDS)
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16		2016/17		2017/18	2017/18	2017/18				
	ACTUAL		BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE				
REVENUES BY TYPE											
Taxes	\$	33,477,526	\$	33,295,103	\$	33,938,027	\$	34,386,900	\$	33,714,859	3.3%
Charges for Services		60,316,506		61,084,878		58,249,762		59,497,847		59,697,847	-2.6%
Licenses and Permits		1,910,357		2,083,100		1,914,710		2,055,610		2,055,610	-1.3%
Fines and Forfeitures		1,522,316		1,749,896		1,284,900		1,495,960		1,495,960	-14.5%
Other Governmental		3,761,978		4,229,898		3,440,926		4,326,180		4,346,180	2.3%
Other / Transfers In		16,011,063		18,479,772		17,506,532		19,041,833		18,900,687	3.0%
Total Current Revenues	\$	116,999,746	\$	120,922,647	\$	116,334,857	\$	120,804,330	\$	120,211,143	-0.1%
EXPENDITURES BY DEPARTMENT											
Mayor and City Council	\$	341,004	\$	345,293	\$	333,656	\$	354,613	\$	352,613	2.7%
City Administrator and Legal		539,788		456,980		449,766		473,236		451,236	3.6%
Finance		653,037		708,891		609,050		731,324		728,825	3.2%
Information and Technology		1,534,403		1,624,930		1,581,744		1,661,074		1,637,074	2.2%
Human Resources		653,798		652,528		639,032		686,653		679,153	5.2%
Community Planning and Development Services		1,636,048		1,647,983		1,720,686		1,706,917		1,681,096	3.6%
Public Works		2,778,460		2,935,806		3,200,295		3,108,973		3,085,973	5.9%
Community Development Block Grant		731,479		1,272,058		1,341,355		1,202,434		1,202,434	-5.5%
Public Safety		22,036,610		22,829,385		21,747,752		23,831,357		23,795,177	4.4%
Culture and Recreation		2,552,328		2,465,713		2,526,955		2,640,075		2,640,075	7.1%
Engineering and Construction		3,092,255		3,189,294		3,126,664		3,271,565		3,271,565	2.6%
Enterprise Funds		55,225,426		60,150,134		55,873,686		60,964,414		60,964,414	1.4%
Other Special Revenue Funds		1,697,940		1,319,254		1,494,077		993,523		993,523	-24.7%
Capital Improvement Projects Fund		5,791,170		13,658,941		10,589,698		12,273,575		12,105,429	-10.1%
Service and Trust Funds		7,985,909		10,040,938		8,961,843		10,590,582		10,590,582	5.5%
Non-Departmental General Fund		5,370,894		5,498,720		5,429,351		5,956,374		5,643,790	8.3%
Total Expenditures	\$	112,620,549	\$	128,796,848	\$	119,625,610	\$	130,446,689	\$	129,822,959	1.3%

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

The expenditure section includes capital outlay/fixed asset costs for all funds including the Enterprise Funds.

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2017/18 ADOPTED

	GOVERNMENTAL FUND TYPES	ENTERPRISE FUND TYPES	SERVICE AND TRUST FUNDS	COMBINED TOTALS
REVENUES				
Property Taxes	\$ 28,850,833	\$ -	\$ -	\$ 28,850,833
Income and Other Taxes	4,864,026	-	-	4,864,026
Licenses and Permits	2,055,610	-	-	2,055,610
Intergovernmental Revenues and Grants	4,146,180	-	-	4,146,180
Charges for Current Services	3,039,154	49,196,977	9,573,485	61,809,616
Fines and Forfeitures	1,400,460	-	-	1,400,460
Administrative Allocation Revenues	2,031,000	-	-	2,031,000
Program Income	294,591	-	-	294,591
Reforestation Fees	20,000	-	-	20,000
Miscellaneous/Other General Revenues	482,261	25,000	75,000	582,261
Premium on Bonds	-	20,311	-	20,311
Interest on Investments	18,365	119,723	6,113	144,201
TOTAL REVENUES	\$ 47,202,480	\$ 49,362,011	\$ 9,654,598	\$ 106,219,089
EXPENDITURES				
General Government	6,398,238	-	-	6,398,238
Public Safety	23,795,178	-	-	23,795,178
Highways and Streets	2,783,616	-	-	2,783,616
Waste Collection and Disposal	2,115,019	-	-	2,115,019
Parks and Recreation	2,640,075	-	-	2,640,075
Economic and Community Development	590,662	-	-	590,662
Unallocated General Expense	1,447,983	-	-	1,447,983
Debt Service - Principal and Interest	2,414,238	4,877,956	-	7,292,194
Operating Expenses	14,230,548	49,706,068	9,839,064	73,775,680
TOTAL EXPENDITURES	56,415,557	54,584,024	9,839,064	120,838,645
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(9,213,077)	(5,222,013)	(184,466)	(14,619,556)
OTHER FINANCING SOURCES(USES)				
Add Back Depreciation	-	7,970,000	-	7,970,000
Bond Financing Proceeds	5,965,600	6,262,000	-	12,227,600
Bond Prior Proceeds	685,826	-	-	685,826
Capital Contributions	-	1,000,000	-	1,000,000
Operating Transfers (In)	751,823	425,693	-	1,177,516
Capital Transfers (In)	376,496	-	-	376,496
General Fund Balance Transfers (In) Capital Projects	1,049,000	-	-	1,049,000
General Fund Balance Transfers (In) Invest Hagerstown	257,198	-	-	257,198
Contributions by Others	148,500	840,000	-	988,500
Appropriated Use of Fund Balance	2,451,918	-	-	2,451,918
Non-Cash Capital Contributions	-	(400,000)	-	(400,000)
General Fund Balance Transfers (Out) Capital Projects	(1,049,000)	-	-	(1,049,000)
General Fund Balance Transfers (Out) Invest Hagerstown	(257,198)	-	-	(257,198)
Capital Transfers (Out)	(130,371)	(6,125)	-	(136,496)
Operating Transfers (Out)	(415,838)	-	(751,518)	(1,167,356)
Capital Outlay	-	(10,225,500)	-	(10,225,500)
TOTAL OTHER FINANCING SOURCES (USES)	9,833,954	5,866,068	(751,518)	14,948,504
EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES				
	\$ 620,877	\$ 644,055	\$ (935,984)	\$ 328,948
Beginning Fund Balance	\$ 18,851,455	\$ 167,933,300	\$ 4,979,970	\$ 191,764,725
Less Appropriated Use of Fund Balance	(3,137,744)	-	-	(3,137,744)
Ending Fund Balance	\$ 16,334,588	\$ 168,822,090	\$ 4,043,986	\$ 189,200,664

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OVERVIEW SECTION 1

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City of Hagerstown, Maryland

City Administrator's Department

March 31, 2017

Mayor and City Council,

The Proposed FY18 City of Hagerstown budget is presented for your review. This proposed budget document for FY18 represents the dedicated work of the senior leadership team and staff over the past several months to provide a comprehensive and balanced budget for your consideration. I have not deviated from the prior format of the budget book recognizing that the City has earned numerous consecutive past distinguished budget presentation awards from the Government Finance Officers Association. This recognition is an honor for the Finance team and the City. Therefore, the layout of the book contains familiar sections such as financial and program information for all funds. Some of the information is presented as summaries but they are normally followed by more detailed information. This will ensure you have the necessary information in this budget book to make sound fiscal decisions.

Over the next two months you will be engaged in FY18 budget deliberations and this budget year represents the first for you as a new administration. This is also a first time through the budget process for several of you. I understand the sheer volume of information can be overwhelming but we will take a reasonable approach to our review and refrain from information overload. We do respect that this is your allotted time for review and staff stands ready to assist you taking as much time and number of meetings as you require.

I am tasked with presenting Mayor and Council a balanced FY18 budget. This task is very challenging in regard to balancing the General Fund considering the multitude of issues facing the City. The difficulties here are not a result of any specific weakness on the part of the City. As I have studied several prior year's budget opportunities and challenges, it is clear that the City has taken fiscally responsible actions to manage with the goal to continue to provide the same or improved service levels. I highly commend the Department heads and their teams for the continual dedication and forward thinking that has allowed for this to be sustained. Unfortunately, the concerns and challenges expressed in last year's message have not been alleviated. We continue to face reduced availability of financial resources, the rising cost of providing services and the growing needs of the residential and business community. One thing is certain; the continued revenue shortfall is reducing our ability to meet the demands of continued current service levels and support of our workforce. I mention the General Fund because this is your primary operating fund and I expect this is where you will want to concentrate the most time in your review and deliberations. Much of the remainder of the opening comments of this message will focus on the General Fund. In this message you will also find high level summaries of your key Enterprise Funds of which we may discuss in less detail than the General Fund, but that is certainly your decision.

Recognizing that as a public body and new administration with only a few months into your term, it is understandable that you have not yet set a full vision or strategic plan outlining your desired course of actions and types and levels of services for FY18 let alone your full four year term. Nor have you officially formalized short and long term goals and priorities and their associated action items. While not the ideal situation, the timing of the budget deliberations cannot be changed but can be used to begin the formation of your strategic plan. This strategic plan will naturally form the basis for your short and long term budget strategy as well.

Not yet knowing your detailed budget strategies and recognizing the value of current City services to the community, I approached the formation of the FY18 proposed balanced General Fund budget from a comprehensive perspective. Comprehensive in terms of including and sustaining current types and service levels, continuation of contract negotiations with our four bargaining units, Capital Improvement Program and equipment needs, facility improvements, FY15 Bond reprogramming, FY17 Bond issuance

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

as well as maintaining momentum on key capital projects and initiatives such as the Catalyst projects found in the Community's City Center Plan and the Urban Improvement Project.

Several strategies were needed and used to accomplish a proposed balanced FY18 budget using this comprehensive approach. First and foremost was a systematic review of all FY18 Capital and Operational departmental expenditure requests where we prioritized need, cut spending and deferred where possible. Due to the multiple years of very lean operations and repeated deferment there were no areas where we found *substantial* costs reductions that could occur without full elimination of services. Second was an analysis of General Fund reserves to determine if we could fiscally and responsibly recommend use at any level. My belief is that these reserves should not be used without a plan to offset and I will only recommend use at a highly conservative level and only accompanied by some counterbalance of increased resources or service level reductions. The third area was to scrutinize revenue sources to ensure we were also projecting them at fiscally responsible levels and to determine if rate changes would be necessary.

When staff met with Mayor and Council in work session to review the working budget status on February 7, 2017, we were facing a challenging deficit and most of the above mentioned strategies were already in process. We continued in this manner with a goal of presenting a proposed balanced FY18 budget by utilizing a shared blend of expenditure reductions and deferments, use of General Fund reserves in an amount of \$1.052M and a proposed tax rate increase of 5.5 cents (2.8 cents to meet the Constant Yield plus an increase of 2.7 cents above the Constant Yield). Until we received the disappointing news of the new triennial assessment with our 2017 Constant Yield notice we were very optimistic of a minimal tax rate increase.

In the opening paragraphs I discussed these budget deliberations as an opportunity for Mayor and Council to discuss their vision for the types and service levels for FY18 and beyond starting with the General Fund as your main operating fund. This strategic planning will reveal your roadmap and with it you may determine there are other avenues of budget balancing besides those in this proposed budget you want to explore. The planning discussions may reveal these options to you in more detail. You may consider reductions in operations which would reduce service levels in particular areas, programs or facilities; or you may consider shifts to other service providers. The City offers a wealth of community amenities; changes in these operations may also be considered. Any of these decisions could then impact the level of capital expenditures required. Staff is available during the deliberations to assist Mayor and Council if you want to consider any of these or other options as an alternative to the recommendations in the FY18 Proposed budget. In the highlights section of this budget message beginning on page 8 you will find more details and a chart that summarizes some of the amenities and their associated revenues and costs.

I will discuss in more detail the tax rate and assessable base as well as use of General Fund reserves in next two sections of this message.

CITY ADMINISTRATOR'S BUDGET MESSAGE
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HAGERSTOWN'S ASSESSABLE BASE AND TAX RATE

The 2017 Constant Yield Tax Rate notice from the State Department of Assessments and Taxation indicates a July 1, 2017 Constant Yield Tax Rate of 94.09 per \$100. This is higher than our current tax rate of 91.3 per \$100. This of course is not positive news and reflects a disappointing and unexpected downturn in assessments in this first year of the new Triennial Assessment. Two of the key numbers for the City are the net assessable real property base for July 1, 2016 at \$2,543,236,154 and the net assessable real property base for July 1, 2017 at \$2,467,902,746. Based on this notice and July 1 snapshot, our net assessable base for the coming fiscal year has decreased 3.05% over the current fiscal year. We are projecting a 3.2% decrease in our average value assessable base for FY18. A thirty year history of the change in the City's assessable tax base and property tax revenues is included in Section 7 page 6.

The proposed 5.5 cent property tax rate increase will bring our tax rate to 96.8 per \$100. Estimating that roughly \$248K is raised per 1 cent of tax increase, this proposed 5.5 cent tax increase represents \$1,368,466 of tax revenue. Of this amount \$696,425 (or 2.79 cents) is related to the City breaking even on tax revenue based on the Constant Yield and \$672,041 (or 2.71 cents) is the actual proposed revenue increase. The increase supplements the Public Safety departments of Police and Fire that account for the use of 49.1% of General Fund resources

It must be recognized that a tax increase certainly impacts our Citizens and it is helpful if we can break that down in a more personal way so that the average taxpayer may understand the impact and how it will relate to their own household finances.

The below chart reflects an average annual impact to property owners of the tax rate increase over the Constant Yield:

Current Tax Rates (per \$100 of assessed value of property):

	City	County	State	Combined	County Tax:Non- City Resident
FY17 Estimated Actuals	\$ 0.9130	\$ 0.8230	\$ 0.1120	\$ 1.8480	\$ 0.9480
FY18 Proposed Budget	\$ 0.9680	\$ 0.8230	\$ 0.1120	\$ 1.9030	\$ 0.9480

Proposed FY18 Revenue Impact of each penny on the real estate:

0.01	248,812
0.02	497,624
0.03	729,000
0.04	995,248
0.05	1,244,060
0.055	1,368,466

Annual Impact on Property Owners of Tax Rate Increases over Current \$0.0279 Constant Yield:

Total Rate Increase Amount over Constant Yield	0.01 -0.0180	0.02 -0.0080	0.03 0.0020	0.04 0.0120	0.05 0.0220	0.055 0.0270
Home Values						
\$ 50,000	\$ (8.99)	\$ (3.99)	\$ 1.01	\$ 6.01	\$ 11.01	\$ 13.51
\$ 75,000	\$ (13.49)	\$ (5.99)	\$ 1.51	\$ 9.01	\$ 16.51	\$ 20.26
\$ 100,000	\$ (17.99)	\$ (7.99)	\$ 2.01	\$ 12.01	\$ 22.01	\$ 27.01
\$ 125,000	\$ (22.49)	\$ (9.99)	\$ 2.51	\$ 15.01	\$ 27.51	\$ 33.76
\$ 150,000	\$ (26.98)	\$ (11.98)	\$ 3.02	\$ 18.02	\$ 33.02	\$ 40.52
\$ 200,000	\$ (35.98)	\$ (15.98)	\$ 4.02	\$ 24.02	\$ 44.02	\$ 54.02

CITY ADMINISTRATOR'S BUDGET MESSAGE
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APPROPRIATION OF GENERAL FUND RESERVES

As mentioned above, the FY18 Proposed budget does include the appropriation of General Fund reserves as a means to reduce General Fund direct transfers to CIP (Pay-go) and to help balance the budget. The amount proposed is \$1,052,000 and is used to fund a multitude of needs across General Fund departments such as vehicles, crime cameras, facility improvements, and parks improvements. You will find the complete listing of these items in Section 8 on page 15 under the CIP projects listed by funding source. Details of all of these items can be found on the individual CIP sheets by their corresponding number in Section 8 beginning on page 45.

The proposed budget also includes the use of \$257,198 in General Fund reserves to carryover the final commitments of the former Invest Hagerstown program. The summary of this program is found in more detail in the next message section. While use of these reserves for these purposes is within our current General Fund/Retained Earnings Policy found in Section 10 page 4 it is done with reservation. On the positive side, the availability of the funds is a reflection of prior conservative and strong fiscal management which allows for the funds to be held at healthy levels or approximately 2.8 months of operations as of June 30, 2016. The strength of the General Fund reserves projected for the end of FY17 at 23.2% of operating budget allows for this proposed use for FY18, but should not be a practice continued for future years as this could jeopardize responsible levels. The negative aspect comes from the resource shortfall that has led to the need for use of the reserves at any level. As I stated earlier I only recommend use at a highly conservative level and only accompanied by some counterbalance of increased resources or service level reductions; and in this proposed budget part of this counterbalance is the tax rate increase discussed above.

Details of ending Fund Balance including the unassigned reserve can be found in Section 3 on the bottom of Page 2.

**City of Hagerstown
General Fund - Fund Balance Reserve Trends**

	Actual FY14	Actual FY15	Actual FY16	Estimated Proj FY17	Proposed Bud FY18
General Fund Excess (Deficiency) of Revenues over Expenditures	159,181	97,487	562,156	325,843	10,457
General Fund Unassigned Fund Balance	8,053,185	8,181,345	9,191,926	9,235,687	7,937,895
Unassigned FB % of GF Operating Expenditures	21.9%	20.7%	23.3%	23.2%	18.7%
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%

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

LARGER ECONOMIC DEVELOPMENT/ REDEVELOPMENT INCENTIVES

The First Third Grant Program has been a popular City incentive for Economic and Redevelopment projects. In a prior fiscal year the Mayor and City 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 and is fully committed. This FY18 Proposed Budget recommends the use of \$257,198 in General Fund reserves to finalize the already committed portions of the incentive. The \$250K under the 1st Third Grant section represents the commitment to the developer selected through a competitive process towards the class A office space development as outlined in Catalyst #1 of the Community's City Center Plan. Since General Fund reserves are recommended to fund Capital items for FY18 there are no additional appropriations of reserves for continuation of this incentive program nor are there other current resources identified to do so.

The below chart summarizes the Invest Hagerstown program since its inception:

**City of Hagerstown, MD
General Fund Balance Reserve: Economic Redevelopment Incentives
as of February 2, 2017**

	Fund Balance Reserve	FY14 Act Spend	FY15 Act Spend	FY16 Act Spend	FY17 Proj Est Spend	FY18 Prelim Bud	Total Spend
Economic Redevelopment Fund (#1150007):							
City Center Residency:Invest Hag	70,000	12,550	40,000	17,450	-	-	70,000
Citywide Residency:Invest Hag	180,000	17,000	139,997	8,805	7,000	7,198	180,000
Comm 1st Third Grant:Invest Hag	1,200,000	50,000	250,000	330,000	320,000	250,000	1,200,000
City Center Rental:Invest Hag	50,000		16,950	33,484	(434)	-	50,000
Total GF Fund Balance Spent	\$ 1,500,000	\$ 79,550	\$ 446,947	\$ 389,739	\$ 326,566	\$ 257,198	\$ 1,500,000

As was discussed last year during budget deliberations, one possible method to fund incentives such as these would be to use the proceeds from the sale of properties that the City owns as part of the Economic Redevelopment Fund. The City can also continue to look to Grant opportunities as they may arise for use in the continuation of this type of incentive program. At the time of this writing the City is also supporting State legislation for a new economic redevelopment tool called a Community Revitalization and Improvement Zones or CRIZ which would allow the City to create special zones where projected tax revenues would be used as collateral for financing new development.

Included in this FY18 proposed budget is a transfer in from General Fund (Pay go) to Economic Redevelopment of \$125K for use with Partners in Economic Progress incentives as these have also been successful components of the City's support of downtown revitalization project.

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

During FY17 we have devoted time to financial related topics during Mayor and Council work sessions. The following schedule is a reminder of these. Hopefully, these discussions serve to assist you throughout the year and help you make informative FY18 budget decisions.

July 19, 2016	Tank Mixing and Traveling Screen Project Water Ordinances Drinking Water Bond series 2016 Official intent to use Future Bonds RC Willson Traveling Screen and Pump Station Improvements
August 2, 2016	Engine Room Art Gallery Update 2 nd Saturday Events Update City's Farmers Market Update Community City Center Plan Action Report
August 16, 2016	BuroBox Update
August 23, 2016	Parking Meters Pay-by-Phone Excessive Use of City Services Program Update
September 13, 2016	City Park Lake Dredging Project Stormwater Fee /Utility Information
September 20, 2016	Red light Camera Discussion Brekford Speed Cameras contract Discussion
October 4, 2016	FY18 Budget General Fund Agency Contributions
October 11, 2016	Western MD Blues Fest Budget for 2017
October 18, 2016	Approvals to establish Red Light Camera Program Hagerstown Cultural Trail Project Update BuroBox Membership Agreements Discussion
November 1, 2016	Abatement of High Weeds and Rubbish Update Competitive Negotiated Sale (CNS) Program Update Proposed Sale of 43-53 W. Washington Street
November 15, 2016	Grant for Marsh Run Multi Use Trail Project New City Website Design and Transparency Module Contracted Snow Operations, Bulk Diesel and Gasoline Bids & Bulk Road Salt Purchase DT Movement Pop-up Shops Update & City's Farmers Market Update Community City Center Plan Action Report
December 6, 2016	Additional roof work Elizabeth Hager Center 2016 Tractor Drawn Aerial move to Eastern Blvd. Truck 11 Emergency Maintenance Repairs 2015A and 2015B Bond Proceeds Reprogram
December 13, 2016	FY16 CAFR Presentation Main Street Program Update Program Open Space Annual Program City Park Dredging Project
January 10, 2017	2017 Western MD Blues Fest Artwork & Sound Contract 2017 Bond Issuance Project Discussion
January 17, 2017	Offer of Dedication of Land Columbia Bank 2017 Bond Project Listing and Potential Calendar Review of Pioneer Hook and Ladder Building to CNS Salem Ave. North LLC (Fulton) Annexation Discussion
January 24, 2017	Public Safety Police / Fire Needs Assessment Community City Center Plan Action Report
February 7, 2017	FY18 Employee & Retiree Healthcare Fairgrounds Park Washington Capitals proposal Outdoor Hockey Rink FY18 Working Budget Status Review
February 14, 2017	Street and Alley Condition Survey Office Lease for BuroBox
February 21, 2017	Annual Police & Fire Pension Review Relocation of Parking System Offices to 25 E. Franklin St. Offer of Donation of Public Art

CITY ADMINISTRATOR'S BUDGET MESSAGE
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EMPLOYEE WAGE ADJUSTMENT HISTORY AND FY18 PROPOSED

The following chart reflects the wage adjustments authorized by Mayor and Council through previous Fiscal Years back to FY10. It provides a good history of the City's employee pay adjustments.

FY10	All Groups: No COLA, Steps granted June 2010 – Three positions eliminated
FY11	All Groups: 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
FY12	All Groups: No COLA, No steps, and Frozen career paths \$1,000 gross one-time pay on 12/2/11 to all regular FT employees
FY13	All Groups: No COLA, No steps, and 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
FY14	Non-Union: 2% COLA effective 7/1/13; No steps AFSCME 1540: 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. IBEW 307: 4% COLA effective November 4, 2013 AFSCME 3373: 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. IAFF 1605: 2% COLA effective 1/1/14. Scale revised from 24 to 23 steps.
FY15	Non-Union: 2%COLA and 1 step effective 7/1/14. AFSCME 1540: 1% COLA and 1 pay step effective 7/1/14. Additional 1% COLA awarded from arbitration case. IBEW 307: Zero increase per contract AFSCME 3373: 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 IAFF 1605: 2% COLA effective 7/1/14 and 1 longevity step
FY16	Non-Union: 1% COLA and 1 step effective 7/1/15. AFSCME 1540: 1% COLA effective 7/1/15 and 1 step effective on Monday following anniversary date. Retroactive step restoration to 7/1/15 granted by arbitration case. As well as additional 1% COLA awarded from arbitration case. IBEW 307: 2% COLA, restorative step based on anniversary date. AFSCME 3373: 1 longevity step effective 7/1/15. IAFF 1605: 2% COLA effective 7/1/15 and 1 longevity step effective 7/1/15
FY17	Non-Union, IAFF 1605, AFSCME 3373: No COLA, no Steps AFSCME 1540 & IBEW 307: Longevity step based on anniversary date
FY18	Unions: As of the date of this writing Contract Negotiations are occurring with all four of the City's bargaining units. Non-Union: Possible step

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

HIGHLIGHTS OF FY18 PROPOSED BUDGET

The following information included in this section of this budget message provides a summary of the key assumptions and highlights of this FY18 proposed budget. These highlights explain the most significant topics and assumptions needed in preparing a balanced FY18 proposed budget for Mayor and City Council's consideration. You will find the individual department and fund budget narratives which appear later in this budget book provide a more detailed explanation.

1. **General Assumptions to Balance General Fund for FY18 Proposed Budget:** On February 7, 2017 staff held a FY18 budget status review with Mayor and City Council and at that time reported a deficiency of approximately \$2.3M. The constant yield notice received after this work session meant we had an additional deficit of \$1.064M. We are now presenting a balanced FY18 proposed budget. The key changes that allow for a balanced budget are: reductions in General Fund transfers to CIP by \$1MK leaving \$296K for pay-go funding of capital projects but re-appropriating \$1.052M of General Fund reserves to fund capital projects; tax increase of 5.5 cents generating \$1.368M; recognition of a health Insurance surplus reimbursement of \$490K; decreases in various additional operational items of \$367K. These are only highlights of the key assumptions and in the following sections and throughout this proposed budget book additional details and assumptions and highlights will be discussed.
2. **FY18 General Fund Revenues and Expenditures:** The Proposed General Fund revenue of \$44.433M for FY18 represents a 4.9% increase over the FY17 budget. The key factors for this increase are summarized in this budget message under Sources of FY18 General Fund Revenues on page 26. The Proposed FY18 Budget reflects a 4.9% increase in General Fund Expenditures for a total of \$44.422M. The key factors for this increase are summarized in this budget message under Expenditures of FY18 General Fund Resources on page 27. The General Fund's FY18 proposed budget reflects the total costs of wages and benefits at \$29.491M and is close to our largest revenue source total of Property Taxes at \$29.523M a difference of \$32K. Debt Service expenditures are anticipated to increase 11.5% for FY18 over FY17 revised budget as a result of combining the FY16 and FY17 bond issuances. Transfer (pay go) funding for proposed FY18 CIP related projects and equipment decreased 69.0% over FY17 reflecting the use of General Fund reserves of \$1.052M instead. \$0 reserves were used in FY17 for CIP. General Fund Expenditures are summarized in subsequent locations in this budget message on various schedules and starting on page 21.
3. **General Fund Projections:** Using a multi-year focus on our financial condition and projections has always been a part of the budget preparation and is continued in this FY18 proposed budget. It remains important to have a forward look to examine how the decisions made in one year impact future operational and capital needs. Once you begin to examine the forecasts for the out years you will find the earlier discussions in this message about strategic planning and short and long term budget planning really come to light. Serious considerations to additional revenue increases and/or possible change to program and service levels in light of available revenues for FY19 and beyond are a must. Section 7 of this document includes the financial projections for our various Funds. The General Fund Projections begin on Page 2. These budget deliberations will mainly focus on FY18. On page 3, you will see that the General Fund lacks sufficient resources to cover the projected cost of our wages, benefits, and other operational and capital expenditures in FY19 and beyond. Our current projections show a shortfall of \$2.7M for FY19 with growing deficits in subsequent years. Without future changes to service levels and capital equipment, programs and or amenities, or increases to revenue the City cannot continue operations in the manner as projected.
4. **Debt Service Expenditures and Bond Issues:** Information on our Bonded Debt Outstanding and our Debt Levels and Affordability is presented starting on Page 24 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 Pages 12 and 13. Debt Service expenditures are anticipated to increase 11.5% for FY18 over FY17 revised budget reflecting no bond issuance in FY16 and not until June of FY17. In our FY18 projections we have assumed a \$4.7M General Fund supported bond issue in late FY17 and a \$5.966M FY18 issuance to provide funding for such items as Downtown Redevelopment, \$1M; Fire

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Truck for \$645K; Fire Station relocation for \$1.6M; Police Radios for \$535K; Public Works vehicles for \$645K and Public Works storage yard expansion for \$375K. Debt service projections for other Funds appear in the individual Fund projections statements in Section 7. 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 a 20 year term and an interest rate of 4% for the late FY17 issue and 20 years and 4.25% for the FY18 issue. For subsequent years we are anticipating 20-25 year terms with 4.25- 4.75% rates. The summary of General Fund Debt Service appearing on page 12 shows our annual projected expenditures increasing from \$2.414M in FY18 to \$3.325 in FY22. Actual expenditures will vary and are based on future decisions the City will make related to project funding and debt affordability. Projects such as Fire Department Equipment, Professional Court Extension, Wesel Blvd Reconstruction and the Northwest Connector that appear in the 5 year CIP will be the subject of future City discussions and 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 beginning on Page 15 in Section 8.

5. **Staffing Levels:** The FY18 proposed budget includes 477 full-time positions with 331 in the General Fund and 146 in other funds and operations. There are 26 unfunded positions with 14 unfunded in the General Fund and 12 unfunded in other funds and operations. This makes a total of 451 funded positions city-wide. There are no new positions included in this proposed budget. There are also no reductions in staffing proposed. A schedule of City staffing for all of our operations along with a five year history appears on Page 19 of Section 1.
6. **Employee Compensation Package:** Historically our employees are given a competitive compensation package. It should be noted that the cost of wages, associated payroll taxes and benefits continues to be a large segment of the overall budget. This is not unexpected as the City is a service provider. Contract negotiations are currently taking place for our bargaining units: AFSCME 3373, IAFF 1605, AFSCME 1540, and IBEW 307. Since negotiations are not complete at the time of building this budget book, general enhancements including salary and benefits for all General Fund employee groups (including non-union personnel) are included in the amount of \$1.056M. A history of wages since FY10 is included in the summary appearing above in this Section on Page 7. General Fund employee and retiree benefits detail information is included on Page 9 of Section 7. Due to changes that occurred in the plan for FY17 our projections are very positive and therefore this proposed FY18 budget assumes the City will remain flat with no increase in our Health Insurance Program costs. On another positive note, the contribution to City Police and Fire Pension will remain at 14% of salary. As shown on the top of Page 10 in section 7 the General Fund portion of employee and retiree health insurance pension costs amounts to \$7.089M a 1% increase over the FY17 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 8.56% next year a slight increase from FY17. The five year history of the share of the City and Employee cost appears in the table at the bottom of Page 10.
7. **Amenities Supported by the General Fund:** The following is a chart that details the revenue and costs associated with providing a wide range of Community amenities. These amenities are included in this proposed FY18 budget.

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CITY OF HAGERSTOWN
SCHEDULE OF AMENITIES
FISCAL YEAR 2017 PROJECTED AND FY18 BUDGET

AMENITY DESCRIPTION	FISCAL YEAR 2017 PROJECTED ACTUAL					FISCAL YEAR 2018 PROPOSED BUDGET				
	DIRECT REVENUE	DIRECT OPERATING EXPENSE	FUNDING FOR CAPITAL BY EXTERNAL PARTIES	CAPITAL EXPENSES	TOTAL	DIRECT REVENUE	DIRECT OPERATING EXPENSE	FUNDING FOR CAPITAL BY EXTERNAL PARTIES	CAPITAL EXPENSES	TOTAL
General Fund:										
Farmer's Market	\$ 30,990	\$ 79,931	\$ -	\$ 7,500	\$ (56,441)	\$ 30,990	\$ 78,134	\$ -	\$ 50,000	\$ (97,144)
Potterfield Pool	68,550	162,235	-	33,697	(127,382)	72,550	163,346	-	-	(90,796)
Hager House	7,850	45,921	-	-	(38,071)	8,150	36,076	-	-	(27,926)
Train Museum	4,400	20,802	-	28,460	(44,862)	4,850	19,638	-	-	(14,788)
Municipal Stadium	-	18,032	35,000	35,099	(18,132)	-	12,922	35,000	35,000	(12,922)
All Other Parks	105,737	1,862,804	28,750	1,297,187	(3,025,505)	99,739	1,868,465	879,500	1,129,000	(2,018,226)
Ice Rink	9,000	75,000	-	15,000	(81,000)	36,000	75,000	5,000	20,000	(54,000)
All Other Recreation Events	49,250	225,530	110	-	(176,170)	54,250	349,794	-	-	(295,544)
Public Functions	233,187	486,300	-	-	(253,113)	227,000	464,300	-	-	(237,300)
Recreation	8,550	36,700	-	-	(28,150)	10,500	36,700	-	-	(26,200)
Subtotal General Fund	517,514	3,013,255	63,860	1,416,943	(3,848,825)	544,029	3,104,375	919,500	1,234,000	(2,874,846)
Golf Fund:										
Golf Course	202,750	422,742	-	35,000	(254,992)	221,808	441,807	-	37,000	(256,999)
Subtotal Golf Fund	202,750	422,742	-	35,000	(254,992)	221,808	441,807	-	37,000	(256,999)
Parking Fund:										
Parking Decks	441,780	485,073	-	20,000	(63,293)	451,780	521,484	-	470,000	(539,704)
Parking Lots	344,470	213,107	-	45,000	86,363	344,470	233,098	-	30,000	81,372
All Other Parking Fund	124,257	86,831	-	-	37,426	125,157	101,706	-	25,000	(1,549)
Subtotal Parking Fund	910,507	785,011	-	65,000	60,496	921,407	856,288	-	525,000	(459,881)
Property Management Fund:										
Property Management	356,584	856,035	-	141,615	(641,066)	344,297	550,027	-	302,000	(507,730)
Art Gallery	-	25,841	-	-	(25,841)	-	30,162	-	-	(30,162)
Burobox	2,000	10,400	49,118	49,118	(8,400)	6,000	14,200	-	10,000	(18,200)
Subtotal Property Management Fund	358,584	892,276	49,118	190,733	(675,307)	350,297	594,389	-	312,000	(556,092)
Total	\$1,989,355	\$ 5,113,284	\$ 112,978	\$ 1,707,676	\$(4,718,628)	\$2,037,541	\$ 4,996,859	\$ 919,500	\$2,108,000	\$(4,147,819)

8. **Municipal Stadium:** CIP 45-C0040, Municipal Stadium Improvements for \$35,000 is included for FY18 and represents commitments in the newly signed two year lease extension and fourth amendment with The Hagerstown Suns minor league baseball team. This CIP is included for Capital improvements to the stadium as further described in the amended Lease document approved by Mayor and Council at the February 23, 2016 Regular Meeting. There are no dollars proposed for FY19 through FY22 of this proposed budget.
9. **Parks Highlights:** Included in this proposed FY18 is \$1,184,000 in funding for various Park Department projects and equipment and is summarized with funding sources beginning on Page 28 of Section 8. These expenditures are described in detail on their individual CIP project sheets in Section 8 and include key items such as: CIP 45-C00237 Park Equipment contingent on State funding for \$165,000; CIP 45-C0570 Equipment Gator and Bobcat loader for \$68,000 and CIP 45-C0866 Longmeadow Park improvements Stream restoration and path and bridge improvements for \$800,000 with a Federal Grant and City match. A combination of General Fund transfers (pay-go), Bond Financing, contributions from others, State and Federal Grants, and CIP funds will fund all projects.
10. **Hagerstown Cultural Trail Projects Highlights:** 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. Much momentum, by the way of numerous Mayor and City Council actions took place in FY16 and FY17 for CIP 45-C0140 the Hagerstown Cultural Trail and efforts will continue in FY18 with \$150,000 included.

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11. **Events:** On page 57 of Section 3 you will find the schedule of public functions proposed for FY18. It is separated to show those events now managed by Recreation. This is a significant part of the budget representing nearly \$500K of General Fund resources utilized for this function. As limited resources hinder our ability to continue to provide this level of General Fund investment, I believe part of our discussions about future strategy should be how to continue to engage and increase private sector investment now that the City has proven the success of such efforts.
12. **General Fund Agency Contributions:** A summary of the proposed General Fund appropriations for agency funding appears on Page 56 of Section 3. In accordance with the General Fund Agency Funding Policy recently revised and adopted by Mayor and City Council in October 2016, the Proposed FY18 Budget includes \$205K in funding for our support of community agencies from the General Fund. This includes \$195K that the Mayor and Council set aside for the 8 core agencies plus \$10K for Unspecified Agency Contributions. Just as with Events our limited resources hinder our ability to continue to provide this level of General Fund investment and this is another area that should be considered under the strategic planning discussions.
13. **Overview of Capital Improvement Projects (CIP):** The City's Capital Improvement Program budget for FY18 at \$22.1 million is 2.3% higher than the \$21.6 million in the FY17 revised budget. The CIP Section 8 presents comprehensive descriptions of major project needs for FY18 through FY22. 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.
14. **Urban Improvement Project (UIP):** The City has included \$1.44 million in our FY18 budget for a Downtown Redevelopment project(s) to help spur economic redevelopment. This project total was \$1.5 million. In FY17, the City committed \$0.5 million to The Maryland Theatre toward design fees for its expansion project. It is anticipated that \$0.44 million committed to The Maryland Theatre will actually be spent in FY18. While there are no specifically approved commitments for the remaining \$1.0 million in the FY18 budget, this funding could be utilized toward a portion of the Urban Improvement project or other revitalization of the urban core of the City of Hagerstown. This project and funding has been included in the budget to help address Mayor and Council priority projects which are outlined with the Community's Center City Plan
15. **Third Parking Deck and Parking Fund Outlook:** Discussions around the Urban Improvement Project have indicated that further analysis should be completed to determine the need of an additional parking deck in the core. For a new 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 revenues from the new 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. CIP 56-C0173 includes FY20 planning Design and Land Acquisition of \$1,367,000 and FY21 construction of \$6,633,775. The projections include the assumption that this third parking deck would be completed and operational for half of FY21. The revenue calculation is based on 50% utilization of 180 available spaces in the new deck for a portion of the year in FY21. 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 FY21 which will begin to deplete the Parking Fund cash balances in FY22. Detailed assumptions on the Parking Fund can be found in Section 7 page 26. There are no proposed rate adjustments for the City's Parking System in FY18. The Proposed Budget does include a total of \$525,000 in Capital Projects and Equipment Purchases as outlined on Page 39 of Section 8. These include the following: CIP 56-C0749 General repairs/upgrades to parking decks for replacement of gate equipment for A&E and University Deck for \$470,000; CIP 56-C0857 Parking Lot improvements for Rochester Lot for \$30,000 and CIP 56-C0867 pay option improvements to the parking system for \$25,000. Bond financing and Parking Fund revenues will provide the funding for these purchases.

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16. **Vehicles:** The City has a history of deferring vehicles over the past seven years in an effort to lower costs and remain within limited resources impacted negatively by the economy. While the FY18 budget includes vehicle and equipment replacements for aging equipment, it is important to note that there are **no new** additions to our existing vehicle fleet but only vehicle replacements. Overall, the FY18 budget includes \$2.6 million for vehicle replacements. Of this amount, \$1.0M is funded by Enterprise Funds and includes the replacement of a wastewater vacuum truck, backhoes, dump trucks, and other miscellaneous vehicles. \$1.6 million will be funded by various sources within the General Fund. This includes the replacement of 7 police cruisers (\$322K), the replacement of 1 pick-up (\$30K), replacement of 1 John Deere gator (\$8K), and 3 other vehicles (\$70K). Additionally, future bond funds will be needed for the replacement of a reserve engine (\$645K) for the Fire department, a dump truck (\$160K) and street sweeper (\$300K) for the Public Works department, and a loader (\$60K) for Parks & Recreation department. The City will strive to continue to implement a systematic vehicle replacement plan to eliminate costly repairs and to improve efficiency of operations.
17. **Public Works Capital and Equipment Projects:** Included in this proposed FY18 is \$1,335,000 in funding for Public Works projects and equipment and is summarized with funding sources on Page 30 of Section 8. These expenditures are described in detail on their individual CIP project sheets in Section 8 and include key items such as CIP 45-C0065 for Public Works Vehicles that includes a truck, a dump truck, and a Street Sweeper for \$490,000; CIP 45-C0326 City Hall improvements for installation of A/C for \$300,000; CIP 45-C0718 Public Works storage yard expansion site planning for \$385,000; A combination of CIP funds, General Fund transfers (pay-go), General Fund Balance and Bond Financing will fund all projects.
18. **Police Department Capital and Equipment Projects:** Included in this proposed FY18 is \$1,221,600 in funding for Police Department projects and equipment and is summarized with funding sources on Page 30 of Section 8. These expenditures are described on their individual CIP project sheets in detail in Section 8 and include key items such as: CIP 45-C0128 radios for \$534,000; CIP 45-C0129 Vehicles for \$322,000; CIP 45- C0130 Crime Cameras for \$150,000 and CIP 45-C0182 Crime Lab Equipment for \$110,000; A combination of CIP funds, General Fund transfers (pay-go), General Fund Balance, Grants and Bond Financing will fund all projects.
19. **Fire Department Capital and Equipment Projects:** Included in this proposed FY18 is \$3,282,000 in funding for Fire Department projects and equipment and is summarized with funding sources beginning on Page 27 of Section 8. These expenditures are described in detail on their individual CIP project sheets in Section 8 and include key items such as: CIP 45-C0010 Fire vehicles including replacement of a reserve pumper for \$645,000; CIP 45-C0241 Training Center improvements (pump testing pit and SCBA maze) \$275,000; CIP 45-C0687 Consolidation of Public Safety Assets for \$500,000 and CIP 45-C0730 Fire Station Relocation for \$1.6M. A combination of CIP funds, General Fund transfers (pay-go), General Fund Balance, Contributions from others and Bond Financing will fund all projects.
20. **Pavement Preservation:** Relying on state highway user revenue (HUR), the City included \$1.2M in the FY18 budget for its pavement preservation program for city streets. The City utilizes a variety of methods to maintain streets including overlay, crack-sealing, slurry-sealing, pavement markers, and milling. While the FY18 budget includes a total of \$1.2M, the City will only spend what is provided by the state for funding.
21. **Alley Reconstruction:** This project continues the City's efforts to replace deteriorated alleys as described in CIP 45-C0324. Staff is proposing the use of \$291,000 in bond proceeds to complete the much needed work.
22. **New Sidewalks:** CIP 45-C0595 for New sidewalks is a proposed project that would utilize State Grants, CDBG Funds, and CIP Funds, for \$670,000 to install sidewalks on Haven Road, Carr Street and Snyder Avenue.
23. **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

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reduce pollutants discharged into State waterways and the Chesapeake Bay. \$380,000 is included in this proposed CIP for FY18 to construct stormwater retrofit facilities at Hagerstown Greens and other locations. Proposed funding would be \$300,000 from a Federal Grant, \$69,378 from CIP Funds and \$10,622 in Prior Bond Proceeds. 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 costs of this effort are undetermined, preliminary estimates of the cost to meet the EPA/MDE goals by 2025 are in the range of \$30- \$60M. While a portion of this cost could be funded through General Fund revenue and reserves, future bonds, or possible State/Federal grants, the City will need to consider implementation of a stormwater utility fee to meet the full requirements. At the time of this writing the City is working with MML on this matter. MML is partnering with the Maryland Association of Counties (MACo) and the Maryland Municipal Stormwater Association (MAMSA) to assist impacted Cities/ Counties to comprehensively address MS4 permitting with the MDE. MDE will move towards final approval of issuance of the new permit for impacted Cities including Hagerstown later in 2017.

24. **Professional Court Extension:** As stated in previous years Mayor and City Council have not reached any definite decision regarding contributions in regard to this project. This County project involved 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. Construction of the bridge is slated to begin in late 2018, early 2019. 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. There is much to consider including annexation to allow for extension of City services. CIP 45-C0685 reflects a placeholder of \$2M in possible City bond financing for FY19. The \$2M figure is based on a 30% complete design and an actual engineering cost estimate based on the preliminary design.
25. **Utility Rates:** The FY18 Proposed Budget represents the fourth 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 FY15 followed by 4% increases in FY16 and FY17, and then 2% increases in FY18 and FY19. These approved rate adjustments are included in the FY18 Proposed Budget and our five year financial projections. A new contract for wholesale energy was negotiated in FY17 and the rates are \$52.70 per megawatt hour. For all three of our utilities, our customers enjoy some of the lowest service charges in our region.
26. **Wastewater Fund Capital Projects and Equipment:** \$3,027,000 is included in FY18 for Wastewater Fund capital projects and equipment and is summarized on Page 37 of Section 8. Key purchases and projects include the following: CIP 54-C0004 vehicles for \$380,000; CIP 54-C0299 Pump Station Improvements for \$121,000; CIP 54-C0327 Collection System rehab for \$400,000; CIP 54-C0712 Sludge Storage Phase I Improvements for \$1,000,000; and CIP 54-C0800 City Wide Collection System rehab for \$200,000. A combination of MDE Grant, Wastewater Fund Revenue, and Bond Financing will fund these projects.
27. **Water Fund Capital Projects and Equipment:** \$5,337,000 is included in FY18 for Water Fund capital projects and equipment. These expenditures are summarized on Page 34 of Section 8. Key purchases and projects include the following: CIP 52-C0117 vehicles for \$412,000; CIP 52-C0167 Willson Transmission Main Work for \$500,000; CIP 52-C0168 Edgemont Reservoir Improvements for \$1,900,000; CIP 52-C0651 Pump Station improvements and construction phase of tank mixing system for \$615,000; CIP 52-C0653 Water Distribution System Meter Program for \$320,000; CIP 52-C0709 Distribution System Main Replacements for \$550,000; and CIP 52-C0863 Replacement of Traveling Screens at RC Willson for \$545,000. A combination of MDE Loans, Water Fund Revenue, and Bond Financing will fund these projects.
28. **Edgemont Reservoir:** To address regulatory requirements as mentioned above in CIP 52-C0168 \$1,900,000 has been included in the FY18 proposed budget to continue to monitor reservoir seepage (Triad Engineering), make the required MDE improvements and also to complete the study and begin design in accordance with the direction by the Mayor and Council and as approved by MDE Dam

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Safety Division. Edgemont Reservoir (Warner Gap Hollow Dam). Originally constructed in 1902 and used to supplement the Potomac River supply during emergencies, Edgemont Reservoir must be repaired to remain a viable resource. Work will include extensive grouting at the ogee and emergency spillway and the construction of a curtain toe drain. All work is to address identified seepage under the spillway and at the base of the left abutment (toe).

29. **Electric Fund Projects and Equipment:** The capital projects and equipment purchases are summarized in Section 8 Page 32 and total \$552,500 for the Electric Fund in FY18. Key purchases and projects include the following: CIP 50-C0090 vehicles for \$225,000; CIP 50-C0540 Underground Primary Cable replacement for \$30,000 and 50-C0542 Building improvements for \$50,000. Electric Fund Revenues will provide the funding for these projects.
30. **Community Development Block Grant Fund (CDBG):** The proposed CDBG Budget is included Section 5. The City utilizes these Federal Grant funds to support downtown and neighborhood revitalization projects along with community agencies and other projects and priorities. For FY18 we anticipate our CDBG grant entitlement will be \$575,000; we are projecting a 12.2% decrease from FY17. A history of the City's Entitlement Funding is shown on Page 6 of Section 5 and reflects a fairly steady allocation since FY13. Total CDBG expenditures are projected to be \$1,202,434 in FY18, funded by a combination of new and carry over entitlement funds of \$1,099,952 plus \$266,405 in program income. These projected expenditures include: \$240,000 for Public Facilities and Improvements; \$105,000 to support Public Services; \$704,960 in Housing Projects; and \$152,474 for program administration. A summary of CDBG revenues and expenditures appears on Page 5 with more detailed information on Pages 6-9.
31. **Economic Redevelopment Fund:** The proposed Economic Redevelopment Fund Budget is included in Section 5. The fund was established to promote the revitalization of the City's downtown and older neighborhood areas. It is used to promote businesses and home ownership in the City Center and has been used for the PEP Program, Invest Hagerstown, and holding real property for resale. For FY18 we anticipate expenditures of \$493,196 of which \$257,198 is for the final commitments of our Invest Hagerstown program. Also included is \$131,500 for PEP program rent payments; \$10,000 for USMH student housing project rent guarantees (Catalyst #3 of Community City Center Plan); \$38,473 for a new Citywide down payment program funded by the City and \$25,000 for City Center down payment program funded with a State Community Legacy grant. Key properties for resale opportunities include 170 West Washington, 28 East Baltimore (Massey) and 43-53 West Washington (contract pending). 43-53 West Washington property presents a significant opportunity for the City to continue in its partnership of the Urban Improvement Project and is currently under contract with the sale expected to be finalized in 2017. More detailed information of this Fund is found on pages 11-13.
32. **Property Management Fund:** This Fund provides stewardship over downtown property owned by the City and leased to area business. In Section 4 on page 38 you will find the Expenditure and Revenue Summary showing projected FY18 Expenditures of \$482,409 and Revenues of \$350,297. Expenditures are projected to decrease by 37.3% or \$288K largely due to the one time transfer for the Hagerstown Cultural Trail in the amount of \$280K included in FY17. Revenues are expected to increase by 6.0% or \$20K largely due to expected rental income additions of \$7K at 25 E. Franklin Street for the parking office and \$5K projected increase for the artist loft apartments rentals at 38 N. Potomac. Based on the assumptions outlined for revenues and expenditures our net increase (decrease) in retained earnings is projected to be a loss of (\$244,092) for FY18. This reduction in retained earnings projected for FY 18 represents the third consecutive year with reductions as FY16 actual reduction was (\$215,652) and FY17 with a projected reduction of (\$484,574). More detailed assumptions can be found in Section 7. Decisions about the continued viability of this fund and the properties held there will be needed as we are projecting a negative cash situation for FY18 and beyond, which would mean increased need for considering contributions from the General Fund. Staff looks forward to discussing this with Mayor and City Council during these budget deliberations.

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**COMBINED USES OF FUNDS
FY18 BUDGET BY FUND**

The Proposed FY18 Budget includes \$130,446,689 in expenditures for all of the City's funds. The City's largest operating fund, the General Fund, is projected at \$44,422,161 for the coming year, a 4.9% increase over FY17. Our utility operations for next year include \$17,567,493 for the Water Fund, \$16,576,655 for Wastewater and \$24,053,782 for Electric. The City's General Capital Improvement Fund for next year is proposed at \$12,273,575. Our Parking Fund's Budget is \$1,381,288 and the Community Development Block Grant Fund totals \$1,202,434. These represent Hagerstown's major operating and capital funds. Other Special Revenue funds totaling \$993,523 along with Service and Trust Funds totaling \$10,590,582 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.

	Revised Budget 2016/2017	Proposed Budget 2017/2018	Increase / (Decrease)	Percent Change
General Fund	\$ 42,355,522	\$ 44,422,161	\$ 2,066,639	4.9%
Community Dev. Block Grant Fund	1,272,058	1,202,434	(69,624)	-5.5%
Other Special Revenue Funds	1,319,254	993,523	(325,731)	-24.7%
General/Capital Improvement Projects	13,658,941	12,273,575	(1,385,366)	-10.1%
Total Government-type Funds	58,605,775	58,891,693	285,918	0.5%
Electric Fund	25,363,040	24,053,782	(1,309,258)	-5.2%
Water Fund	15,676,181	17,567,493	1,891,312	12.1%
Wastewater Fund	16,686,313	16,576,655	(109,658)	-0.7%
Parking Fund	923,430	1,381,288	457,858	49.6%
Golf Fund	457,356	478,807	21,451	4.7%
Property Management Fund	1,043,814	906,389	(137,425)	-13.2%
Total Enterprise-type Funds	60,150,134	60,964,414	814,280	1.4%
Service & Trust Funds	10,040,939	10,590,582	549,643	5.5%
Total Combined Uses of Funds	\$ 128,796,848	\$ 130,446,689	\$ 1,649,841	1.3%

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

COMBINED STATEMENT OF REVENUES AND EXPENDITURES

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE (ALL FUNDS)
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES BY TYPE					
Taxes	\$ 33,477,526	\$ 33,295,103	\$ 33,938,027	\$ 34,386,900	3.3%
Charges for Services	60,316,506	61,084,878	58,249,762	59,497,847	-2.6%
Licenses and Permits	1,910,357	2,083,100	1,914,710	2,055,610	-1.3%
Fines and Forfeitures	1,522,316	1,749,896	1,284,900	1,495,960	-14.5%
Other Governmental	3,761,978	4,229,898	3,440,926	4,326,180	2.3%
Other / Transfers In	16,011,063	18,479,772	17,506,532	19,041,833	3.0%
Total Current Revenues	\$ 116,999,746	\$ 120,922,647	\$ 116,334,857	\$ 120,804,330	-0.1%
EXPENDITURES BY DEPARTMENT					
Mayor and City Council	\$ 341,004	\$ 345,293	\$ 333,656	\$ 354,613	2.7%
City Administrator and Legal	539,788	456,980	449,766	473,236	3.6%
Finance	653,037	708,891	609,050	731,324	3.2%
Information and Technology	1,534,403	1,624,930	1,581,744	1,661,074	2.2%
Human Resources	653,798	652,528	639,032	686,653	5.2%
Community Planning and Development Services	1,636,048	1,647,983	1,720,686	1,706,917	3.6%
Public Works	2,778,460	2,935,806	3,200,295	3,108,973	5.9%
Community Development Block Grant	731,479	1,272,058	1,341,355	1,202,434	-5.5%
Public Safety	22,036,610	22,829,385	21,747,752	23,831,357	4.4%
Culture and Recreation	2,552,328	2,465,713	2,526,955	2,640,075	7.1%
Engineering and Construction	3,092,255	3,189,294	3,126,664	3,271,565	2.6%
Enterprise Funds	55,225,426	60,150,134	55,873,686	60,964,414	1.4%
Other Special Revenue Funds	1,697,940	1,319,254	1,494,077	993,523	-24.7%
Capital Improvement Projects Fund	5,791,170	13,658,941	10,589,698	12,273,575	-10.1%
Service and Trust Funds	7,985,909	10,040,938	8,961,843	10,590,582	5.5%
Non-Departmental General Fund	5,370,894	5,498,720	5,429,351	5,956,374	8.3%
Total Expenditures	\$ 112,620,549	\$ 128,796,848	\$ 119,625,610	\$ 130,446,689	1.3%

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

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2017/18

	GOVERNMENTAL FUND TYPES	ENTERPRISE FUND TYPES	SERVICE AND TRUST FUNDS	COMBINED TOTALS
REVENUES				
Property Taxes	\$ 29,522,874	\$ -	\$ -	\$ 29,522,874
Income and Other Taxes	4,864,026	-	-	4,864,026
Licenses and Permits	2,055,610	-	-	2,055,610
Intergovernmental Revenues and Grants	4,126,180	-	-	4,126,180
Charges for Current Services	2,839,154	49,196,977	9,573,485	61,609,616
Fines and Forfeitures	1,400,460	-	-	1,400,460
Administrative Allocation Revenues	2,031,000	-	-	2,031,000
Program Income	294,591	-	-	294,591
Reforestation Fees	20,000	-	-	20,000
Miscellaneous/Other General Revenues	452,261	25,000	75,000	552,261
Premium on Bonds	-	20,311	-	20,311
Interest on Investments	18,365	119,723	6,113	144,201
TOTAL REVENUES	\$ 47,624,521	\$ 49,362,011	\$ 9,654,598	\$ 106,641,130
EXPENDITURES				
General Government	6,482,058	-	-	6,482,058
Public Safety	23,831,357	-	-	23,831,357
Highways and Streets	2,806,616	-	-	2,806,616
Waste Collection and Disposal	2,115,019	-	-	2,115,019
Parks and Recreation	2,640,075	-	-	2,640,075
Economic and Community Development	590,662	-	-	590,662
Unallocated General Expense	1,592,421	-	-	1,592,421
Debt Service - Principal and Interest	2,414,238	4,877,956	-	7,292,194
Operating Expenses	14,398,694	49,706,068	9,839,064	73,943,826
TOTAL EXPENDITURES	56,871,140	54,584,024	9,839,064	121,294,228
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(9,246,619)	(5,222,013)	(184,466)	(14,653,098)
OTHER FINANCING SOURCES(USES)				
Add Back Depreciation	-	7,970,000	-	7,970,000
Bond Financing Proceeds	5,965,600	6,262,000	-	12,227,600
Bond Prior Proceeds	685,826	-	-	685,826
Capital Contributions	-	1,000,000	-	1,000,000
Operating Transfers (In)	751,823	425,693	-	1,177,516
Capital Transfers (In)	541,642	-	-	541,642
General Fund Balance Transfers (In) Capital Projects	1,052,000	-	-	1,052,000
General Fund Balance Transfers (In) Invest Hagerstown	257,198	-	-	257,198
Contributions by Others	148,500	840,000	-	988,500
Appropriated Use of Fund Balance	2,454,918	-	-	2,454,918
Non-Cash Capital Contributions	-	(400,000)	-	(400,000)
General Fund Balance Transfers (Out) Capital Projects	(1,052,000)	-	-	(1,052,000)
General Fund Balance Transfers (Out) Invest Hagerstown	(257,198)	-	-	(257,198)
Capital Transfers (Out)	(295,517)	(6,125)	-	(301,642)
Operating Transfers (Out)	(415,838)	-	(751,518)	(1,167,356)
Capital Outlay	-	(10,225,500)	-	(10,225,500)
TOTAL OTHER FINANCING SOURCES (USES)	9,836,954	5,866,068	(751,518)	14,951,504
EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES				
	\$ 590,335	\$ 644,055	\$ (935,984)	\$ 298,406
Beginning Fund Balance	\$ 18,851,455	\$ 167,933,300	\$ 4,979,970	\$ 191,764,725
Less Appropriated Use of Fund Balance	(3,140,744)	-	-	(3,140,744)
Ending Fund Balance	\$ 16,301,046	\$ 168,822,090	\$ 4,043,986	\$ 189,167,122

(Cash Basis)

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

STAFFING CHARTS

STAFFING SCHEDULE
DETAIL OF UNFUNDED FULL-TIME POSITIONS
FISCAL YEAR 2017/18

Department / Description	Proposed Unfunded
Engineering & Parks	
Parks Maintenance Worker I-III	3.00
Department Total	3.00
Fire Department	
Firefighter	3.00
Fire Deputy Chief	1.00
Fire Training Captain	1.00
Fire Public Safety Educator	1.00
Department Total	6.00
Police Department	
Bookkeeping Clerk Typist	1.00
Department Total	1.00
Public Works	
Sign/Lines Maintenance Worker I-III	1.00
PW Maintenance Worker I-IV	2.00
Truck Driver	1.00
Department Total	4.00
TOTAL GENERAL FUND	14.00
Water Department	
Maintenance Technician I	1.00
Field Operations (Construction & Maintenance) Technician III	2.00
Engineering Technician	1.00
Department Total	4.00
Wastewater Department	
Collection System Operator IV	2.00
Department Total	2.00
Electric Department	
Electrical Engineer	1.00
Distribution General Foreman	1.00
Senior Meter Repairer	1.00
Utility Serviceperson/Building Maintenance	1.00
Senior Electric Construction Worker	1.00
Lineworker	1.00
Department Total	6.00
TOTAL OTHER FUNDS	12.00
TOTAL ALL FUNDS	26.00

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

STAFFING SCHEDULE (FULL-TIME AND PART-TIME POSITIONS ONLY)
FIVE YEAR COMPARISON
FISCAL YEARS 2013/2014 THROUGH 2017/2018

DEPARTMENT	FISCAL YEARS									
	2013/14		2014/15		2015/16		2016/17		2017/18	
	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	-	0.33	-	0.33	-	0.33	-	0.33	-
City Administrator	1.33	-	1.33	-	1.33	-	1.33	-	1.33	-
City Clerk	1.33	0.50	1.34	0.50	1.34	0.50	1.34	0.50	1.34	0.50
Community & Economic Development	23.85	7.50	23.80	5.50	28.84	5.50	6.75	2.00	6.75	2.00
Unfunded Positions	-	-	-	-	(1.00)	-	-	-	-	-
Total Funded Positions	23.85	7.50	23.80	5.50	27.84	5.50	6.75	2.00	6.75	2.00
Planning & Code Administration	-	-	-	-	-	-	20.00	2.00	20.00	1.00
Unfunded Positions	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	-	-	-	-	-	-	20.00	2.00	20.00	1.00
Finance	8.50	-	8.50	-	8.50	-	8.50	-	8.50	-
Unfunded Positions	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	8.50	-	8.50	-	8.50	-	8.50	-	8.50	-
IT, Communications, & Support Services	12.00	2.00	12.00	3.00	12.00	3.00	14.10	5.50	14.10	5.50
Unfunded Positions	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	12.00	2.00	12.00	3.00	12.00	3.00	14.10	5.50	14.10	5.50
Human Resources	4.00	5.00	4.00	5.00	5.00	3.00	5.00	4.00	5.00	4.00
Engineering & Parks	29.72	3.00	29.63	5.00	30.64	6.00	30.65	6.00	30.92	9.00
Unfunded Positions	(3.00)	-	(3.00)	-	(3.00)	-	(3.00)	-	(3.00)	-
Total Funded Positions	26.72	3.00	26.63	5.00	27.64	6.00	27.65	6.00	27.92	9.00
Police Sworn	107.00	-	107.00	-	108.00	-	112.00	-	112.00	-
Police Administrative/Civilian	14.00	18.00	15.00	19.00	15.00	19.00	15.00	18.00	15.00	14.00
Unfunded Positions	(3.00)	-	(1.00)	-	(1.00)	-	(1.00)	-	(1.00)	-
Total Funded Positions	118.00	18.00	121.00	19.00	122.00	19.00	126.00	18.00	126.00	14.00
Fire	83.00	-	83.00	-	83.00	-	83.00	-	83.00	-
Unfunded Positions	(5.00)	-	(5.00)	-	(6.00)	-	(6.00)	-	(6.00)	-
Total Funded Positions	78.00	-	78.00	-	77.00	-	77.00	-	77.00	-
Public Works	32.90	-	32.90	-	32.50	-	32.90	-	32.90	-
Unfunded Positions	(5.00)	-	(5.00)	-	(5.00)	-	(4.00)	-	(4.00)	-
Total Funded Positions	27.90	-	27.90	-	27.50	-	28.90	-	28.90	-
Total General Fund	317.97	36.00	318.83	38.00	326.48	37.00	330.90	36.00	331.17	35.00
Unfunded Total - General Fund	(16.00)	-	(14.00)	-	(16.00)	-	(14.00)	-	(14.00)	-
Total Funded Positions-General Fund	301.97	36.00	304.83	38.00	310.48	37.00	316.90	36.00	317.17	35.00
Electric	35.58	-	35.55	-	35.55	-	35.55	-	35.55	-
Unfunded Positions	(5.00)	-	(5.00)	-	(5.00)	-	(5.00)	-	(6.00)	-
Total Funded Positions	30.58	-	30.55	-	30.55	-	30.55	-	29.55	-
Water	55.02	-	55.02	-	54.52	-	54.52	-	54.52	-
Unfunded Positions	(4.00)	-	(4.00)	-	(4.00)	-	(4.00)	-	(4.00)	-
Total Funded Positions	51.02	-	51.02	-	50.52	-	50.52	-	50.52	-
Wastewater	47.76	-	47.76	-	48.26	-	48.26	-	48.26	-
Unfunded Positions	(2.00)	-	(2.00)	-	(2.00)	-	(2.00)	-	(2.00)	-
Total Funded Positions	45.76	-	45.76	-	46.26	-	46.26	-	46.26	-
Golf Course	2.37	2.00	2.53	1.00	2.52	2.00	2.52	1.00	2.25	2.00
Parking	2.20	9.00	2.20	7.00	2.40	9.00	2.20	7.00	2.20	10.00
Property Management	0.90	-	0.90	1.00	1.10	1.00	0.90	1.00	0.90	1.00
Community Dev Block Grant	2.20	-	2.21	-	2.01	-	2.00	-	2.00	-
Telework Center	-	-	-	-	-	-	-	-	-	-
City-wide Staffing Levels	464.00	47.00	465.00	47.00	473.00	49.00	477.00	45.00	477.00	48.00
Unfunded Total - City-wide	(27.00)	-	(25.00)	-	(27.00)	-	(25.00)	-	(26.00)	-
Total Funded Positions - City-wide	437.00	47.00	440.00	47.00	446.00	49.00	452.00	45.00	451.00	48.00
General Operations	116.17	18.00	116.04	19.00	122.65	18.00	123.05	18.00	123.32	21.00
Public Safety	204.00	18.00	205.00	19.00	206.00	19.00	210.00	18.00	210.00	14.00
Enterprise Funds	143.83	11.00	143.96	9.00	144.35	12.00	143.95	9.00	143.68	13.00

FY16 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 FT M&CC Changes: 3 positions unfunded Director DCED; Public Works; and Fire Training Captain.

FY17 FT Changes: 4 new positions created for 2015 approved COPS Hiring Grant; funding 1 DCED position; and funding 1 PW position for internal abatement

FY18 No changes in FT positions: PT positions reflect a shift of Parking Enforcement staffing from Police to Parking Fund

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

SOURCES OF FY18 GENERAL FUND REVENUE

The Proposed General Fund revenue of \$44,432,618 for FY18 represents a 4.9% increase over the FY17 budget. The primary reasons for this increase in General Fund revenue is: \$1,216,351 growth in Property Tax Revenue as a result of a proposed 5.5 cent tax rate increase; a one-time distribution from the Health Insurance fund; and the utilization of accumulated fund balance reserve to fund \$1,052,000 in capital improvement projects. There are offsetting decreases and the largest one is in the City's Safe Speed for School program which is reflected below in Fines & Forfeitures.

The following table illustrates the change in the sources of General Fund Revenues from Revised Budget FY17 to Proposed Budget FY18.

<i>Sources of General Fund Revenue Growth</i>			
FY 17/18 General Fund Budgeted Revenues	\$	44,432,618	
FY 16/17 General Fund Budgeted Revenues	\$	42,357,458	
Revenue Growth (Decrease)		2,075,160	4.9% Increase
Sources			
Property Tax Revenue		1,216,351	
Income & Other Taxes		(25,554)	
Licenses & Permits		(27,490)	
Intergovernmental Revenues		(11,653)	
Charges for Current Services		(925)	
Fine & Forfeitures		(458,536)	
Unallocated Revenues		(8,621)	
Transfers From Other Funds		502,421	
Appropriated Use of Fund Balance		889,167	
Total	\$	2,075,160	

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

EXPENDITURES OF FY18 GENERAL FUND RESOURCES

The change in the Proposed General Fund Budget for expenditures in FY18 totals \$2,066,639 representing a 4.9% increase in expenditures from the revised FY17 Budget of \$42,355,522. The following table illustrates the changes in the use of General Fund budget resources by category of expenditure from FY17 to FY18. The total General Fund expenditure increase is primarily a result of the following: potential salary enhancements for all employee groups, increased overtime costs in public safety, rising employer paid benefits costs for health insurance, police & fire pension contributions, and employer related payroll costs associated with salary increases, increases in contractual services related to trash/recycling contract and legal fees, growing maintenance & repair costs, rising debt service costs, and use of general fund balance reserves to support capital expenditures.

Uses of General Fund Revenue Growth

FY 17/18 General Fund Budgeted Expenditures	\$ 44,422,161	
FY 16/17 General Fund Budgeted Expenditures	42,355,522	
Expenditure Growth (Decrease)	2,066,639	4.9% Increase

Uses		
Wage & Benefits	1,055,503	
Wage & Overhead Allocations	245,174	
Contracted Services	117,823	
Materials & Supplies	1,378	
Insurance	(8,491)	
Capital Expenditures	(704,538)	
Debt Service	248,171	
Transfers To Other Funds	36,834	
Other Expenditures	185,618	
Fund Balance Transfer	889,167	
Total	\$ 2,066,639	

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

ALLOCATION OF FY18 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	\$ 14,107,414	31.8%
Fire	7,674,706	17.3%
Engineering, Parks & Recreation	3,718,487	8.4%
Street, Alleys & Signal	3,289,802	7.4%
Debt Service	2,414,238	5.4%
Waste Collection & Disposal	2,115,019	4.8%
Planning & Code Administration	2,017,036	4.5%
Retiree Benefits	1,573,232	3.5%
Technology & Support Services	1,353,668	3.0%
Community & Economic Development	1,334,066	3.0%
Fund Balance Transfers	1,309,198	2.9%
Finance	731,324	1.6%
Human Resources	686,653	1.5%
Communications	307,406	0.7%
City Hall	302,357	0.7%
CIP Appropriations	295,517	0.7%
Legal Counsel	256,000	0.6%
City Administrator	217,236	0.5%
Contributions to Other Agencies	205,000	0.5%
Mayor & Council	190,873	0.4%
City Clerk	163,740	0.4%
Unallocated Expenses/Transfers *	159,189	0.4%
Total	\$ 44,422,161	100.0%

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

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

GENERAL FUND CAPITAL INVESTMENT

The following table summarizes our history of General Fund capital investment since FY01.

Fiscal Year	Capital Outlay	Appropriation To CIP Fund	GF Fund Balance Transfer to CIP	Total
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	177,981	832,268	-	1,010,249
2014/2015	178,836	353,507	546,903	1,079,246
2015/2016	248,127	822,655	103,869	1,174,651
Estimated Actual:				
2016/2017	304,669	985,317	-	1,289,986
Proposed Budget:				
2017/2018	230,690	295,517	1,052,000	1,578,207
2018/2019	232,690	1,652,058	-	1,884,748
2019/2020	232,690	1,120,875	-	1,353,565
2020/2021	237,690	1,303,875	-	1,541,565
2021/2022	237,690	1,226,750	-	1,464,440

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 FY18 above includes the use of General Fund Balance reserves to maintain levels needed for capital improvement projects.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

BONDED DEBT OUTSTANDING

In current FY17, the budget originally included a preliminary \$6,399,000 General Fund bond issue. However at this time, it is projected that this bond issue will be \$4,793,526 in the General Fund and represents projects approved in FY16 and FY17 budgets. This future 2017 bond issue is reflected in the chart below in the increasing outstanding bond balances from FY16 to estimated FY17.

In the FY18 proposed budget, we have included a general fund supported bond issue that totals \$9,177,600 to General Fund (\$5,965,600), Water Fund (\$1,225,000), Wastewater Fund (\$1,312,000), Parking Fund (\$450,000), and Property Management Fund (\$225,000). Also included in FY18 proposals is a 2018 MDE issued debt for the Water Fund in the amount of \$2,050,000 and planned bond reimbursement draws from a future 2017 MDE loan of \$1,000,000. These proposed capital expenditures are described in detail in the Capital Improvement Program (Section 8) 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 FY07. 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
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	75,417,227	18,093,422	57,323,805
2015/2016	70,939,759	16,621,899	54,317,860
2016/2017 Estimated Actual	73,777,879	19,886,178	53,891,701
2017/2018 Proposed Budget	80,292,714	24,010,560	56,282,154
12 Year Increase in Outstanding Debt	\$ 40,214,322	\$ 7,890,366	\$ 32,323,956

Finally, we may experience both direct and indirect impacts from federal spending cuts and continued uncertainty in the Municipal Bond Market. There continue to be a variety of discussions regarding municipal bonds and how changes may impact our bond market interest rates and our cost of issuance with those bonds. As part of a prior national stimulus package, the City issued taxable Build America Bonds as part of its 2009 issuance. With this issue, the federal government was originally reimbursing 35% of our total interest paid to bondholders. Effective with the reimbursement received 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 FY18 proposed budget includes partial interest reimbursement. The chart below is a summary financial impact annually across all City funds if the federal government reimbursed at the original 35% rate.

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 2018

DEBT LEVELS AND AFFORDABILITY

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

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

TAX SUPPORTED GENERAL FUND OBLIGATION DEBT RATIOS

Fiscal Year	Total Taxable Assessed Value	Percent of Assessed Value	Debt Per Capita	General Fund Debt Service as % of General Fund Operating Revenue
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	0.52%	333	5.16%
2009/2010	2,830,482	0.72%	511	5.25%
2010/2011	2,880,838	0.65%	471	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	2,541,960	0.71%	448	4.44%
2015/2016	2,618,007	0.63%	412	4.85%
2016/2017 Estimated Actual	2,657,722	0.75%	493	4.91%
2017/2018 Proposed Budget	2,573,905	0.93%	595	5.60%
City Debt Policy		10.00%	\$ 1,000	10.00%

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

GENERAL FUND

REVENUES

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

	Revised Budget 2016/17	Estimated Actual 2016/17	Proposed Budget 2017/18	Percent Change
Property Tax Revenue	\$ 28,306,523	\$ 28,821,911	\$ 29,522,874	4.3%
Income & Other Taxes	3,788,580	3,805,862	3,763,026	-0.7%
Licenses & Permits	2,083,100	1,914,710	2,055,610	-1.3%
Intergovernmental Revenues	503,003	491,843	491,350	-2.3%
Charges for Current Services	2,840,079	2,856,665	2,839,154	0.0%
Fines & Forfeitures	1,858,996	1,239,220	1,400,460	-24.7%
Administrative Allocation Revenues	2,031,000	2,031,000	2,031,000	0.0%
Contributions & Donations	161,742	123,642	123,601	-23.6%
Interest on Investments	5,000	18,000	18,000	260.0%
Other General Revenues	285,840	313,941	302,360	5.8%
Transfers from Other Funds	73,564	74,000	575,985	683.0%
Appropriated Use of Fund Balance	420,031	-	1,309,198	211.7%
Total Current Revenue	\$ 42,357,458	\$ 41,690,794	\$ 44,432,618	4.9%

1. Overall Property Tax revenue is estimated to increase from FY17 budget to FY18 budget by \$1.2M or 4.3% as a result of a proposed 5.5 cent real estate tax rate increase. This 5.5 cent real estate tax rate increase is a combination of constant yield amount of 2.79 cent increase to maintain existing revenue amounts and an additional 2.71 cent increase. The total property tax revenue increase is needed to cover rising costs for potential salary enhancements, employer benefits, annual debt service requirements, and offset declines in other revenues like Safe Speed for Students program. Total Property Tax revenue is the primary source of revenue for the General Fund at 69.4% excluding Transfers from Other Funds and Appropriated Use of Fund Balance and 66.4% when including these other funding sources.
2. The Fines & Forfeitures decrease by \$459K or 24.7% over the FY17 budget is driven by a reduction in Safe Speed for Students program. The majority of this decline is a result of changes in drivers' behavior in safe school zones and relocation of a camera after Winter Street Elementary school closure.
3. Transfers from Other Funds reflect an increase of \$502K. The FY18 budget includes a one-time \$491K transfer from the Health Insurance Fund for the distribution of a FY16 surplus.
4. Appropriated Use of Fund Balance reflects a total request of \$1.3M to be utilized from prior years' General Fund balance. This request is to fund the Economic Redevelopment Fund for the remaining First Third Grant commitment and to fund the Capital Improvement Fund.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

COST BY FUNCTION

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

	Revised Budget 2016/17	Estimated Actual 2016/17	Proposed Budget 2017/18	Percent Change
Police	\$ 13,594,932	\$ 12,861,773	\$ 14,107,414	3.8%
Fire	7,322,363	7,015,988	7,674,706	4.8%
Subtotal Public Safety	20,917,295	19,877,761	21,782,120	4.1%
Engineering, Parks & Recreation	3,524,730	3,533,954	3,718,487	5.5%
Street, Alleys & Signal	3,123,032	3,382,854	3,289,802	5.3%
Community & Economic Development	1,292,153	1,391,003	1,334,066	3.2%
Communications	308,027	291,751	307,406	-0.2%
Planning & Code Administration	1,856,257	1,788,378	2,017,036	8.7%
Debt Service	2,166,067	2,045,508	2,414,238	11.5%
Waste Collection & Disposal	2,050,687	2,039,734	2,115,019	3.1%
Retiree Benefits	1,267,010	1,528,794	1,573,232	24.2%
Technology & Support Services	1,316,903	1,289,993	1,353,668	2.8%
CIP Appropriations	952,445	985,317	295,517	-69.0%
Unallocated Expenses/Transfers*	488,166	338,166	159,189	-67.4%
Finance	708,891	609,050	731,324	3.2%
Human Resources	652,528	639,032	686,653	5.2%
City Hall	304,028	308,668	302,357	-0.5%
Legal Counsel	236,000	244,000	256,000	8.5%
Contributions to Other Agencies	205,000	205,000	205,000	0.0%
City Administrator	220,980	205,766	217,236	-1.7%
Mayor & Council	182,216	179,490	190,873	4.8%
City Clerk	163,077	154,166	163,740	0.4%
Fund Balance Transfers	420,031	326,566	1,309,198	211.7%
Total General Fund	\$ 42,355,522	\$ 41,364,951	\$ 44,422,161	4.9%

1. The Police Department proposed FY18 budget reflects an overall increase of 3.8% or \$512K. This growth reflects: \$327K related to potential salary and employer paid benefit increases; additional \$114K in overtime costs; and other operating increases for annual licensing and storage fees for body worn cameras, first aid supply costs for AED batteries and increased need for naloxone (Narcan), and a new K9 dog with associated training costs.
2. The Fire Department proposed FY18 budget reflects an increase of 4.8% or \$352K. Primarily, this increase reflects potential salary and employer paid benefit increases and pay-outs for possible retirements. The Fire Department currently has eight employees that are eligible to retire.
3. Overall Retiree Benefits is projected to increase by 24.2% or \$306K in the proposed FY18 budget compared to current FY17 budget. The FY17 budget included a one-time \$300K reimbursement or decrease in OPEB Trust funding. The City pays 100% of all retiree claims plus makes annual contributions to the OPEB Trust and will continue to do this in FY18 with an annual amount of \$650K.
4. CIP Appropriations are projected to decrease by \$657K or 69.0% and reflects the City's use of General Fund Balance reserves to support capital purchases rather than the use of current General Fund operating money.
5. Fund Balance Transfers reflects an increase of \$889K. The total Fund Balance reserve being utilized in proposed FY18 budget is \$1.3M. Of this total, \$257K would be utilized for Economic Redevelopment Fund and reflect the final First Third grant obligation which will not be completed in FY17 and the remaining \$1.05M would be used for capital improvement project items.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

EXPENDITURES BY TYPE

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

	Revised Budget 2016/17	Estimated Actual 2016/17	Proposed Budget 2017/18	Percent Change
Salaries and Wages	\$ 19,081,654	\$ 18,313,044	\$ 19,756,863	3.5%
Employee Benefits	9,353,812	8,973,162	9,734,106	4.1%
Total Wages and Benefits	28,435,466	27,286,206	29,490,969	3.7%
Wage & Overhead Allocations	(1,151,183)	(733,097)	(906,009)	-21.3%
Contracted Services	4,369,767	4,392,302	4,487,590	2.7%
Materials, Supplies & Utilities	2,124,725	2,147,442	2,126,103	0.1%
Insurance	298,544	233,612	290,053	-2.8%
Capital Outlay - Non CIP	278,300	304,669	230,690	-17.1%
Capital Transfers to CIP fund	952,445	985,317	295,517	-69.0%
Debt Service	2,166,067	2,045,508	2,414,238	11.5%
Operating Transfers to Other Funds	308,166	328,166	345,000	12.0%
Advertising & Printing	263,910	271,225	280,000	6.1%
Rentals	114,824	113,692	114,892	0.1%
Maintenance & Repairs	825,756	905,596	957,871	16.0%
Vehicle Expenses	1,003,153	886,158	973,724	-2.9%
Professional Development	194,586	194,057	213,653	9.8%
Communication Expenses	331,077	356,964	354,108	7.0%
Other Expenses	834,399	737,079	854,564	2.4%
Unallocated General Expenses	585,489	583,489	590,000	0.8%
Fund Balance Transfer to CIP Fund	-	-	1,052,000	100.0%
Fund Balance Transfer for Invest Hag	420,031	326,566	257,198	-38.8%
Total All Expenditures	\$ 42,355,522	\$ 41,364,951	\$ 44,422,161	4.9%

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

1. The \$1.1M or 3.7% increase in Total Wages & Benefits reflects potential salary enhancements for all employee groups, increased overtime in the Police Department, growing employer paid benefit costs for health insurance, pensions, and other direct payroll related benefits like FICA. There are no new full-time positions included in the FY18 proposed budget. At a combined total of \$29.5M, General Fund Wages & Benefits represent 66.4% of the total annual operating expenditures for FY18 proposed budget.
2. Contracted Services is projected to increase \$118K or 2.7% as a result of the increased legal fees, trash and recycling services costs, and ground services costs in our City Parks and for weed & landscaping contract work in City traffic islands for Public Works.
3. Capital Transfers to CIP Fund are expected to decrease by \$657K or 69.0% and reflects the City's use of General Fund Balance Reserves to support capital purchases rather than use General Fund operating money. A detail listing of all the projects that this will fund is located in Section 8 on page 15.
4. The \$248K or 11.5% increase in Debt Service reflects rising annual debt service requirements with the addition of a pending 2017 bond issue plus the impact of reallocating a portion of the 2015A bond issue from the Electric Fund for General Fund projects.
5. Maintenance & Repairs is projected to increase \$132K or 16.0%. This increase reflects multiple changes: more maintenance and building repairs needed across our City Parks, rising costs for computer software programs, and new costs for annual licensing and storage fees related to Police body worn cameras.
6. The \$1.1M increase in Fund Balance Transfer to CIP Fund reflects the utilization of fund balance reserves for proposed FY18 capital projects.

CITY ADMINISTRATOR'S BUDGET MESSAGE
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ENTERPRISE FUNDS

ELECTRIC FUND

	Revised Budget 2016/17	Estimated Actual 2016/17	Proposed Budget 2017/18	Percent Change
Operating Revenues	\$ 24,290,647	\$ 22,868,110	\$ 23,001,317	-5.3%
Operating Expenses	24,349,755	22,749,561	23,049,781	-5.3%
Operating Income (Loss)	(59,108)	118,549	(48,464)	-18.0%
Non-Operating Revenues (Expenses)	92,798	104,205	95,097	2.5%
Capital Contributions & Grants	50,000	50,000	50,000	0.0%
Transfers In (Out)	(3,500)	(3,500)	51,204	-
Operating Income (Loss)	80,190	269,254	147,837	84.4%
Add Back Depreciation	965,000	920,000	945,000	-2.1%
Capital Outlay/Fixed Assets	(987,500)	(874,243)	(987,500)	0.0%
Repayment of Principal on Debt	(46,486)	(38,455)	(39,848)	-14.3%
Non-Cash Capital Contributions	(50,000)	(50,000)	(50,000)	0.0%
Changes in Working Capital	-	(234,991)	-	0.0%
Net Surplus (Deficit)	\$ (38,796)	\$ (8,435)	\$ 15,489	-139.9%

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

1. No electric rate increases have been projected for FY18. The proposed budget reflects the power supply contract extensions through May 31, 2022 with First Energy Solutions.
2. Electric revenue shows an overall 5.3% decrease which reflects the continuation of current FY17 customer trends and usage.

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

1. Purchased power costs are projected to be lower by 5.9% or \$1.0M compared to FY17 budget and reflects the new charge per megawatt hour (MWh) of \$52.70 which is effective June 1, 2017.
2. Total personnel costs (salaries, overtime, and benefits) reflect a combined decrease of 1.3% or \$42K which reflects potential salary enhancements offset with unfunding a Senior Electric Construction worker position and several long-term retirements being replaced with newer level staff. The current IBEW union contract is effective through June 2017.
3. Depreciation expense reflects a decrease of 2.1% or \$20K due to fewer anticipated investments in new capital projects and assets.
4. Capital outlay totals for fixed assets are expected to remain flat at \$988K. The Capital Improvement Program, Section 8, provides details on all the Electric Fund projects anticipated for FY18 beginning on page 120.
5. Annual debt service expenditures are expected to decrease by 14.3% or \$7K which is reflected in the Repayment of Debt Principal line above. This is a result of reprogramming unspent 2015A tax-exempt bond monies to the General Fund in FY17.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

WATER FUND

	Revised Budget 2016/2017	Estimated Actual 2016/17	Proposed Budget 2017/18	Percent Change
Operating Revenues	\$ 11,529,432	\$ 11,505,220	\$ 11,718,220	1.6%
Operating Expenses	11,337,204	11,135,948	11,656,308	2.8%
Operating Income (Loss)	192,228	369,272	61,912	-67.8%
Non-Operating Revenues (Expenses)	(570,376)	(536,913)	(558,609)	-2.1%
Capital Contributions & Grants	850,000	850,000	850,000	0.0%
Gain (Loss) on Fixed Asset Disposal	10,000	15,000	15,000	50.0%
Transfers In (Out)	(3,500)	(3,500)	74,433	-2226.7%
Operating Income (Loss)	478,352	693,859	442,736	-7.4%
Add Back Depreciation	3,100,000	3,200,000	3,370,000	8.7%
Capital Outlay/Fixed Assets	(3,754,000)	(2,923,104)	(5,337,000)	42.2%
Repayment of Principal on Debt	(1,724,170)	(1,674,170)	(1,820,570)	5.6%
Non-Cash Capital Contributions	(350,000)	(350,000)	(350,000)	0.0%
Bond Proceeds	2,627,000	1,761,474	4,275,000	62.7%
Net Surplus (Deficit)	\$ 377,182	\$ 708,059	\$ 580,166	53.8%

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, 2017 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 FY18 proposed budget includes an increase of 2.8% or \$319K for total operating expenses. The FY18 budget does include potential salary enhancements as the current AFSCME 1540 union contract is effective through June 2017. The primary reasons for this total increase are: an increase in salaries, overtime, and benefits of \$28K, an increase of \$71K for total contractual services due to West End Tank restoration work planned, and \$270K increase in depreciation.
2. Capital outlay totals for fixed assets are projected to increase by \$1.6M or 42.2% as new projects and improvements for Edgemont Reservoir and Willson Plant traveling screens are included in proposed FY18 budget figures. The Capital Improvement Program, Section 8, provides details on all the Water Fund projects anticipated for FY18 budget beginning on page 138.
3. Annual debt service expenditures are expected to increase by 5.6% or \$96K as reflected in the Repayment of Debt Principal line above. This includes pending 2017 City bond issue and MDE loan plus additional bond needs for FY18 planned improvements.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

WASTEWATER FUND

	Revised Budget 2016/17	Estimated Actual 2016/17	Proposed Budget 2017/18	Percent Change
Operating Revenues	\$ 12,862,911	\$ 12,736,925	\$ 13,000,585	1.1%
Operating Expenses	12,988,384	12,756,576	13,142,965	1.2%
Operating Income (Loss)	(125,473)	(19,651)	(142,380)	13.5%
Non-Operating Revenues (Expenses)	(410,476)	(387,850)	(394,862)	-3.8%
Capital Contributions & Grants	740,000	840,000	940,000	27.0%
Transfers In (Out)	(3,500)	(3,500)	74,431	-2227%
Operating Income (Loss)	200,551	428,999	477,189	137.9%
Add Back Depreciation	3,120,000	3,120,000	3,180,000	1.9%
Capital Outlay/Fixed Assets	(3,274,000)	(2,058,698)	(3,027,000)	-7.5%
Repayment of Principal on Debt	(1,704,499)	(1,704,499)	(1,801,718)	5.7%
Bond Proceeds	1,747,000	1,300,000	1,312,000	-24.9%
Net Surplus (Deficit)	\$ 89,052	\$ 1,085,802	\$ 140,471	57.7%

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, 2017 is 2% and 2% for FY19. The 2% rate increase for FY18 is reflected in the total operating revenues increase of 1.1% or \$138K 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 proposed FY18 budget includes an overall increase of 1.2% or \$155K for total operating expenses. The FY18 budget does include potential salary enhancements as the current AFSCME 1540 union contract is effective through June 2017. The primary reasons for this total increase are: an increase in salaries, overtime, and benefits of \$122K; and \$60K for depreciation expense increase.
2. Capital outlay totals for fixed assets are projected to decrease by \$247K or 7.5%. The Capital Improvement Program, Section 8, provides details on all the Wastewater Fund projects anticipated for FY18 budget beginning on page 150.
3. The City is anticipating borrowing \$1.3M for Wastewater Fund projects in proposed FY18 budget. Annual debt service expenditures are expected to increase by 5.7% or \$97K as reflected in the Repayment of Debt Principal line above.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

PARKING FUND

	Revised Budget 2016/17	Estimated Actual 2016/17	Proposed Budget 2017/18	Percent Change
Operating Revenues	\$ 857,402	\$ 907,450	\$ 918,750	7.2%
Operating Expenses	745,489	742,070	824,021	10.5%
Operating Income (Loss)	111,913	165,380	94,729	-15.4%
Non-Operating Revenues (Expenses)	(38,684)	(37,884)	(29,110)	-24.7%
Transfers In (Out)	(2,000)	(2,000)	(500)	-75.0%
Operating Income (Loss)	71,229	125,496	65,119	-8.6%
Add Back Depreciation	256,163	250,000	287,000	12.0%
Capital Outlay/Fixed Assets	(135,000)	(65,000)	(525,000)	288.9%
Repayment of Principal on Debt	(169,612)	(169,612)	(181,991)	7.3%
Bond Proceeds	-	-	450,000	100.0%
Net Surplus (Deficit)	\$ 22,780	\$ 140,884	\$ 95,128	317.6%

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

1. No parking rate increases have been projected for proposed FY18 budget.
2. Operating revenues are anticipated to increase by 7.2% or \$61K from FY17 to FY18 budget. This is primarily due to better permit and deck fee revenue in the University parking deck and an increase in total parking enforcement efforts.

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

1. Total operating expenses in the proposed FY18 budget reflects an overall increase of 10.5% or \$78K. The primary reasons for this decrease are: total personnel (salary, overtime, & benefit) increase of \$41K as result of minimum wage adjustment effective July 1, filling a vacant part-time position, adding a third part-time parking enforcement staff, and potential salary enhancements for full-time staff; and \$31K increase for depreciation expense. The current AFSCME 1540 union contract is effective through June 2017.
2. Non-operating revenues (expenses) reflect a decrease of 24.7% in FY18 as debt is being paid down and less interest is due annually.
3. Depreciation expense from FY17 to proposed FY18 budget includes an increase of 12.0%, or \$31K. This increase is a reflection of the infrastructure improvements being planned in the parking decks in FY18.
4. Capital outlay totals for fixed assets are projected to increase \$390K for planned deck upgrades and parking system improvements. The Capital Improvement Program, Section 8, provides details on all the Parking Fund projects anticipated for FY18 beginning on page 166.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

GOLF COURSE FUND

	Revised Budget 2016/17	Estimated Actual 2016/17	Proposed Budget 2017/18	Percent Change
Operating Revenues	\$ 222,450	\$ 202,750	\$ 221,808	-0.3%
Operating Expenses	422,356	422,742	441,807	4.6%
Operating Income (Loss)	(199,906)	(219,992)	(219,999)	10.1%
Transfers In (Out)	200,000	220,000	220,000	10.0%
Operating Income (Loss)	94	8	1	0.0%
Add Back Depreciation	45,000	44,000	50,000	11.1%
Capital Outlay/Fixed Assets	(35,000)	(35,000)	(37,000)	5.7%
Net Surplus (Deficit)	\$ 10,094	\$ 9,008	\$ 13,001	28.8%

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

1. Overall operating revenues are anticipated to decrease by 0.3% or less than \$1K from FY17 budget to proposed FY18 budget. While the current FY17 trends are behind the FY17 budget levels, it is anticipated that FY18 will improve as a result of increased promotion and advertising efforts while decreasing the amount of special rate programs and discounts given. The last rate adjustments for the Golf Course happened on July 1, 2012.
2. The operating expenses in the FY18 budget are 4.6% or \$19K higher than FY17. The FY18 budget does include potential salary enhancements for full-time employees as the current AFSCME 1540 union contract is effective through June 2016. The increase in total operating expenses result from \$14K increase in total personnel costs (salary, overtime, and benefits), and \$5K more in depreciation expenses.
3. Depreciation expense is expected to increase 11.1% or \$5K from FY17 to FY18 proposed budget. This is as a result of investment in infrastructure and vehicles.
4. Capital outlay totals for fixed assets are expected to increase by 5.7% or \$2K as one piece of equipment is projected to be replaced in FY18 budget. The Capital Improvement Program, Section 8, provides details on the Golf Fund project anticipated for FY18 on page 171.

CITY ADMINISTRATOR'S BUDGET MESSAGE
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PROPERTY MANAGEMENT FUND

	Revised Budget 2016/17	Estimated Actual 2016/17	Proposed Budget 2017/18	Percent Change
Operating Revenues	\$ 320,524	\$ 344,418	\$ 336,297	4.9%
Operating Expenses	599,203	611,218	591,186	-1.3%
Operating Income (Loss)	(278,679)	(266,800)	(254,889)	-8.5%
Non-Operating Revenues (Expenses)	7,389	13,108	10,797	100.0%
Capital Contributions & Grants	-	49,118	-	0.0%
Transfers In (Out)	(280,000)	(280,000)	-	-100.0%
Operating Income (Loss)	(551,290)	(484,574)	(244,092)	-55.7%
Add Back Depreciation	132,000	130,000	138,000	4.5%
Capital Outlay/Fixed Assets	(162,000)	(190,733)	(312,000)	92.6%
Repayment of Principal on Debt	(3,304)	(586)	(7,108)	100.0%
Bond Proceeds	-	40,453	225,000	100.0%
Net Surplus (Deficit)	\$ (584,594)	\$ (505,440)	\$ (200,200)	-65.8%

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 4.9% or \$16K primarily from rental income. This increase is a result of income additions for Parking Administrative Offices (25 E Franklin Street) and increased occupancy for the artist loft apartments (38 N Potomac Street).
2. Total operating expenses in the proposed FY18 budget reflect an overall decrease of 1.3% or \$8K over the FY17 budget. This decrease is a result of less salary allocations for projects needing City staff time throughout all the properties and lower utility costs in several of the properties.
3. Total transfers in (out) to other funds are estimated to be \$0 in FY18 budget which is a reduction of \$280K over FY17 budget. This decrease is reflected in the Transfers in (out) line above and shows the amount of funding from Property Management toward the Hagerstown Cultural Trail project which is detailed in the Capital Improvement Program Section 8 on page 59.
4. Depreciation expense is projected to increase by 4.5% or \$6K from FY17 to proposed FY18 budget as a result of the infrastructure improvements being completed and planned for Elizabeth Hager Center in FY17 and the Roslyn Building in FY18.
5. Capital outlay totals for fixed assets are projected to increase by \$150K as a result improvements and upgrades planned for the Roslyn Building. The Capital Improvement Program, Section 8, provides details on the various Property Management Fund projects anticipated for FY18 budget beginning on page 173.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

SPECIAL REVENUE FUNDS

**COMMUNITY DEVELOPMENT BLOCK
GRANT FUND**

	Revised Budget 2016/17	Estimated Actual 2016/17	Proposed Budget 2017/18	Percent Change
CDBG Grant Revenues	\$ 1,104,189	\$ 1,068,623	\$ 1,099,952	-0.4%
State Community Legacy Grant	-	22,680	-	0.0%
Program Income	238,096	274,792	266,405	11.9%
Total Revenues	1,342,285	1,366,095	1,366,357	1.8%
Commercial/Industrial Improvements	-	6,697	-	0.0%
Public Facilities & Improvements	455,000	520,000	240,000	-47.3%
Public Services	100,000	105,000	105,000	5.0%
Housing	562,505	569,844	704,960	25.3%
Administration	154,553	139,814	152,474	-1.3%
Total Expenses	1,272,058	1,341,355	1,202,434	-5.5%
Net Change in Fund Balance	\$ 70,227	\$ 24,740	\$ 163,923	133.4%

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

1. Total Revenues reflect an overall increase of 1.8% or \$24K from FY17 budget. This increase results from program income increase associated with selling of properties and receiving more interest on loans provided. The FY18 Entitlement award is anticipated to be 12.2% less than the FY17 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. Public Facilities and Improvements are \$215K or 47.3% lower in FY18 budget and reflect less funding for projects like the continuation of handicap accessibility ramps, sidewalk construction, and a traffic beacon crosswalk project at Prospect Avenue.
2. Public services expenditures are anticipated to increase slightly by \$5K or 5.0% as a result of the Entitlement revenue and program income cap limitation.
3. Total Housing expenses are estimated to increase of 25.3% or \$142K as a part of an on-going effort to concentrate on the homeownership program, single family loan program, and residential rental rehab loan program.
4. Overall Administration costs are projected to be \$2K or 1.3% lower to stay within the maximum 20% federal cap guidelines.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

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:

December 14, 2016	First Public Hearing on Community Development funding needs held at the Washington County Free Library.
January 4 – January 18, 2017	Department budget requests and start of review meetings between Department Managers and Budget Committee.
February 2, 2017	FY18 working budget status review with Mayor and City Council
February 8, 2017	Began prioritizing department requests and developing City Administrator adjustments.
February 13, 2017	Began balancing and adjustment process by discussing proposed adjustments, obtaining further input and agreement on adjustments with departments.
March 31, 2017	City Administrator's Proposed Budget submitted to Mayor and City Council.
April 4 – May 23, 2017	Mayor and City Council review of Proposed Budget and Capital Improvement Program.
May 13, 2017	Second public hearing on Community Development Block Grant funding needs held at the Washington County Free Library
May 16, 2017	Public Hearing on Budget and Capital Improvement Program property tax rates
May 16, 2017	Introduction of Ordinances
May 23, 2017	Adoption of budgets and CIP for all funds; set tax rate.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2018

DISTINGUISHED BUDGET PRESENTATION AWARD

This was the thirteenth 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, 2016. 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. Mayor and Council publicly recognized City Finance staff for this achievement at the January 31, 2017 Regular session meeting.

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.

ACKNOWLEDGEMENTS

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

Preparation of the budget is a unified effort, but I must recognize the Finance Team as the lead in guiding the budget preparation. With the unexpected resignation of our budget and finance manager, I wish to especially acknowledge Finance team members: Michelle Hepburn, Director of Finance, Jeff Lear, Senior Financial Accountant and Brooke Garver, Senior Accountant, who took on additional responsibilities in the process this year. The entire Finance staff deserves special acknowledgment and credit for the extra hours they worked in assisting with and coordinating the production of this year's budget. Nelia Tidler, Utilities Finance Manager assisted in the preparation of utility revenue projections as well as reviewing and analyzing all of the utility fund budgets. Human Resources staff including Director Karen Paulson provided oversight on personnel and fringe benefit budget issues. These contributions have resulted in this comprehensive presentation of the FY18 budget. I also thank Dani Frye for her administrative assistance with the budget message and coordination of the many meetings scheduled.

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

Respectfully submitted,



Valerie A. Means
City Administrator

Organizational Structure

City of Hagerstown Elected Officials



Mayor
Robert E.
Bruchey, II



Councilmember
Kristin B.
Aleshire



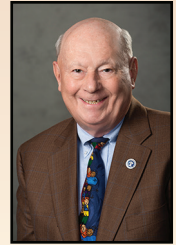
Councilmember
Paul D.
Corderman



Councilmember
Emily N.
Keller



Councilmember
Lewis C.
Metzner

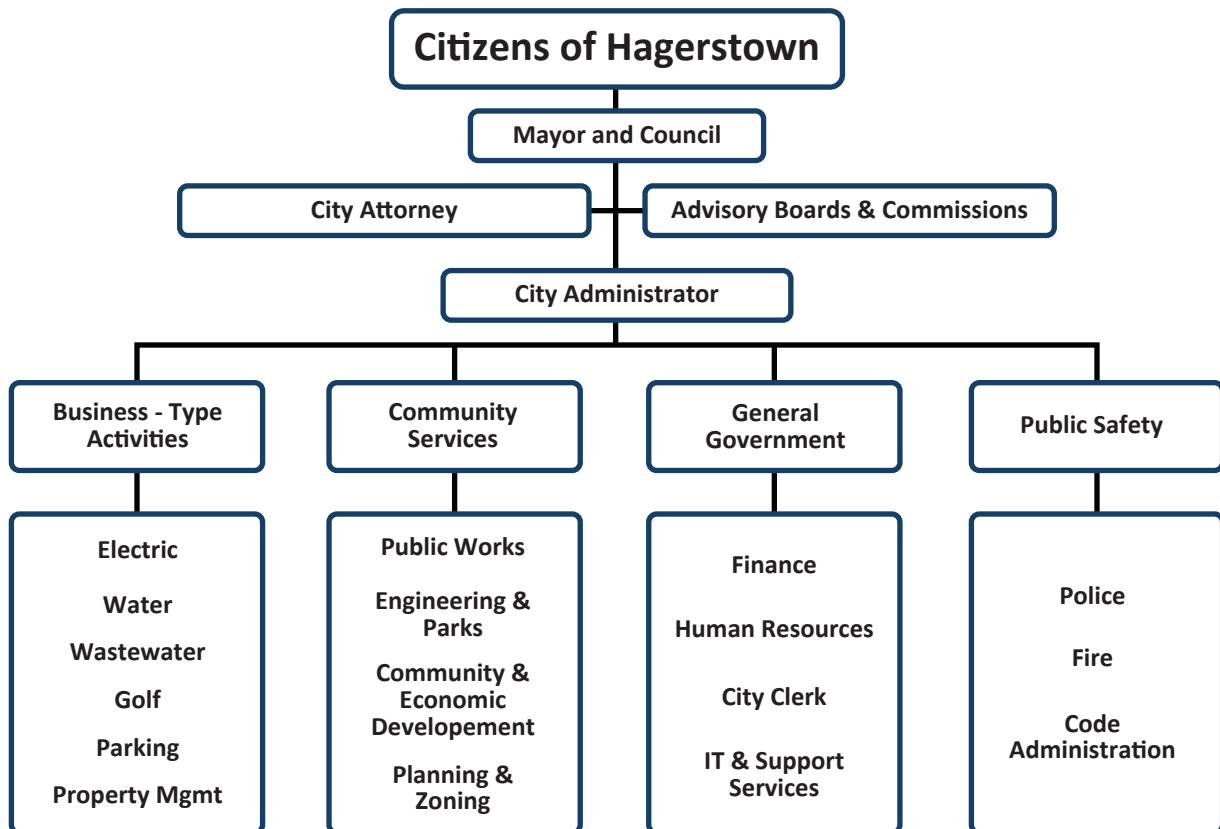


Councilmember
Donald F.
Munson

City of Hagerstown Structure



Valerie A. Means, City Administrator



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

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 2017

This Mayor and City Council took office in November 2016 and are in the early stages of their strategic planning forming Goals and Priorities that will set the foundation to be built upon during the next four years of this Administration. Our current mission *Providing the most efficient and highest quality services as the municipal location of choice for all customers* is our current focus and is carried on through the Departmental Goals of this section. The Community's City Center Plan is also instrumental in building a work plan as we move beyond 2017. You will find that some of the goals are multi-year and phases have been carried forward from 2016 and may be carried beyond 2017. We recognize that this is a working plan and that at times priorities may shift. We also understand that the plan is subject to fiscal constraints. In general, these goals as presented to you here solidify the team's commitment to the City's mission.

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. Staff has participated in training seminars from the Maryland State Archives and hopes to attend additional training in 2017. The document retention schedule is being reviewed for implementation in 2017.

Documents. Continue updating the index of the documents retained in the City Clerk's office. This goal is on-going.

Review of the City Code. Identify outdated and irrelevant language within the Code pertinent to the City Clerk's office. This goal is on-going.

DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

Main Street Hagerstown Program. In partnership with the business community and residents, continue the implementation and support of the work group structure of Main Street Hagerstown. The Department of Community and Economic Development will work cross-department with several other City departments to support these efforts. The Work Groups include: Promotions; Design; Business Relations; Clean, Safe and Green; and Organization. More than 50 volunteers are actively supporting the five work groups. A range of initiatives and activities are completed and underway through the Main Street Hagerstown Program, and reported as part of the Community's City Center Plan Action Reports.

Quality of Life in Our Neighborhoods. Continue "adopt-a-block" efforts in coordination with the Main Street Hagerstown Clean, Safe and Green Work Group. Main Street Hagerstown volunteer clean ups and plantings on Franklin Street occurred and will be on-going.

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, Downtown cellar door replacement, and property improvements through existing housing programs. 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. Cooperative projects with the Department of Parks & Engineering are underway (West End Park, Accessibility Ramp construction). Partnerships with Neighborhoods 1st groups resulted in multiple neighborhood-based events throughout the City (Day of Hope, Porchfest, Arts in the Park, Neighborhood Cleanups).

Community's City Center Plan. Continue implementation of the eight catalyst projects identified in the Community's City Center Plan. The Department of Community and Economic Development work cross-department with several other City departments on the implementation of the Community's City Center Plan.

- **Catalyst Project #1:** Office Development and Recruitment
- **Catalyst Project #2:** Maryland Theatre Expansion of Programming and Facilities

SECTION 1 – DEPARTMENTAL GOALS 2017

- Catalyst Project #3: *USMH Expansion Support*
- Catalyst Project #4: *Hotel/Conference Center and Heritage Center/Commemorative Park*
- Catalyst Project #5: *Linking City Park/WCMFA and the A&E District with Trail & New Housing*
- Catalyst Project #6: *Expanded Downtown Arts/Events Programming*
- Catalyst Project #7: *Expanded Operations of the City Farmer's Market*
- Catalyst Project #8: *Expanded and Targeted Home Ownership Support*

We Love City Life! Campaign. Staff will promote the positive experiences of residents to foster community identity and pride. 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. In cooperation with Communications staff, this effort will be on-going into 2017.

Character Counts! Incorporate pillars of the Character Counts! Program through visible branding in the City Center, neighborhoods, and parks. The Department of Community and Economic Development will work cross-department with the Department of Technology and Support Services on these efforts. Staff continue to meet with Character Counts! representatives and efforts to incorporate Character Counts! through visible branding in 2017.

Faith Community and Social Service Community Engagement. Continue to expand engagement efforts and dialogue with the Faith Community and Social Service Community by exploring action items that enhance our efforts to become a more sustainable and viable City with a vibrant core. Faith Community Engagement meetings occur monthly and staff continue to explore additional community engagement opportunities.

Growing Volunteerism. Work cross department to continue to grow volunteer engagement to foster understanding of local government operations among the community.

Entrepreneurship and Business Resource Center at 60 W Washington Street. Continue to seek partnerships and begin operations of the BuroBox, Entrepreneurship and Business Resource Center at 60 West Washington Street to grow and assist small businesses in the City Center following the completion of all renovations and space fit out. Launch of operations is scheduled for first quarter of 2017.

Commercial Development and Competitive Negotiated Sale (CNS). Be a catalyst for commercial development by enhancing City-owned properties and marketing these properties to private investors through the Competitive Negotiated Sale process (CNS). Actively marketing properties through the CNS process. The property at 43-53 West Washington Street is currently under contract with sale expected to be complete and in 2017.

Urban Improvement Project. Support the Mayor and City Council as the City considers partnership with Washington County and the Board of Education to expand academic opportunities in City Center. Participating in the community partnership working to realize the \$30-\$37 million Urban Improvement Project which includes expansion of the Maryland Theatre, Barbara Ingram School for the Arts and the University System of Maryland at Hagerstown as well as the creation of a plaza and possible parking deck. MOU with partnership was approved by City Council in January 2017.

Annexation Opportunities. Explore opportunities to facilitate annexation to include Mt. Aetna Technology Park in conjunction with exploration of Professional Court extension as well as other areas of the City as a means of enhancing the tax base of the City and facilitating provision of services. The Department of Community and Economic Development will work cross-department with the Planning and Code Administration Department on these efforts. In process and participating in cross-department team that is exploring opportunities in 2017.

SECTION 1 – DEPARTMENTAL GOALS 2017

Hagerstown Revolving Loan Program. In order to enhance 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 and City Council for adoption in 2017.

Community Revitalization Improvement Zone (CRIZ). Explore potential City Revitalization Improvement Zone (CRIZ) legislation that would create a new economic development financing tool. Continue efforts to make Hagerstown a pilot City in the State of Maryland for such legislation. Will provide staff leadership for the 2017 Legislative Session. Reviewed latest draft in February 2017.

Public Art. In cooperation with the Parks and Engineering and the Planning and Code Administration Departments, identify additional locations for public art in neighborhoods throughout the City. A concentrated effort is being made in 2017 in conjunction with the community for public art along the Trail project.

NOPO Lofts and Engine Room Art Space at 36-40 North Potomac Street. Continue management and leasing of the NOPO (North Potomac) Lofts, 4 live-work studio units for artists. Continue operation of the Engine Room Art Space where resident and non-resident artists will work in partnership with the greater arts community to program exhibits and use of the gallery. The Engine Room Art Space holds regular events and activities and programs with plans to continue in 2017.

Multi-Cultural Events. Develop event guidelines in cooperation with the Parks and Engineering Department, and continue to work with local community groups and other City departments to support increased programming for multi-cultural events festivals, and performances. In process for 2017.

Legislative Amendments for Arts and Entertainment Events. Support and continue to expand attendance and interaction of event attendees with the utilization of the modified State Liquor Laws. Legislative amendments were made in 2015 to permit alcoholic beverages to be taken out of an establishment provided the customer remained within the event area. Supported initial utilization at Wind Down Friday events in 2016 and ready to support other interested events in 2017.

FINANCE DEPARTMENT

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 in 2017 as the Finance Department is fully staffed. The second phase in 2017 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 perhaps in 2017 or 2018, 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.

City's Financial Reporting Needs. In 2017, Finance will continue 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. Last, Finance will strive to produce a Popular Annual Financial Report to present financial data in an easy-to-use format in 2017.

Review Fiscal Policies. Staff will continue to review and recommend updates for fiscal policies in 2016 to present to Mayor and Council for approval. Reviewed General Fund Agency Contribution policy in October 2017 and will continue to review and recommend other fiscal policy changes in 2017.

Issue Bond & Other Debt. In 2016, 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

SECTION 1 – DEPARTMENTAL GOALS 2017

operating expense will be transferred to their respective operating budgets within each fund. This process has been on-going and will continue on an annual basis. Finance will continue to work with the City's financial advisor and bond counsel to issue general obligation bonds as needed and approved for the City's approved FY16 and FY17 public improvements projects. Finally, Finance will continue to monitor unspent bond projects and funding to ensure timely compliance with bond covenants. Began process of reprogramming 2015A and 2015B bonds and completed process in January 2017. Held meetings across City Departments and with City Administrator to work on project listing for 2017 Bond Issue which will be completed by July 1, 2017.

Customer Service. Another focus, in the Finance Department, is to continue to provide enhanced customer service internally and externally. Throughout 2017, 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.

Software Implementation. Finance and IT 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 Wastewater, Police, and Fire. Finance will continue to meet and assist IT staff with the implementation of Intellitime Dynamic Scheduler for Police and Fire in 2017.

FIRE DEPARTMENT

Administrative.

- The below goals will require working with Human Resources and/or Finance to establish feasibility for further recommendations to the City Administration:
 - o Develop a staffing plan and recommended sustainable revenue source to establish a three person minimum, four persons desired, staffing for all City companies engine and ladder. In progress via formal transition plan for CY17.
 - o Continue to support the recruitment and retention of trained and certified volunteers. Centralize responsibility and authority for operationally certified volunteer personnel. During CY17, create a new initiative that will require administrative and political approval, policy creation that may affect the volunteer funding model.
 - o Review the existing ordinances and policies governing the City Worker's Compensation Plan as it relates to HFD.
 - o Conduct a classification and compensation audit for all management level positions. In progress with HR, City Administrator and Fire Chief. Estimated completion in accordance with term negotiations and an approved staffing plan in CY17.
 - o Add a third Fire Marshal to enable a shift work configuration and Kelley relief for on-duty FM's. Requires a permanent staffing plan, resolution of the Deputy Fire Marshals positions and work schedules (non-exempt) request is in front of the City Administrator and HR Director.
 - o Contract a part-time plans reviewer. 3rd Quarter FY 2017, tentative approval by City Administrator and HR Director requires clarifications to insure the employee for liability and or wages.
 - o Initiate a plan to grow management level training for Captain's and above.
- Train Command Staff in Washington County Department of Emergency Services (WCDES) Emergency Operations Center (EOC) Operations. On-going in 2017.

SECTION 1 – DEPARTMENTAL GOALS 2017

- Explore opportunities to fully utilize top tier candidates of the WCPS Fire-Rescue Academy for minimum staffing positions. Will require contract change via term negotiations.
- Expand the role of certified EMS providers in the HFD. In progress 2017, Mutual, joint negotiations beginning with CRS and WCDES to bring back to City for consideration.

Facilities.

- Request approved funding and continue legacy repairs on all City owned facilities. In progress for 2017. Significant, on-going progress with operating and CIP budgets to begin resolution of legacy issues.
- Fund and upgrade existing fire station alerting infrastructure and personnel alerting system. Possibly volunteer funding available for partial completion of this goal in 2nd Quarter 2017
- Develop a CIP project to relocate two of five engine companies and FD Headquarters.
- Collaborate with all Washington County public safety agencies to make improvements to the existing burn building, Self-Contained Breathing Apparatus (SCBA) maze, pump testing pit and training tower. In progress for 2017.

Vehicles, Tools & Equipment.

- Finalize a fleet vehicle, and portable fire-fighting, rescue and EMS equipment replacement plan. In progress for 2017.
- Conduct a mini-rehabilitation of one reserve aerial ladder. In progress, expected completion February 2017.
- Dedicate funding to replace three light duty vehicles utilizing a standard, interchangeable vehicle platform for command, and investigators/code compliance staff. Third in progress for 2017.

Programs.

- Study the impact of funding the HFD to a current maintenance of services level.
- Work with Legal for legislation to rename HFD to reflect the all-hazards mission.
- Continue to revise or create outdated policies and procedures at the rate of three/month. On-going progress but not at the desired rate. Seven complete, four in progress.
- Continue to participate in and work collaboratively with the Washington County Emergency Services Advisory Commission (WCESAC), the WCDES staff, Washington County Volunteer Fire Chief's Committee and the Washington County Volunteer Fire Rescue Association (VFRA) to formulate strategic goals and objectives, policies and procedures that improve the efficiency and effectiveness of all public safety agencies. Remains in progress for 2017.
- Initiate quarterly briefings with the command staffs of all Hagerstown and Washington County public safety assets that will include fire-rescue, EMS and law enforcement to improve operations and seek economy of scale and efficiency opportunities. Remains in progress for 2017.
- Conduct a station alerting, personnel alerting radio replacement and paging assessment analysis and plan that fully meets the department's needs. Explore opportunities to consolidate IT and radio needs with law enforcement.
- Develop an in-service inspection plan for commercial buildings using Insurance Service Office (ISO) criteria. In progress for 2017 with Code and FM's.

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- Develop an in-service plan to inspect, flow-test, color-code and maintain fire hydrants to ISO standards.
- Evaluate opportunities for consolidation of corporate, municipal, and county assets to maximize efficiency of public safety assets. Partially in progress for 2017 incomplete absent political direction.

HUMAN RESOURCES

Negotiation of Collective Bargaining Agreements. As budget allows, Human Resources will engage in the negotiation process with all four of the City's Collective Bargaining Units. All union contracts were extended to June 30, 2017. Negotiations with all groups are either in progress or are scheduled to be underway by mid-February 2017.

Wellness Program. The Wellness Program will continue to offer comprehensive wellness initiatives with focused programs on nutrition, exercise, financial planning and stress reduction. Health risk assessments will be offered in the Summer to all full and part time employees. The Wellness Program will continue to work in partnership with the Recreation Department and HEAL of Washington County initiatives by offering wellness programs to employees and expand programming to include family wellness.

Healthcare Initiatives. We will work to meet the various Affordable Care Act requirements for reporting healthcare coverage for employees, retirees and dependents for tax purposes. The Healthcare Committee will provide Mayor and Council with recommended changes to the healthcare plans in an effort to reduce the increasing administration and claims costs. Human Resources will work with the Health Care Committee to explore integrating wellness participation/practicing healthier lifestyles (smoking cessation, participating in quarterly programs) with a reduction of premiums for medical coverage. Additionally, prior to Open Enrollment in May, Human Resources will host a Benefits Fair for employees/dependents to learn more about the various benefit plans available. A separate benefits fair is being planned for Retirees and their dependents as well.

Technology. Staff will explore ways to automate or streamline routine clerical tasks in order to shift time and staff resources from transactional clerical work to more strategic focuses.

Training. Human Resources will make customer service training a priority in 2017. Also in focus, will be providing tools to staff to develop their supervisory and coaching skills, specifically on areas related to performance management and succession planning. Training courses will be offered through Hagerstown Community College, SkillPath Training Seminars and other available resources. We continue to review and update employment policies as needed throughout the year.

Employee Recognition. Staff will be working to develop updated employee recognition programs this calendar year.

Deferred Compensation. Empower will continue to offer employees investment training classes and will incorporate financial planning training for employees/spouses.

Risk Management. We will continue to work to minimize losses due to workers' compensation and liability incidents. Staff continues to work with other departments to ensure adequate risk management considerations are given to events, operations, and purchases.

INFORMATION TECHNOLOGY & SUPPORT SERVICES

INFORMATION TECHNOLOGY

Municipal Broadband Project. The City will begin working with Antietam Cable Television in implementing a >1Gb High Speed Internet service in the general City Center area in the Spring of 2016. This project will be a major economic development opportunity for the City in positioning the City as the only affordable gigabit city

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in the four-state area. If successful, the initiative will be expanded to include more areas (residential and commercial) in the City. Antietam Cable and New Frontier Internet Services have completed Phase I of high-speed Internet in City Center and surrounding area. Phase 2 for each will begin in the first quarter of 2017.

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 2016 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. The MUNIS Transparency Portal has been vetted and will be made available to citizens via the city webpage in February 2017.

MUNIS Maplink Implementation. The successful implementation of Version 10.4 of MUNIS in Fall, 2015 will allow for the integration of GIS technology into our financial system. Place points will be associated with financial records (Tax, Utility Billing, Permits, etc.) and allow for visualization of parcels within the financial system. In 2017, staff will now look to integrate the system into Utility Billing/Tax/Permitting modules initially.

Dynamic Scheduler Implementation in Public Safety. 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. Staff will continue to work with the Fire Department to produce a scheduler for them. Police will be complete by the third quarter of 2017.

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. On-going in 2017 with tablets/mobile devices are being tested with Internet hotspots.

Expansion of Video Surveillance System. Staff will be working with contractors for the expansion of the video system to include the pedestrian trail and the new downtown fiber loop (Jonathan Street/Prospect Street). On-going for 2017, fiber is available and installation of cameras continues.

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.

Studio Construction. Work began in Spring, 2016 on the video production studio for the Communications group in the Elizabeth Hager Center. The studio will allow for increased opportunities for community outreach and information by providing a production facility for more discussion based, information providing programming. Staff will also be working with various departments to increase our offering of public service programming as well as promotional pieces to provide more fresh content on our PEG channel. Studio should be completed and production of new material begun in 2nd Qtr. 2017.

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.

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.

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PARKS & ENGINEERING DEPARTMENT

PARKS & RECREATION DIVISION

New Park Development.

- Kiwanis Park: Continue to work on the required reforestation and support the Historical Society on their renovation of the Saylor House.
- National Road Park: Convert the remnants of an old commercial building to a new park at 806/808 West Washington Street using Community Development Block Grant funds. Park is about 60% complete and we hope to finish by May 2017.

Potterfield Pool. Renew contract with *Community Pools Services, Inc.* to manage the pool and provide lifeguards. We plan to continue the Dive-In Movie event and develop a Dash and Splash 5K and Fun Run plus install “Aqua Climb” climbing wall. Continue to sell sponsorships on the fencing to generate revenue.

202 Train Museum. Construct pavilion reminiscent of an old train station that will be used for events and birthday party rentals. Continue special events like Ride-Along Weekends with Tommy 202 and Railroad Heritage Days. Develop long term strategic plan for facility. We should consider selling three of our cabooses to help fund improvements.

Hager House. Continue special events like the Doll Tours, Ghost Tours and Easter Egg Hunt. Developing a User Agreement with non-profit volunteer group(s) to assist with maintenance of the gardens. Also developing long term strategic plan.

Hagerstown Greens at Hamilton Run Golf Course. Recreation staff will continue to develop sponsorships and work to increase revenue and golf play at the Course through targeted advertising, monthly specials, and golf outings. We will be developing a survey to learn more from our customers on how to improve their golf experience. Continue to develop stream relocation project and related course improvements.

Recreation Initiatives.

- Strategic Planning: Continue strategic planning process:
 - o Marketing Plan: Look at our programs, events and facilities and determine how best to spend our marketing resources -- What are the target audiences? Where should we advertise?
 - o Strategic Plan: What are the goals of our programs, events and facilities? What improvements should we make? What are the national trends in Parks and Recreation that we need to embrace?
 - o Fiscal Responsibility: Develop cost recovery policy, seek grants, and consider “Friends” group
- Expand Active Lifestyle Recreation Programs: Continue our seasonal *Recreation “Fit For You” Program Guides*, develop partnerships with new instructors, and create new recreation programs throughout the year. Our goal is to have a full calendar of seasonal programs offered indoors and outdoors.
- Walking Plan: Implementing a grant received from the Washington County Health Department to develop a new Parks Fitness Challenge in the Spring of 2017. Continue to develop the Hub City 100 Miler Program to increase business participation and registration from the community at-large.

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Miscellaneous Parks Projects

- City Park Lake Walls: Repair the lower lake's stone wall as part of the Marsh Run walls maintenance contract.
- City Park Lake and Storm Drains: So that the lake is healthy, complete dredging project of the lower lake. We will also address the needs of the antiquated "scum drain" system and make needed repairs at the outfall at Marsh Run.
- Emerald Ash Borer: Repeat bi-annual treatment of trees to be saved. Continued to remove other affected trees and re-plant new trees.
- Fairgrounds Park Entrance Building: Will continue efforts to keep gatekeepers house stable and re-roof the stables in 2017.

ENGINEERING DIVISION

Bridges.

- Bridge Maintenance Contract: Based on inspection reports, we are developing a list of sidewalk work to be completed by a contractor. Staff is preparing a contract to complete other repairs (such as guardrail installation) for construction in Summer of 2017.

Pedestrian and Bike Projects.

- Hagerstown Cultural Trail: Trail construction is complete. In 2017, install signs, art and other amenities. Grand opening is June 17
- 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). We are still waiting for approval from SHA but expecting them to increase funding by \$340,000 to complete all work.

We received another SRTS Grant to build a sidewalk on the south side of Haven Road and add pedestrian pushbuttons at the intersection of Pennsylvania Avenue and Fairview Road. Design will be completed in 2017

- Marsh Run Trail: Use the \$250,000 grant funds from MDOT for the final design of the 2,000-foot missing link of trail adjacent the Marsh Run aqueduct. 30% "TS&L" plans are now complete.

Transportation Projects.

- Alley Reconstruction: Continue to reconstruct alleys based on the priorities from the 2014 condition survey. We are designing Phase 2 alleys and expect to advertise that contract in the Spring of 2017.
- Professional Boulevard: Working with the County to design the extension of Professional Court to Meritus Medical Center and Hagerstown Community College. We reviewed 60% complete Phase 1 drawings from the County and sent comments in January.
- Pavement Preservation: Using the data from an updated street Pavement Condition Survey, make future pavement maintenance decisions and seek restored funding of Highway User Revenue in 2017.

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 has been notified that a new National Pollutant Discharge Elimination System (NDPES) General Permit for stormwater will be issued in 2017. This permit will include requirements to remove existing impervious surfaces, or to treat run-off from areas that are currently unmanaged. A grant is currently being used to develop an Action Plan for the Hamilton Run watershed, and to design a proposed relocation of the stream at the Greens at Hamilton Run golf course.

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Surveying/GIS.

- Complete survey and/or construction stakeout for projects and continue to update GIS system layers including geo-referencing City drawings and plats. 74-000 series is in progress for 2017. Also plan to create a point layer for archived Engineering drawings.
- Updated ROW Map: Consolidate GPS surveys that include curb locations and have calculated centerlines from these and then offset for ROW.
- Preservation of Archived Data: Continue digitizing and integrating archival data into usable data/GIS layers including SHA plats and RR plats.

Miscellaneous Engineering Projects.

- Marsh Run Aqueduct Repairs: Make improvements to the deteriorating masonry wall by issuing a contract to address the worst areas of the channel that includes rebuilding a 75 foot section of the south wall just west of South Potomac Street.
- Signal Coordination: Continue to work with Washington County to improve traffic flow on Wesel Boulevard and Massey Boulevard by coordinating signals. Our office approved the Signal Coordination Plan and is waiting for final implementation by the consultant.
- Pedestrian Safety: Seek a Green Street Grant to install bumpouts at Potomac/Baltimore and Mulberry/Pangborn.
- Tourist Attraction Signs: Work with the Hagerstown-Washington County 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. The State will furnish and install signs but a schedule has not been finalized to date. Also working on downtown pedestrian signs.

RECYCLING & TRASH COLLECTION DIVISION

Refuse and Recycling Initiatives.

- Collection Contract: The current contract expires at the end of 2017. We will discuss the program with Mayor and Council and decide what changes we wish to make and how they want to handle the re-bidding.

PLANNING & CODE ADMINISTRATION

Updates and Amendments of Codes, Plans and Guidelines. On-going review of codes and planning documents to bring them up to latest standards, priorities of the City, and needs of our neighborhoods. Goals for 2017 include:

- visionHagerstown 2035 – in-house update to the 2008 Comprehensive Plan
- Update Design Review Guidelines for Historic District Commission
- Update Chapter 204, Signs – the off-premise signs or billboards ordinance – Update in first quarter of 2017.
- Update Property Maintenance Code in Chapter 64 – Review with M&C in April 2017.
- Land Management Code – review 2017 package of amendments with Planning Commission in 2nd quarter of 2017.
- Receivership Ordinance – continue research of benefits of such a nuisance abatement process for the City and whether enabling legislation is necessary to adopt a program similar to the City of Baltimore's.

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Protection of our Neighborhoods from Nuisances. Work with community partners and neighborhood representatives on initiatives to address blighting influences and to improve the quality of life in our neighborhoods. Goals for 2017 include:

- Non-bidded Properties at Tax Sales – work with County Treasurer on process to acquire non-bidded, nuisance properties at tax sales -- Review with M&C in first quarter of 2017.
- Nuisance paper rights-of-way – work with Engineering Division on possibility of abandonment of nuisance paper rights-of-way and transfer to adjoining property owners – First quarter of 2017
- Neighborhood Improvement Plans – work with neighborhood reps on plans to address priority issues in each neighborhood.
- Abatement of Nuisance Building Issues – work with neighborhood reps on priorities for City abatement of nuisance properties needing repairs or demolitions. Cases expected to come out of on-going enforcement cases and recommendations from Neighborhood Improvement Plans – Will implement as funds are available.
- Rental Licensing and Vacant Structures Program – on-going administration and enforcement of these programs intended to protect the quality of life of residents, the property values of surrounding property owners, and the safety of first responders – On-going for 2017.

Enhancement of Plan Review and Permitting Processes. On-going review of processes and educational materials to ensure the City provides premier service to the community and that property and business owners understand the City's codes and programs. Goals for 2017 include:

- Education materials – continue to develop brochures, web features or other programs on code solutions, preparing for Rental Licensing inspections, navigating the permit and inspections process, working with the Maryland Rehab Code, etc.
- New Building Permit Applications – rolled out new building permit applications in January 2017 to facilitate the application process and to provide better understanding of what is required to apply and what sequence to request inspections. Incorporated additional contact fields to help ensure permit comments are distributed to the appropriate folks on the project. Forms are available on-line in a writeable format.
- On-line Trade Permits and Fence Permits - if a fix can be made in MUNIS, should roll out this service in the first quarter of 2017.
- Customer Service Training – PCAD staff will undergo a customer service training program in the first half of 2017 which will have an emphasis on building positive relationships with our customers and enhancement of our communication skills.
- Customer Input – PCAD staff will develop customer service survey to monitor progress in achieving enhanced customer service with our processes, permitting and inspections. Input will also be gained through participation on the ad hoc Planning, Inspections, Review Committee appointed by the Mayor and City Council in February 2017.
- Road Map of What to Expect when Renovation Old Buildings – requested by realtors. Possible joint project with the Fire Marshal's Office and other stakeholders.

Pending Rezonings and Annexations. Work with Planning Commission and Mayor and City Council on rezonings and annexations which may be proposed by property owners. Pending in the first quarter of 2017 are the Fulton Annexation on Salem Avenue and a piecemeal rezoning on W. Washington Street by Jake

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Baer. Also on the horizon is the potential annexation of the proposed Mount Aetna Farm business park off Professional Court.

Coordination of Planning Efforts with the Department of Community and Economic Development.

Continue strong working relationships with our former department partners on implementation of the Community's City Center Plan and other community and economic development initiatives. In addition to implementation of the Community's City Center Plan, goals for 2017 include:

- Stormwater Management Grandfathering – to facilitate protection of investment by the City's developers, continue work with the Maryland Department of Planning to determine the necessary steps to provide final administrative approval for in-progress projects
- Main Street Program – provide staff liaison support to the Business Relations Work Group and other assistance as needed to support Hagerstown's Main Street Program – On-going for 2017
- Data Management – assist with update and maintenance of data necessary to support the City's community and economic development initiatives – On-going for 2017

Coordination of Plans, Policies and Goals with Washington County. Continue working relationships with our counterparts at Washington County to discuss incorporation of City planning recommendations, policies and goals into County plans and codes. Areas for discussion include updates of the City and County Comprehensive Plans, updates of the Washington County Water and Sewer Plan, and pedestrian improvements as part of infrastructure upgrades and site plan development. – On-going for 2017

Heritage Interpretation and Promotion. Working with our stakeholder partners, continue efforts to make Hagerstown a destination for heritage tourists in the region. Goals for 2017 include:

- Civil War Heritage Park – explore funding options to implement this component of Catalyst Project #4 in the Community's City Center Plan – In progress; working on Battlefield report for ABPP/NPS.
- Adopt-A-Marker Program – develop a program to ensure sufficient funds exist to maintain or replace markers as the need arises
- Video Productions – secure funding to enable filming of the planned "Ransom of Hagerstown" video and continue development of the "Hagerstories" video series – Future (depending on funding).

POLICE DEPARTMENT

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. Initial evaluation of the program took place during 2015 which is showing the viability of the system as a crime prevention tool. Continued evaluation of the system will take place in 2016. This program is promising, and full implementation will take place in 2017.

Juvenile Officer. In an effort to reduce repeat juvenile offenders and juvenile related crime, the Department employed the use of a Juvenile Coordinator Police Officer in 2015. In 2017, this Officer will work closely with the Safe Streets Program, the Department of Juvenile Justice, the Court, the State's Attorney and the Board of Education to achieve this goal.

Body Worn Cameras. As budget allows, the Department will implement and asses this pilot program which will support a more transparent police department to our community members. On-going for 2017.

Neighborhood Policing. Engaging our community through citizen contacts in each neighborhood is the key element of our Neighborhood Policing Program. This year we will merge the Neighborhood Policing Program with a the Neighborhood Guardianship Program which will be developed utilizing four new police officers being

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hired under a COPS grant obtained in late 2015. Selected officers will be assigned to specific neighborhoods based on need and data. They will expand the community awareness of the program through direct engagement with the community and the Neighborhood officer assigned there. The principle of Problem-Solving-Policing and community involvement will be the paramount and the design of the program is to build trust and reduce crime and the perception of crime in these neighborhoods. Initial officers were selected for this program and as we are able to hire additional officers through the grant, they will be added to the program. Four specific neighborhoods were identified and initial analysis is being conducted to identify baseline parameters.

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. Will be finalized by June 2017.

Crime Camera Replacement. Significant investments were made in 2015 to replace the aging crime cameras throughout the City. Infrastructure and camera replacements began in the Jonathan Street area. In 2016 this area will be upgraded to fiber optic connectivity cameras which will support economic development and continue to provide additional security measures to assist in the reduction of crime in this area. Additional cameras will be added to the new city walk between the downtown and City Park as this project moves forward. 2017 pending funding.

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. Started the process of installing a red light camera system working with State Highway and working with City Council to enact necessary ordinance language in 2017.

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. All patrol officers have received Mental-Health First Aid in 2015 and all newly hired officers will receive this training in 2016. 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, a Mobile Crisis Team was implemented in 2015. We will continue to develop this program with our community partners and conduct research into the effectiveness of the approach. The 2016 goal is to reduce the number of repeat calls for service of persons with mental health crisis. We began the process with WCMHA to access monies to enable us to send all of the remaining patrol officers to the 40 hour CIT training in 2017 at no cost to the City. We are evaluating 2016 statistics to compare to previous years and will make any necessary adjustments if needed.

Engaging the Community. Community engagement for the Police Department relies on information and the receiving of feedback through a variety of sources. The Department will continue to follow recommendations identified in the President's 21st Century Policing Report dated in 2015. Street officer participation in community events and meetings to listen and share information will continue. Information will also be shared through the increased use of social media and our website to provide timely and relevant information. Feedback through our website, community meetings, and involvement with the faith-based, minority and ethnic community groups will be used to shape our responses, service needs and recruiting concepts. Achieving and enhancing through the COPS Hiring Grant involving our Community Guardianship Program. Four officers are being hired and assigned to specific neighborhoods to address procedural justice and trust building.

Quality of Work Life. Employee safety and career development will continue to take shape this year. The employee driven safety committee will meet to discuss issues and specialized training programs focusing on officer safety will be sought after. Career development will take shape by utilizing individual surveys and interviews of staff to develop training and education to further the employee's career. Specific training areas in such fields as Advanced Emergency Medical Training, Accident Reconstruction, and Drug and Gang Interdiction and leadership/supervision training will promote career development. Establishing a language training program with HCC utilizing their English as Second Language students to work on a one-on-one peer

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tutoring program with officers who wish to learn Spanish or another language. This program will also act as a community outreach bridge with members from the Latino community.

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. Continuing upon last years' emphasis on repeat juvenile offenders, the Department will further our partnerships throughout the community by enhancing our engagements with as many juveniles as possible through programs and initiatives. This will include engaging new partners to the program from allied agencies and the expansion of 'community call-ins', specific for juveniles. Completed and on-going. Carry-over to 2017 if grant is awarded.

PUBLIC WORKS

BUILDING MAINTENANCE

City Hall Restroom Exhaust System. There is no existing exhaust system to vent the restrooms on the second through fourth floors. Funds are being allocated to installed exhaust fans and vents to provide much needed ventilation. Architect is completing final details. This work should go to bid in February of 2017.

Central Equipment Building Roof Replacement. This property houses the offices of Public Works and the Water Department. The existing flat roof has lasted years beyond the initial warranty of the roof. The rubber roof and insulation will be removed and replaced with a long term (20 year plus) roofing system. The majority of work was completed in November and December of 2016. Waiting on the completion of punch list items and a warranty from Firestone Roofing.

City Ballet. Spring 2014 flooding caused a number of issues within the basement of the Elizabeth Hager Center (EHC). 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 2016 in the main reception area of the ballet and possibly Studio A on the west side of the facility. Work will not proceed until the ballet company vacates the property in the spring of 2016. City Ballet vacated the space in April of 2016. Floor Project is placed on hold until a long term plan for the space has been established.

Roslyn Building Window Replacement. The Roslyn Building has 66 windows many of which are in need of replacement. The original replacement windows have deteriorated as have many of the original window sills. If the project remains as bond financed, the timing is tied to the issuance of the bonds. This work was put on hold in favor of using the bond money for other purposes and the possibility that the building was going to be sold. To date, there are no buyers for the property. The project of window replacement will be scheduled in the FY18 budget.

Elizabeth Hager Center Flooring. The Department of Labor, Licensing and Regulation (DLLR) is a tenant of the City located in the Elizabeth Hager Center. The lobby flooring is constructed of vinyl composition tile that has come loose and brittle after years of use. The vinyl composition tile and subfloor will both need to be replaced to provide a long lasting flooring solution. DLLR's lease expired at the end of July 2016. Only recently has the State of Maryland indicated a desire to renew the lease. Floor work was placed on hold until a decision regarding the lease for DLLR was determined. A new lease has not been negotiated so the work is on hold. Anticipate lease agreement early 2017.

Market House Improvements. City staff is working towards a new and different means of operating the Market House as part of the catalyst projects recommended by Urban Partners. Physical improvements and changes are most likely to occur but it is currently unknown to what extent those changes will be. Staff is prepared to assist with these changes as necessary. Work on hold, the future direction of the Market House is still being determined.

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STREETS

Sidewalk Repairs Due to Street Tree Damage. This is an on-going project in conjunction with the Engineering Division. Tree roots damage sidewalks creating trip hazards. 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. This is a project that continues from year-to-year. Sidewalk repairs are completed by staff and by contractors hired by the Engineering Department.

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 Division. Staff continues to make repairs the numerous storm drains throughout the city. Emphasis is placed on repairs along the street overlay project. Coordination with the Engineering Department is critical.

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 117 miles of streets is not possible. A plan to enhance the sweeping schedule to ensure all streets has begun and will continue to evolve. However, a logical method of addressing all the streets can be implemented to ensure every street gets swept on a regular basis. The expansion of permanently posted streets began in late 2016 and will be completed in early 2017. The additional streets to be permanently posted include Broadway, Henry, Murph, Charles and portions of North Potomac, North Mulberry and North Locust.

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 2017 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. This will be budget dependent.

Property Abatement. Public Works will be teaming up with Code Administration to abate properties where property owners have failed to do so. Public Works will be hiring additional staff, including some part-time help and a full-time staff member, to focus on the abatements. An additional truck has been purchased solely for this purpose. City staff completed the first property abatement on April 5, 2016 and its last on December 28, 2016. The Code Administration Department indicated they were pleased with the work of Public Works including the timeliness of the work and invoicing. This is on-going for 2017.

TRAFFIC CONTROL

Signal Improvement. It has been 10 years since the first LED lights were installed in the traffic signals. The lights continue to work well so the signal lights will only be replaced as needed. Signal lights are replaced as needed.

Traffic Signal Optimization. Many traffic signals control traffic through a pre-set program or by using loop wires under the surface of the street. Several intersections utilize a camera system called AutoScope. The AutoScope System provides a better traffic control system and takes the system physically out of the street. Staff has identified the intersection of Maryland Avenue Wilson Boulevard as a prime candidate to install AutoScope in 2016. The intersection of Maryland Avenue and Wilson Boulevard has not been completed to date. The necessary parts are on-site with a target date of early 2017 for completion. Autoscope was installed at the intersection of Frederick Street and Memorial Boulevard as an additional project coordinated with the Street Overlay Program.

Street Sign Installations. In 2017, the Sign Department will continue to work closely with the Engineering Division 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.

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CENTRAL MAINTENANCE GARAGE

Vehicle Lifts Installation. The Central Maintenance Garage is a great space for the City's fleet maintenance services. Staff is requesting the installation of two new vehicle lifts to provide better service and safer working conditions. A heavy duty lift is needed for the larger vehicles and equipment that the current lifts cannot support. Staff has put the work out to bid with installation projected to be complete by Spring of 2017.

PARKING SYSTEM

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 Washington County Arts Council on placing art on and within the deck. Artwork can be used to identify different floor levels making it easier for patrons to remember which floor on which they parked their cars.

Parking Lot Improvements. The long range plan for improvements to the parking lots continues with improvements to the Market House lot (25 West Church Street). Asphalt repairs, crack sealing and lighting improvements are scheduled for this lot in 2016. The private parking area behind 38–40 North Potomac (Engine Room Art Gallery, Thai Zap) is also scheduled to be repaved this year. This lot is beyond patching and needs a total replacement. Asphalt repairs and new lighting were completed at the Market House Parking Lot. New lighting was also installed at the Rochester Parking Lot located on the corner of West Washington and South Prospect Streets. The lot behind 36-40 North Potomac Street was not replaced. This will be a project for the Summer 2017 Street Overlay Project.

Customer Oriented Parking. To work towards this goal in 2017, we need to explore approaches to incorporate new technologies. Staff worked with vendor ParkMobile in 2016 to provide parking options to the public including pay-by-phone. However, the deal was cost prohibitive to the operations. Staff is regrouping on this project for 2017.

Installation of New Parking Access and Revenue Control System (PARCS). The PARCS (Parking Access and Revenue Control System) equipment for both parking decks will be replaced. The project involves the replacement of the access gates, entry ticket spitters, the POF (Pay-On-Foot) machine, computers and software. Basically, everything that controls access to the decks and the devices and software that manages the revenue will be replaced. The manufacturer of the original equipment and software no longer exists causing issues with repairs or corrections. The bid specification is almost complete. The project is projected to cost upwards of \$450,000.

UTILITIES DEPARTMENT

ELECTRIC

Energy Storage System Projects. The City recently consummated lease agreements with Alevo and Mitsubishi Heavy Industries (MHI) regarding Energy Storage Systems (ESS) that will connect through the HLD system and perform PJM system grid reliability services, specifically voltage and frequency support. Staff will continue to work with the two entities as we finalize the Service/Interconnection Agreements and complete the MD Public Service Commission notifications. The proposed total of the 12MW ESS, which is composed of projects at three substations, is expected to be in service mid-2016. The MHI project at Snook Substation has been assumed by Alevo who will be providing all 12 MW of ESS to the HLD. The initial project is under construction and the delivery of the 2MW unit is scheduled for January 18, 2017. The project is expected to be in service within the next few months.

SECTION 1 – DEPARTMENTAL GOALS 2017

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 further reduces our ability to increase revenues through sales. The combination of the revenue losses, the currently reduced wholesale power supply cost, and projected increases in wages and benefits will force the Division to continue to extend the life of our existing assets as required. Continuing process in 2017.

MELP. The City of Hagerstown is working through legal issues regarding the default of the Release and Settlement Agreement with the owners of the property. Staff has performed the cost analysis, worked with local contractors and secured the final pricing required to complete the project in anticipation of when the City is allowed to move forward with the final demolition/remediation of the MELP property. 2016 report detailed history to date. For 2017 staff will evaluate remaining funding and determine if the next phase can be accomplished.

WATER

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. FY16 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. Continuing process. Staff has forwarded our recent FY financial information for inclusion into the document.

Water Treatment Plant Upgrades. Staff continues to work with Hazen & Sawyer and MDE regarding improvements at the facility. The existing Traveling Screens were installed in 1976, have exceeded their useful life, and have required extensive repairs over the past three to five years. Future repairs would require extensive reconstruction of the existing screen chamber and installation of a new traveling screen. The useful life of this type of repair is approximately 20 years. CIP 863 has been funded through a \$1M MDE loan and the replacement of the screens will occur in FY17. Regarding funding for the R.C. Willson Treatment Plant Traveling Screen Replacement and Water Storage Tank Mixing project: Hazen is in the process of making the final amendments to the contract documents and drawings and we expect the project to be advertised during January of 2017. We expect a notice to proceed to construction in May of 2017. This project was submitted to MDE in April 2016 for review, comment, and approval with the intent to advertise in mid to late summer. The final comments were not received until November 15, 2016 and the City and Hazen staff have been working to finalize the contract documents and drawings since that time. At this time, staff does not foresee any additional delays and expect to meet the June 2017 deadline.

Edgemont Water Facilities. For 2017 continuing as previously reported. 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. In FY17 the study and design to either repair the toe drain and spillway seepage or breach the reservoir, per MDE Dam Safety Division requirements, will be completed. CIP 168 contains \$1.332M as a budgeted amount over the next two fiscal years. Upgrades will be necessary to convert the currently non-operable Breichner Plant to Chloramination since 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. Engineering and construction upgrades are expected to cost approximately \$4,200,000 which is funded through CIP 405 over the next three fiscal years. Staff continues to work with Hazen & Sawyer, Triad Engineering and MDE as preliminary engineering and data are developed regarding the dam at the Edgemont Reservoir. In addition to seepage at the toe, cracking has occurred in the overflow raceway and subsidence beneath the raceway has been noted. Core testing is complete and the report is in the process of finalization. The reservoir continues to be operated in a dry state and the Breichner WTP is non-operable. Staff is awaiting the finalization of the reservoir report.

Distribution System Upgrades. The Water Division will continue with our CIP 709 budgeted \$550,000 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 FY17. Continuing process utilizing our leak detection program and roadway rehab requests.

SECTION 1 – DEPARTMENTAL GOALS 2017

WASTEWATER

Synagro Operations. For 2017 continuing as previously reported. Scheduled for completion in calendar year 2017 under CIP 712, the Synagro Wastewater Treatment Plant Sludge Storage Tank and Sludge Thickening Project was funded in the amount of \$944,750 for the design, permitting, procurement, installation, and commissioning work to complete modifications to the existing facilities. The project will provide a redundant location for the storage of thickened sludge including modifications to the existing Fermenter. Staff, Synagro and GHD Engineering continues to work on the upgrades which are slated over a five year period. The group continues to work on the third phase of the project which will include upgrades to the drum dryer, DAF and other associated operating 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. FY16 rates are in place with an increase of 4%, and following years increase for FY17 at 4%, FY18 at 2% and FY19 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. Continuing process. Staff has forwarded our recent FY financial information for inclusion into the document.

Wastewater Collection System. For 2017 continuing as previously reported. Administrative and Collections staff 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 requested grant funding in the last quarter of 2015 from the MDE for continuation of the multi-year project in FY16. MDE has allocated \$300,000 in a grant that requires a 50% match by the Division. CIP 312 has \$400,000 budgeted in FY16 and \$430,000 proposed for FY17. The projects will be completed utilizing existing staff and equipment. The City of Hagerstown Department of Utilities, Wastewater Division was awarded \$300,000 in matching grant funds by the Maryland Department of the Environment (MDE) through the Maryland Water Quality Financing Administration for FY17. This project will address the Inflow and Infiltration (I&I) of the system related flow in the wastewater collection system by replacing or relining existing defective pipe and other associated infrastructure. Mr. Rehab, Inc. submitted the most cost effective bid of \$538,453.66 and will begin the project in early 2017.

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. The MDE and City continue to debate the reduction of our rating capacity from the permitted 10.5 MGD to the previous 8MGD permit parameters. Staff will be working with our consultants and legal counsel to determine our course of action as we move forward. City staff, Black & Veatch staff, and legal staff have met with MDE numerous as we attempt to work with MDE to prove our treatment plant is capable of operating at the previously permitted 10.5 MGD. The facility continues to operate without a permit violation for the past 105 consecutive months.

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 FY17. Continuing process.

City Enhancements. The Utilities Department Administrative, Regulatory, and Engineering staff continues to assist the Department of Community and Economic Development in projects related to economic development, the MELP project, and all the committees that assist in the operation and revitalization of the City. Continuing process.

ORGANIZATIONAL NARRATIVE FISCAL YEAR 2017/2018

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 40,432 according to the most recent 2015 census estimate.

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

The City Administrator serves as the chief administrative officer of the City and is responsible to the Council for the administration of all City affairs. The 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.

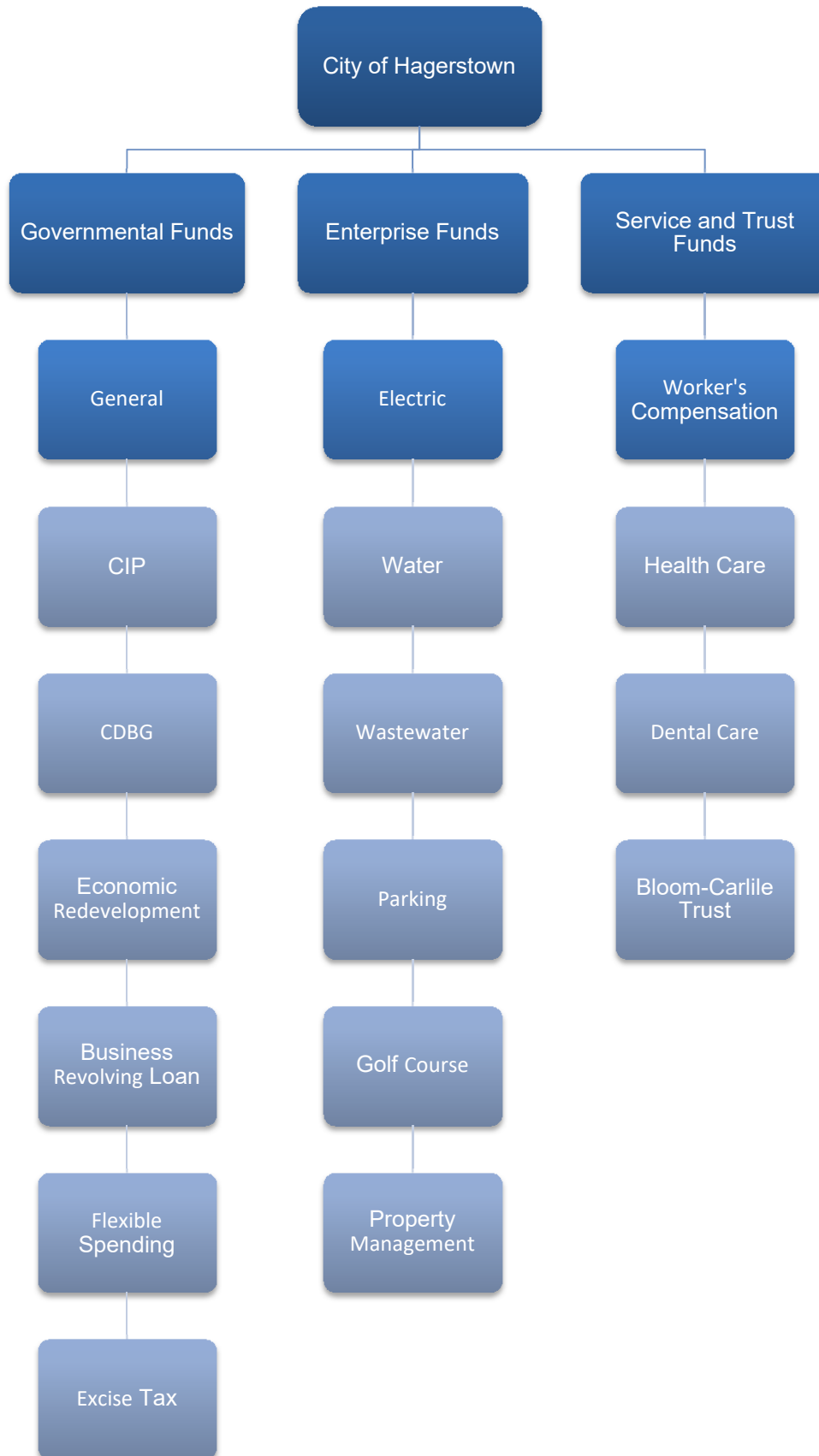
INTERNAL SERVICE FUNDS:

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 2017/2018



CITY FUND STRUCTURE (ALL)
FISCAL YEAR 2017/2018

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.

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.

GOVERNMENTAL FUNDS
SECTION 2

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GOVERNMENTAL FUNDS – ORGANIZATIONAL CHART
FISCAL YEAR 2017/18



GOVERNMENTAL FUNDS - COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2017/2018 MAYOR AND COUNCIL ADOPTED BUDGET

	GENERAL	SPECIAL REVENUE	CAPITAL IMPROVEMENT FUNDS	TOTAL
REVENUES				
Property Taxes	\$ 28,850,833	\$ -	\$ -	\$ 28,850,833
Income and Other Taxes	3,763,026	-	1,101,000	4,864,026
Licenses and Permits	2,055,610	-	-	2,055,610
Intergovernmental Revenues and Grants	511,350	1,641,430	1,993,400	4,146,180
Charges for Current Services	3,039,154	-	-	3,039,154
Fines and Forfeitures	1,400,460	-	-	1,400,460
Administrative Allocation Revenues	2,031,000	-	-	2,031,000
Program Income	-	294,591	-	294,591
Reforestation Fees	-	20,000	-	20,000
Miscellaneous/Other General Revenues	455,961	6,300	20,000	482,261
Interest on Investments	18,000	365	-	18,365
TOTAL REVENUES	42,125,394	1,962,686	3,114,400	47,202,480
EXPENDITURES				
General Government	6,398,238	-	-	6,398,238
Public Safety	23,795,178	-	-	23,795,178
Highways and Streets	2,783,616	-	-	2,783,616
Waste Collection and Disposal	2,115,019	-	-	2,115,019
Parks and Recreation	2,640,075	-	-	2,640,075
Economic and Community Development	590,662	-	-	590,662
Unallocated General Expense	1,447,983	-	-	1,447,983
Debt Service - Principal and Interest	2,414,238	-	-	2,414,238
Operating Expenses	-	2,125,119	12,105,429	14,230,548
TOTAL EXPENDITURES	42,185,009	2,125,119	12,105,429	56,415,557
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(59,615)	(162,433)	(8,991,029)	(9,213,077)
OTHER FINANCING SOURCES(USES)				
Operating Transfers (In)	575,985	175,838	-	751,823
Capital Transfers (In)	-	-	376,496	376,496
General Fund Balance Transfers (In) Capital Projects	-	-	1,049,000	1,049,000
General Fund Balance Transfers (In) Invest Hagerstown	-	257,198	-	257,198
Prior Bond Proceeds	-	-	685,826	685,826
Bond Financing Proceeds	-	-	5,965,600	5,965,600
Contributions by Others	-	-	148,500	148,500
Appropriated Use of Fund Balance	1,306,198	-	1,145,720	2,451,918
General Fund Balance Transfers (Out) Capital Projects	(1,049,000)	-	-	(1,049,000)
General Fund Balance Transfers (Out) Invest Hagerstown	(257,198)	-	-	(257,198)
Capital Transfers (Out)	(130,371)	-	-	(130,371)
Operating Transfers (Out)	(345,000)	(70,838)	-	(415,838)
TOTAL OTHER FINANCING SOURCES (USES)	100,614	362,198	9,371,142	9,833,954
EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES				
	\$ 40,999	\$ 199,765	\$ 380,113	\$ 620,877
Beginning Fund Balance				
	\$ 10,851,636	\$ 5,272,569	\$ 2,727,250	\$ 18,851,455
Less Appropriated Use of Fund Balance	(1,306,198)	-	(1,831,546)	(3,137,744)
Ending Fund Balance	\$ 9,586,437	\$ 5,472,334	\$ 1,275,817	\$ 16,334,588
DETAIL OF ENDING FUND BALANCES:				
Nonspendable	\$ 400,000	\$ 1,900,000	\$ -	2,300,000
Restricted	465,000	2,800,000	-	3,265,000
Assigned	750,000	699,380	1,155,222	2,604,602
Unassigned	7,971,437	72,954	120,595	8,164,986
Ending Fund Balance	\$ 9,586,437	\$ 5,472,334	\$ 1,275,817	\$ 16,334,588

**GENERAL FUND
SECTION 3**

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STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEAR 2017/2018

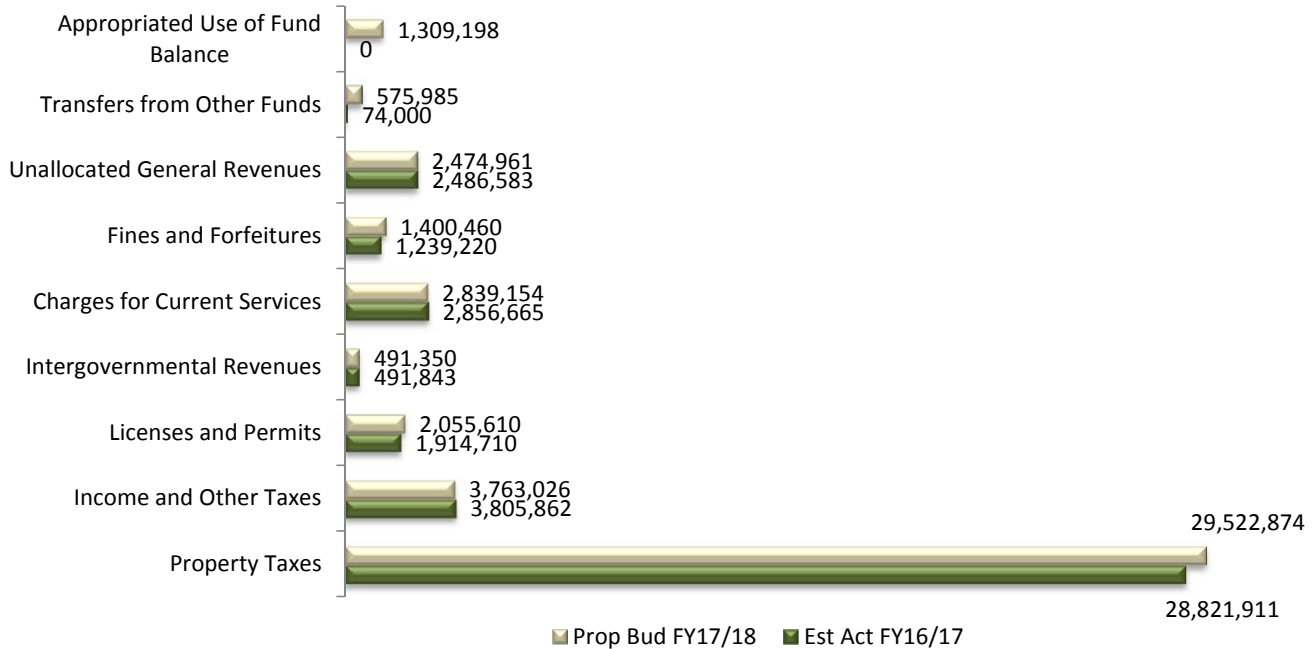
ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE
REVENUES BY TYPE						
Property Taxes	\$28,463,400	\$ 28,306,523	\$28,821,911	\$ 29,522,874	\$ 28,850,833	1.9%
Income and Other Taxes	3,789,919	3,788,580	3,805,862	3,763,026	3,763,026	-0.7%
Licenses and Permits	1,910,357	2,083,100	1,914,710	2,055,610	2,055,610	-1.3%
Intergovernmental Revenues	656,997	503,003	491,843	491,350	511,350	1.7%
Charges for Current Services	2,761,351	2,840,079	2,856,665	2,839,154	3,039,154	7.0%
Fines and Forfeitures	1,438,554	1,858,996	1,239,220	1,400,460	1,400,460	-24.7%
Unallocated General Revenues	2,598,657	2,483,582	2,486,583	2,474,961	2,504,961	0.9%
Transfers from Other Funds	131,546	73,564	74,000	575,985	575,985	683.0%
Appropriated Use of Fund Balance	-	420,031	-	1,309,198	1,306,198	211.0%
Total Current Revenues	\$41,750,781	\$ 42,357,458	\$41,690,794	\$ 44,432,618	\$ 44,007,577	3.9%
EXPENDITURES BY DEPARTMENT						
0101001-Council	\$ 107,457	\$ 111,780	\$ 110,150	\$ 123,230	\$ 123,230	10.2%
0101002-Mayor	69,110	70,436	69,340	67,643	67,643	-4.0%
0103001-City Administrator	214,957	220,980	205,766	217,236	215,236	-2.6%
0103002-City Clerk	164,437	163,077	154,166	163,740	161,740	-0.8%
0103003-Community Affairs	152,030	177,362	180,657	192,184	185,184	4.4%
0103004-Legal Counsel	324,831	236,000	244,000	256,000	236,000	0.0%
0103005-Public Functions	480,730	463,586	495,086	473,086	463,086	-0.1%
0103006-Communications	266,722	308,027	291,751	307,406	283,406	-8.0%
0107001-Finance & Accounting	653,037	708,891	609,050	731,324	728,825	2.8%
0107200-Information Technology	854,304	871,176	847,892	900,835	900,835	3.4%
0107206/201-Support Services	413,377	445,727	442,101	452,833	452,833	1.6%
0109001-Planning	420,381	426,620	407,614	442,185	433,364	1.6%
0109002-Annexation	1,706	8,800	2,000	8,800	8,800	0.0%
0109003-City Hall	262,156	304,028	308,668	302,357	302,357	-0.5%
0109004-Engineering & Construction	1,091,065	1,138,607	1,086,930	1,156,546	1,156,546	1.6%
0109005-Human Resources	653,798	652,528	639,032	686,653	679,153	4.1%
Total General Government	6,130,098	6,307,625	6,094,203	6,482,058	6,398,238	1.4%
0110XXX-Police Department	12,993,121	13,594,932	12,861,773	14,107,414	14,107,414	3.8%
0112001-Fire Department	7,148,550	7,322,363	7,015,988	7,674,706	7,646,706	4.4%
0114001-Code Administration	1,385,128	1,420,836	1,378,764	1,566,051	1,557,872	9.6%
0116XXX-Signal Department	509,811	491,254	491,227	483,186	483,186	-1.6%
Total Public Safety	22,036,610	22,829,385	21,747,752	23,831,357	23,795,178	4.2%
0120001-Street Lighting	609,752	625,000	625,000	622,000	622,000	-0.5%
0121001-Snow Removal	392,703	398,253	402,553	404,011	404,011	1.4%
0122001-Street Cleaning	252,190	281,970	278,989	255,163	232,163	-17.7%
0123XXX-Gas Station & Maint Garage	284,808	325,239	455,137	437,132	437,132	34.4%
0124001-7-PW & Street Operations	877,618	888,102	1,016,392	976,365	976,365	9.9%
0124008-Central Equipment Building	99,233	113,214	113,556	111,945	111,945	-1.1%
Total Highways & Streets	2,516,304	2,631,778	2,891,627	2,806,616	2,783,616	5.8%
0130001-Waste Collection & Disposal	2,001,190	2,050,687	2,039,734	2,115,019	2,115,019	3.1%
0140001-Department of Recreation	388,151	374,493	337,230	461,494	461,494	23.2%
0140202-Swimming Pools	174,387	151,516	162,235	163,346	163,346	7.8%
0140204-Farmers Market	52,002	79,590	79,931	78,134	78,134	-1.8%
0140401-Municipal Stadium	12,707	18,161	18,032	12,922	12,922	-28.8%
0140402-Hager House	40,137	42,835	45,921	36,076	36,076	-15.8%
0140403-Train Museum	28,082	15,647	20,802	19,638	19,638	25.5%
0145XXX-City Parks	1,856,862	1,783,471	1,862,804	1,868,465	1,868,465	4.8%
Total Culture & Recreation	2,552,328	2,465,713	2,526,955	2,640,075	2,640,075	7.1%

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEAR 2017/2018

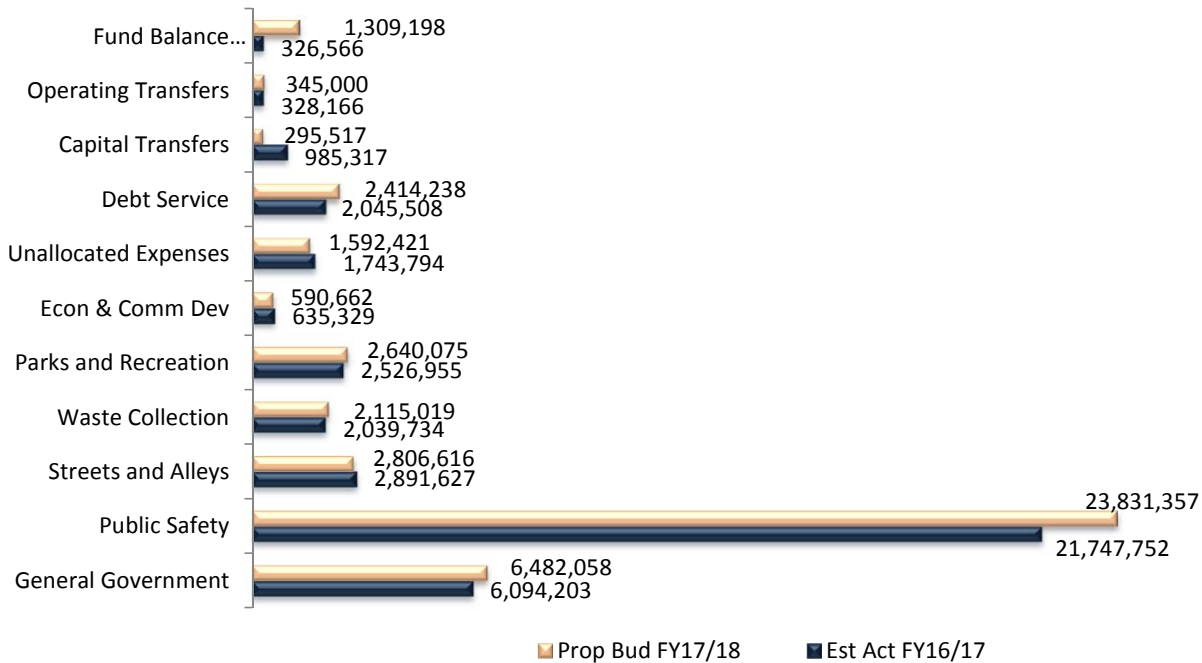
ACCOUNT DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 ADOPTED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL			
0150001-Economic Development	\$ 394,790	\$ 343,096	\$ 414,838	\$ 363,075	\$ 363,075	5.8%
0150002-Neighborhoods First	61,462	80,688	66,579	76,886	76,886	-4.7%
0150004-Housing & Community Development	124,949	147,831	153,912	150,701	150,701	1.9%
Total Economic & Community Development	581,201	571,615	635,329	590,662	590,662	3.3%
0160001-Retiree Benefits	1,457,581	1,267,010	1,528,794	1,573,232	1,528,794	20.7%
0166001-Contributions-Other Agencies	190,000	205,000	205,000	205,000	205,000	0.0%
0162001-Inventory Adjustments	10,155	10,000	10,000	10,000	10,000	0.0%
0168001-Contingency	-	170,000	-	(195,811)	(295,811)	-274.0%
Total Unallocated General Expenses	1,657,736	1,652,010	1,743,794	1,592,421	1,447,983	-12.4%
0190001-Debt Service-Prin	1,446,786	1,493,758	1,504,511	1,816,482	1,816,482	21.6%
0191001-Debt Service- Interest & Issuance Costs	579,316	672,309	540,997	597,756	597,756	-11.1%
Total Debt Service	2,026,102	2,166,067	2,045,508	2,414,238	2,414,238	11.5%
0195001-Operating Transfers to Other Funds	373,795	308,166	328,166	345,000	345,000	12.0%
0195002-Capital Transfers to CIP & Other Funds	822,656	952,445	985,317	295,517	130,371	-86.3%
0195002-Fund Balance Transfer for CIP Projects	103,869	-	-	1,052,000	1,049,000	100.0%
0195002-Fund Balance Transfer for Invest Hag	386,736	420,031	326,566	257,198	257,198	-38.8%
Total Transfers to All Other Funds	1,687,056	1,680,642	1,640,049	1,949,715	1,781,569	6.0%
Total Expenditures & Transfers	\$41,188,625	\$ 42,355,522	\$41,364,951	\$ 44,422,161	\$ 43,966,578	3.8%
Excess (Deficiency) of Revenues over Expenditures	\$ 562,156	\$ 1,936	\$ 325,843	\$ 10,457	\$ 40,999	
Beginning Fund Balance	\$ 9,963,637	\$ 10,525,793	\$10,525,793	\$ 10,851,636	\$ 10,851,636	
Less Budgeted Use of Fund Balance	-	(420,031)	-	(1,309,198)	(1,306,198)	
Ending Fund Balance	\$10,525,793	\$ 10,107,698	\$10,851,636	\$ 9,552,895	\$ 9,586,437	
Detail of Ending Fund Balance						
Nonspendable	\$ 256,353	\$ 500,000	\$ 400,000	\$ 400,000	\$ 400,000	
Restricted	-	-	465,000	465,000	465,000	
Assigned	1,077,515	963,013	750,949	750,000	750,000	
Unassigned	9,191,926	8,644,685	9,235,687	7,937,895	7,971,437	
Ending Fund Balance	\$10,525,795	\$ 10,107,698	\$10,851,636	\$ 9,552,895	\$ 9,586,437	
Unassigned Fund Balances as:						
% of Operating Budget Less Transfers to All Other Funds	23.3%	21.3%	23.2%	18.7%	18.9%	
Number of Months Expenditures	2.8	2.6	2.8	2.2	2.3	

COMPARISON OF REVENUES AND EXPENDITURES - PROPOSED BUDGET FY17 VS EST ACTUAL FY16
FISCAL YEAR 2017/2018

GENERAL FUND REVENUES

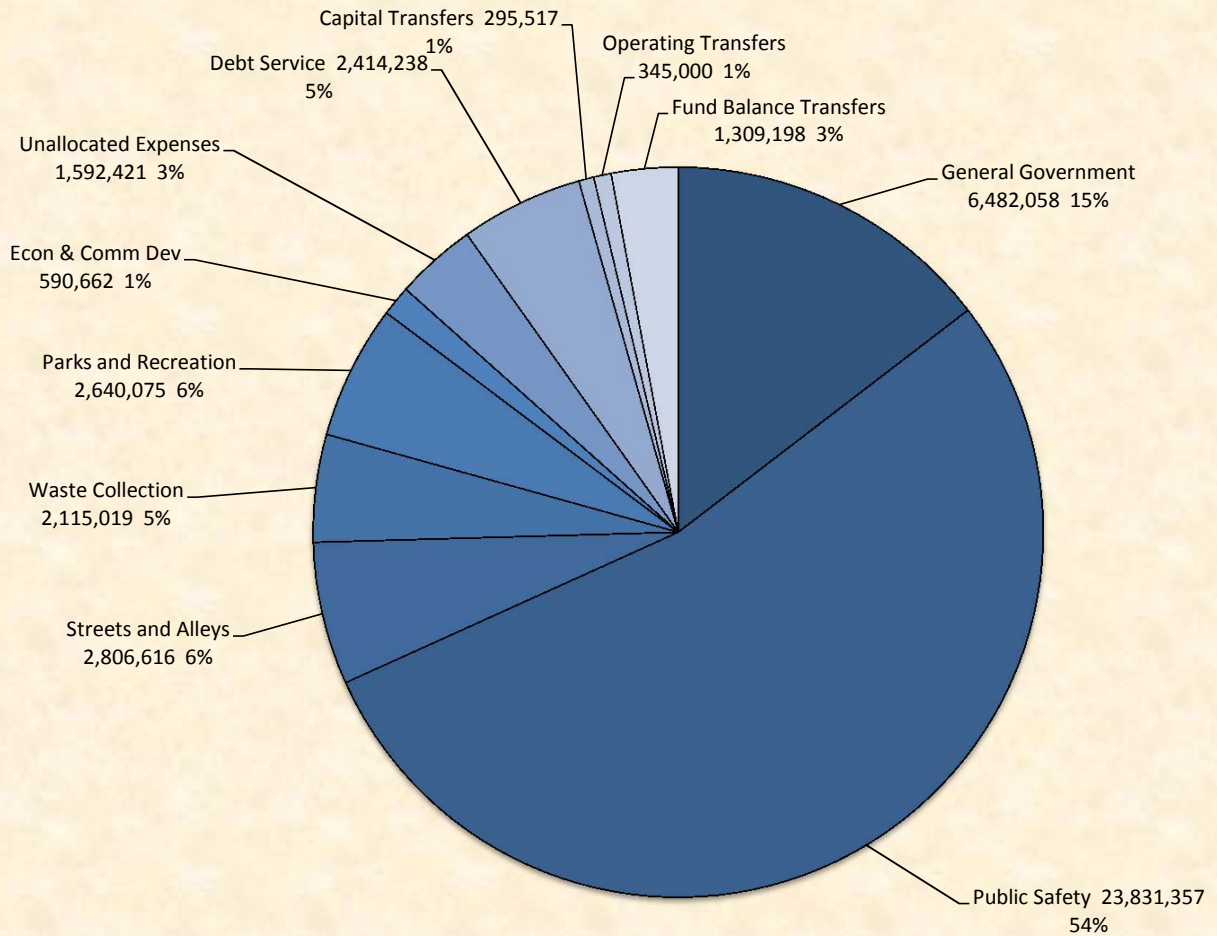


GENERAL FUND EXPENDITURES



CATEGORY OF EXPENDITURES
FISCAL YEAR 2017/2018

TOTAL PROPOSED FY18 BUDGET EXPENDITURES \$44,422,161



REVENUES AND OTHER FINANCING SOURCES
FISCAL YEAR 2017/2018

REVENUE SUMMARY

	2015/16	2016/17		2017/18	2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE
CURRENT REVENUES						
Property Taxes	\$ 28,463,400	\$ 28,306,523	\$ 28,821,911	\$ 29,522,874	\$ 28,850,833	1.9%
Income and Other Taxes	3,789,919	3,788,580	3,805,862	3,763,026	3,763,026	-0.7%
Licenses and Permits	1,910,357	2,083,100	1,914,710	2,055,610	2,055,610	-1.3%
Intergovernmental Revenues	656,997	503,003	491,843	491,350	511,350	1.7%
Charges for Current Services	2,761,351	2,840,079	2,856,665	2,839,154	3,039,154	7.0%
Fines and Forfeitures	1,438,554	1,858,996	1,239,220	1,400,460	1,400,460	-24.7%
Unallocated General Revenues	2,598,657	2,483,582	2,486,583	2,474,961	2,504,961	0.9%
Total Current Revenues	\$ 41,619,235	\$ 41,863,863	\$ 41,616,794	\$ 42,547,435	\$ 42,125,394	0.6%
OTHER FINANCING SOURCES						
Transfers from Other Funds	\$ 131,546	\$ 73,564	\$ 74,000	\$ 575,985	\$ 575,985	683.0%
Appropriated Fund Balance to Econ Redevelopment: Invest Hagerstown	-	420,031	-	257,198	257,198	-38.8%
Appropriated Fund Balance to CIP Fund: Capital Expenditures	-	-	-	1,052,000	1,049,000	0.0%
Total Other Financing Sources	\$ 131,546	\$ 493,595	\$ 74,000	\$ 1,885,183	\$ 1,882,183	281.3%
Total Ending Revenues and Other Financing Sources	\$ 41,750,781	\$ 42,357,458	\$ 41,690,794	\$ 44,432,618	\$ 44,007,577	3.9%

PROPERTY TAX - ASSESSABLE BASE TABLE
FISCAL YEAR 2017/2018

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

	Total Assessable Base* (in millions)	Assessable Base - % Chg from Prior Yr	City Portion Only Real Estate Tax Rate	Real Estate & Prop Tax Revenues (in thousands)	Property Taxes - % Chg from Prior Yr	Direct and Overlapping Tax Rates			
						City	County	State	Combined
Actual 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
Actual 2014/2015	2,542	-4.6%	0.898	24,325	8.6%	0.898	0.823	0.112	1.833
Actual 2015/2016	2,618	3.0%	0.913	25,586	5.2%	0.913	0.823	0.112	1.848
<i>Estimated 2016/2017</i>	<i>2,658</i>	<i>1.5%</i>	<i>0.913</i>	<i>25,954</i>	<i>6.7%</i>	<i>0.913</i>	<i>0.823</i>	<i>0.112</i>	<i>1.848</i>
<i>Proposed 2017/2018</i>	<i>2,574</i>	<i>-3.2% **</i>	<i>0.968</i>	<i>26,650</i>	<i>2.7%</i>	<i>0.968</i>	<i>0.823</i>	<i>0.112</i>	<i>1.903</i>
<i>Adopted 2017/2018</i>	<i>2,576</i>	<i>-3.1%</i>	<i>0.941</i>	<i>25,978</i>	<i>0.1%</i>	<i>0.941</i>	<i>0.823</i>	<i>0.112</i>	<i>1.876</i>

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

**The assessable base value per the February 2017 Constant Yield Notice memo reflects an expected real property assessed value of 2,468. The City chart above assumes a slightly higher average assessable base value which includes personal property values. In addition, the chart above reflects the average value for all of FY18 and not just the value estimated to be on July 1.

Each penny on the real estate tax rate generates additional revenue of	\$ 249,000
Each penny on the personal property tax rate generates additional revenue of	\$ 12,000

PROPERTY TAXES - PROPOSED REVENUES
FISCAL YEAR 2017/2018

DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 ADOPTED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL			
Current Year Levy	\$25,587,099	\$25,616,250	\$25,953,462	\$ 26,649,374	\$ 25,977,333	1.4%
Interest on Delinquent Taxes	201,921	107,500	150,000	150,000	150,000	39.5%
Prior Years' Levy-Net	(67,795)	(125,000)	(67,795)	(60,000)	(60,000)	-52.0%
Payment in Lieu of Taxes	2,772,622	2,738,300	2,816,430	2,814,000	2,814,000	2.8%
Tax Discounts & Credits Allowed	(30,447)	(30,527)	(30,186)	(30,500)	(30,500)	-0.1%
Total Property Taxes	\$28,463,400	\$28,306,523	\$28,821,911	\$ 29,522,874	\$ 28,850,833	1.9%

Revenues from property taxes are based on assessments established by the State Department of Assessment and Taxation. The real property tax rate for FY16 and FY17 was \$0.913 per \$100 of assessed value. The business personal property rate was \$2.283 per \$100 of assessed value in FY16 and FY17.

FY18 is the first year of the City's triennial reassessment period. The February 2017 Constant Yield Tax Rate Certification memo reflects a decrease in assessed values of 3.1% which represents a \$696K reduction in real estate revenue for FY18 if no changes are made to the tax rate. The real property constant yield rate certified by the State for FY18 that would generate the same dollar amount of gross real tax revenues, (before local property tax credits) is \$0.9409 per \$100 of assessed value which is \$0.0279 more than the City's current FY17 tax rate. The proposed budget for FY18 includes a total \$0.055 tax rate increase as a result of the 3.1% decrease in the City's assessable base as reflected in the February Constant Yield Tax Rate Certification memo and due to increasing costs for wages and benefits and annual debt service requirements.

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

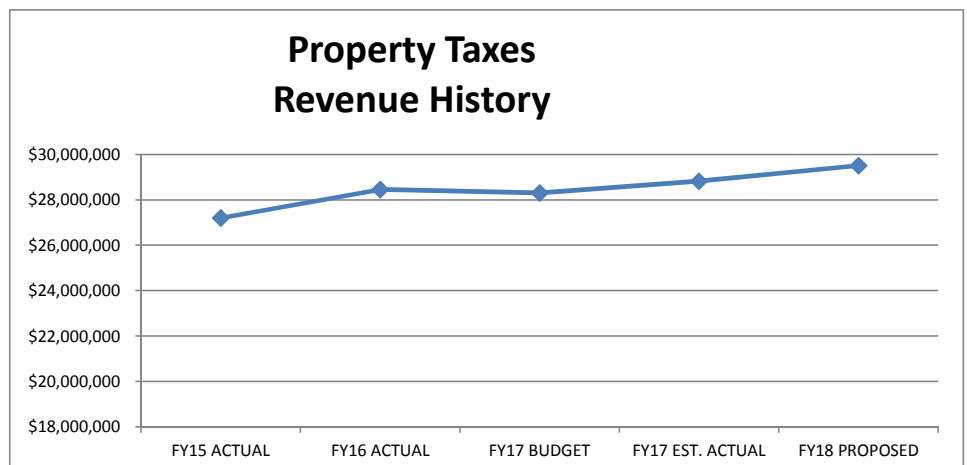
Adopted FY17 to Estimated Actual FY17

The estimated actual for FY17 when compared with the FY17 budget is expected be about 1.8% more than originally budgeted or \$515K. Personal property tax related to business personal property is expected to be slightly higher than originally budgeted for FY17. The original budget for business personal property tax revenue was \$2.75 million and it is estimated that revenue for FY17 will be \$2.81 million. Additionally, real estate tax revenue is estimated to increase over FY17 budget by \$373K as a result of better than anticipated assessed values as reported in the February 2016 Constant Yield Tax Rate memo.

Adopted FY17 to Proposed FY18

Overall, the proposed property tax revenue for FY18 is expected to increase by \$1.22M when compared to the FY17 budget. As mentioned previously, the real estate tax reassessment in December 2017 declined another 3.1% after two prior drops in December 2010 and December 2013. As a result of this third significant decrease in the City's assessable base, the FY18 proposed budget does include a tax rate increase comprised of \$0.028 per Constant Yield Memo to break even plus another \$0.027 to cover rising costs for a total rate change of \$0.055. The new proposed real estate tax rate for FY18 is \$0.968 per \$100 of assessed value. Total property tax revenue continues to be the primary source of revenue in the General Fund or approximately 69.4% in FY18 proposed budget.

This primary revenue sources helps to fund various expenditures including: existing services provided to the community, annual debt service requirements, and employees' salaries and benefits. This funding source is vital to the City's future sustainability and growth. FY18 will be impacted by the City's next triennial reassessment cycle.



INCOME AND OTHER TAXES - PROPOSED REVENUES
FISCAL YEAR 2017/2018

DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
Income Tax	\$ 2,427,965	\$ 2,550,000	\$ 2,440,000	\$ 2,445,200	-4.1%
Admissions & Amusement Tax	328,649	205,000	328,000	330,000	61.0%
Financial Corporations	34,214	34,214	34,214	34,214	0.0%
Enterprise Zone Tax Credits	48,676	30,101	30,485	20,612	-31.5%
Room Tax - Tourism Promotions	193,894	184,000	185,000	188,000	2.2%
Police Protection	686,126	732,000	733,163	690,000	-5.7%
State Aid For Fire Service	70,395	53,265	55,000	55,000	3.3%
Total Income and Other Taxes	\$ 3,789,919	\$ 3,788,580	\$ 3,805,862	\$ 3,763,026	-0.7%

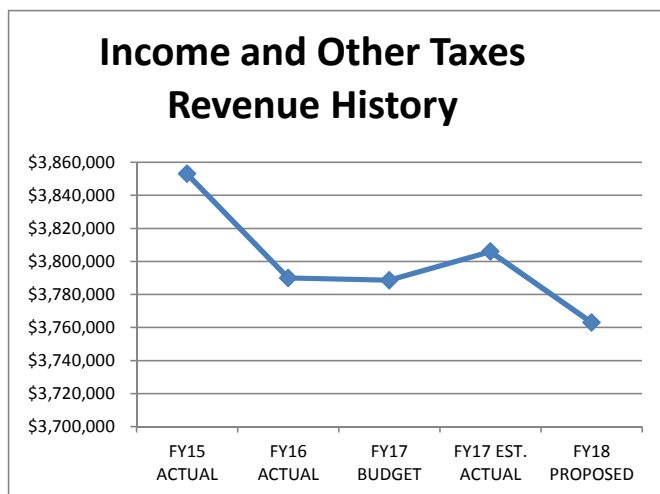
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

When compared to the FY17 adopted budget, FY17 estimated actual is anticipated to be 0.5% or \$17K higher. Of the \$17K positive variance, \$123K is attributable to better than anticipated growth in Admissions & Amusement tax. This increase was offset by lower than expected revenues from the local share of State Income Tax. As a result of a State of Maryland audit, software mistakes were discovered that incorrectly determined and allocated individual taxpayers' municipal and county boundary limits. Due to this mistake in allocation, the City of Hagerstown was notified that the State incorrectly provided approximately \$800K too much to the City over the time period of 2010-2014. So, FY17 estimated actuals and future budget were reduced to reflect this reduction. Finally, there is current pending legislation that would exempt municipalities and counties from repayment. If the legislation does not pass, the City would repay the \$800K beginning in FY24 over a ten-year period.

Adopted FY17 to Proposed FY18

Overall, the proposed budget for FY18 Income & Other Taxes Revenue is expected to decrease slightly by 0.7% over the FY17 budget. The same trends occurring in FY17 are expected to continue into FY18. Primarily, this increase is driven by an estimated 61.0% growth in Admissions & Amusement Tax Revenue or \$125K. Decreases are anticipated to continue in Enterprise Zone tax credits as current eligible properties phase out and become fully taxable. The FY18 local share of State Income Tax is 4.1% or \$105K lower than FY17 budget as a result of the audit mentioned above. Last, the FY18 proposed budget reflects funding for Police Aid for Protection to remain at actual level received in FY16.



In FY10, the City experienced significant reductions in this total revenue source due to the elimination of the County Tax Differential revenue sharing, and a decrease of approximately \$1.8 million in Highway User Revenue from the State. Even with more recent growth in other areas, the total funding available to the City from this revenue source is lower than historical levels.

As the current graph indicates, revenues are expected to decline from the spike experienced in FY15 as a result of unknown State funding for Police Aid for Protection. Overall revenues are expected to decrease in the FY18 proposed budget due to lower local share of State Income Tax, lower Police Aid for Protection, and less Enterprise Zone tax credits.

LICENSES & PERMITS - PROPOSED REVENUES
FISCAL YEAR 2017/2018

DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Traders Licenses	\$ 106,504	\$ 80,000	\$ 90,000	\$ 90,000	12.5%
Distilled Spirits	-	6,000	6,000	6,000	0.0%
Utility License Fee	500	14,000	-	22,500	60.7%
Vendor Permits from City Clerk	5,750	3,500	5,000	5,000	42.9%
Cable TV Franchise Fee	415,567	425,000	410,000	410,000	-3.5%
General Construction Permits	-	1,000	1,000	1,000	0.0%
Street Digging Permits	58,393	110,000	75,000	65,000	-40.9%
Curbs, Sidewalks, & Driveways	6,489	2,000	2,000	2,000	0.0%
Storm Water Management Permits	1,285	4,500	3,000	3,000	-33.3%
Grading Permits	9,296	10,000	8,000	8,000	-20.0%
Right of Way Permits	3,452	3,500	4,000	4,000	14.3%
Building Permits (Fire)	7,071	50,000	48,000	50,000	0.0%
Fireworks Permits	1,750	250	1,750	1,750	600.0%
Blasting Permits	300	150	-	-	-100.0%
Plumbing Dept-Licenses	8,385	8,000	8,000	4,500	-43.8%
Contractor's Licenses	14,110	3,500	3,500	15,000	328.6%
Electrical Licenses	6,270	26,000	25,000	6,000	-76.9%
Residential Rental Licenses	673,195	650,000	675,000	675,000	3.8%
Uncollected- Residential Licenses	(31,295)	(10,000)	(80,000)	(40,000)	300.0%
Building Permits	134,788	140,000	125,000	125,000	-10.7%
Plumbing Permits	63,479	75,000	75,000	75,000	0.0%
Electrical Permits	96,241	110,000	110,000	115,000	4.5%
Mechanical Permits	35,640	40,000	45,000	45,000	12.5%
Sewer Connection Inspection Fees	-	1,500	1,000	1,000	-33.3%
Pre-Sale Code Inspection	1,480	200	200	400	100.0%
Re-Inspection Fee	850	1,500	1,500	2,000	33.3%
Property Abatement Billings -Engineering	(3,938)	5,000	5,000	5,000	0.0%
Property Abatement Billings -Code	126,201	125,000	125,000	215,000	72.0%
Vacant Residential Structure Fee	125,850	110,000	93,500	95,000	-13.6%
Vacant Commercial Structure Fee	8,500	45,000	10,000	10,000	-77.8%
Admin Fee for Excise Tax	2,171	2,500	2,500	2,500	0.0%
Secure Vacant Structure Fee	200	4,000	2,800	3,000	-25.0%
Technology Fee	30,873	35,000	32,000	32,000	-8.6%
Unattended Donation Bin Fee	1,000	1,000	960	960	-4.0%
Total Licenses and Permits	\$ 1,910,357	\$ 2,083,100	\$ 1,914,710	\$ 2,055,610	-1.3%

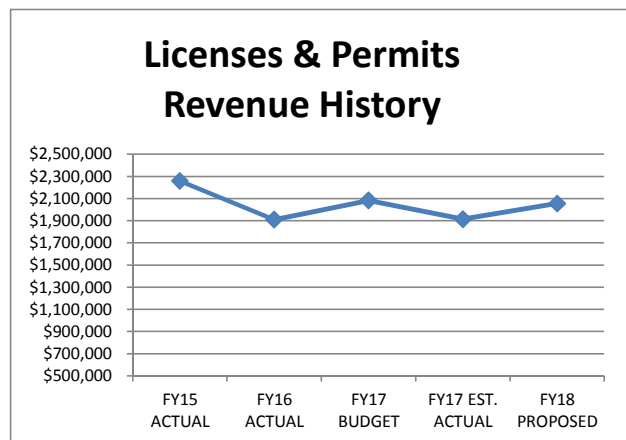
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

FY17 licenses and permit revenues are projected to be under budget by 8.1% or \$168K. It is anticipated that street digging fees and building permits will be below original budget expectations by \$35K, and \$15K respectively based on year-to-date activity. In addition, combined revenue projections for the vacant structure program will be approximately \$52K lower than original estimates.

Adopted FY17 to Proposed FY18

Overall, the proposed FY18 budget is expected to be 1.3% or approximately \$27K lower than FY17 budget. This decrease is a result of continuing trends reflected in FY17 estimated actuals for street digging fees, building permits, and vacant structure program activity. Additionally, Contractor and Electrical licenses are both renewed every other year. As a result, revenue associated with Contractor and Electrical licenses reflected above are higher every other year.



INTERGOVERNMENTAL REVENUES - PROPOSED REVENUES
FISCAL YEAR 2017/2018

DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 ADOPTED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL			
School Resource Officer/Youth Prevention	\$ 187,500	\$ 187,500	\$ 187,500	\$ 263,000	\$ 263,000	40.3%
Public Function Revenues	30,008	14,008	19,487	15,000	15,000	7.1%
Federal Grant - Operating	439,489	301,495	284,856	213,350	233,350	-22.6%
Total Intergovernmental	\$ 656,997	\$ 503,003	\$ 491,843	\$ 491,350	\$ 511,350	1.7%

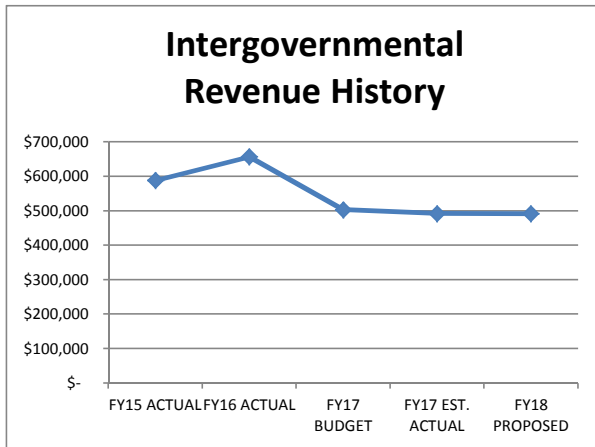
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

The estimated actual for FY17 is expected to be 2.2% or \$11K lower than originally budgeted in FY17 as a result of a the 2015 COPS Hiring grant awarded to the Police Department. This grant provides funding for four (4) additional sworn police officers over a three (3) year period with (1) year of employment retention for a total of four (4) years. Due to timing and retention of filling these new grant funded positions, less federal reimbursement will be received in FY17. An offsetting increase of \$5K is reflected for an additional state funded BluesFest grant awarded.

Adopted FY17 to Proposed FY18

Overall, the proposed budget for FY18 is expected to be 2.3% or \$12K less than FY17 budget. The Police Department currently has approval for three separate COPS Hiring grants. The federal reimbursement for these grants are over a three year period and have declining reimbursement percentage each year. It is anticipated that only the most recent 2015 grant will still be reimbursed in FY18 and is reflected with a 29.2% or \$88K reduction over FY17 budget levels. The offsetting increase in revenue is due to the addition of another School Resource Officer. This additional School Resource Officer will not add to the overall staffing within the Police Department. It is proposed that this simply replace an existing approved officer not currently filled nor used. It is proposed that this additional School Resource Officer position reimbursement include not only starting salary pay but also benefit costs as well.



The graph to the left depicts the Intergovernmental revenue history. The graph reflects the cyclical nature of federal grant reimbursement for the Police Department COPS Hiring grants which are based on a declining reimbursement percentage each year. As mentioned above, the Police Department now has three grants of this nature. Reimbursement is over a three year period as each position is staffed and is not necessarily a calendar three year period.

CHARGES FOR CURRENT SERVICES - PROPOSED REVENUES
FISCAL YEAR 2017/2018

DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 ADOPTED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL			
Refuse Collection Fees	\$ 2,252,262	\$ 2,256,450	\$ 2,266,300	\$ 2,291,300	\$ 2,291,300	1.5%
Other Service Charges	325,169	412,629	416,565	371,804	371,804	-9.9%
Stormwater Management Fee	-	-	-	-	200,000	100.0%
Public Function Revenues	126,726	108,500	110,750	109,000	109,000	0.5%
Swimming Pool	57,194	62,500	63,050	67,050	67,050	7.3%
Total Charges for Current Services	\$ 2,761,351	\$ 2,840,079	\$ 2,856,665	\$ 2,839,154	\$ 3,039,154	7.0%

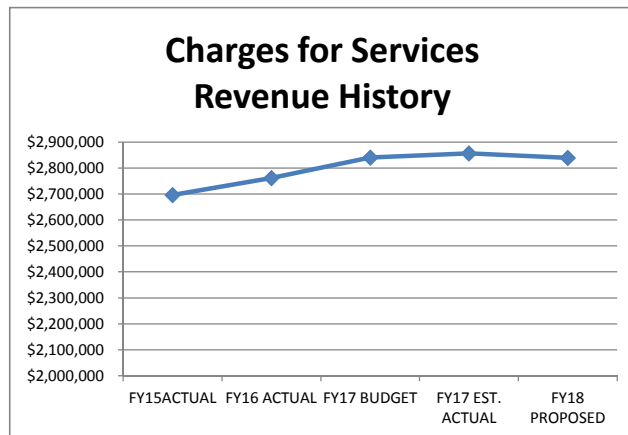
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Overall, estimated actual revenue for FY17 is anticipated to be slightly over budget by 0.6% or \$17K when compared with the FY17 budget. Based on actual to date trends, FY17 estimated projections for Refuse Collection Fees is anticipated to be \$10K or 0.4% higher than FY17 budget. All other categories in Charges for Current Services is estimated to be at or slightly above FY17 budget amounts; including Potterfield Pool admission and concession revenue, public function revenues related to events, and all other miscellaneous service charges.

Adopted FY17 to Proposed FY18

In total, Charges for Current Services in the FY18 budget are expected to remain fairly flat compared to FY17 budget. It is anticipated that Refuse Collection Fees will increase by \$35K or 1.5% in FY18. The City's contract with our recycling and trash vendor (Waste Management) expires in December 2017. When this contract expires, this program will be evaluated including any fees charged by the City. While the FY18 budget does not include a rate increase, it is anticipated that overall customer usage will rise. An offsetting decrease of \$41K or 9.9% is reflected in the Other Service Charges line in FY18 budget. This decrease reflects the inclusion of \$100K in estimate for uncollectible billings. This \$100K reduction for uncollectible billings is the same as actual trends for both FY15 and FY16.



FINES & FORFEITURES - PROPOSED REVENUES
FISCAL YEAR 2017/2018

DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
Abatement Administrative Fees - Code Admin	\$ 34,424	\$ 36,500	\$ 40,600	\$ 40,600	11.2%
Confiscated Revenue	33,551	1,146	5,000	7,500	554.5%
Excessive Use Fees	4,800	3,250	15,800	11,800	263.1%
Fire Code Violations	5,275	8,000	2,000	2,000	-75.0%
Municipal Infractions - Code Admin	126,012	90,000	120,000	110,000	22.2%
Municipal Infractions - Police Dept	50	500	100	100	-80.0%
Municipal Infractions - Planning	-	300	-	300	0.0%
Parking Tickets and Late Fees	10,866	14,100	6,500	7,000	-50.4%
Parking Tickets - Estimate for Uncollectible	1,520	-	-	-	0.0%
Red Light Violation Fine	-	50,000	-	120,960	141.9%
Safe Speed for Students Program	1,487,844	1,755,000	1,149,020	1,200,000	-31.6%
Safe Speed for Students Program - Est Uncollect	(266,068)	(100,000)	(100,000)	(100,000)	0.0%
Tech Appeals Board Filing Fees	280	200	200	200	0.0%
Total Fines and Forfeitures	\$ 1,438,554	\$ 1,858,996	\$ 1,239,220	\$ 1,400,460	-24.7%

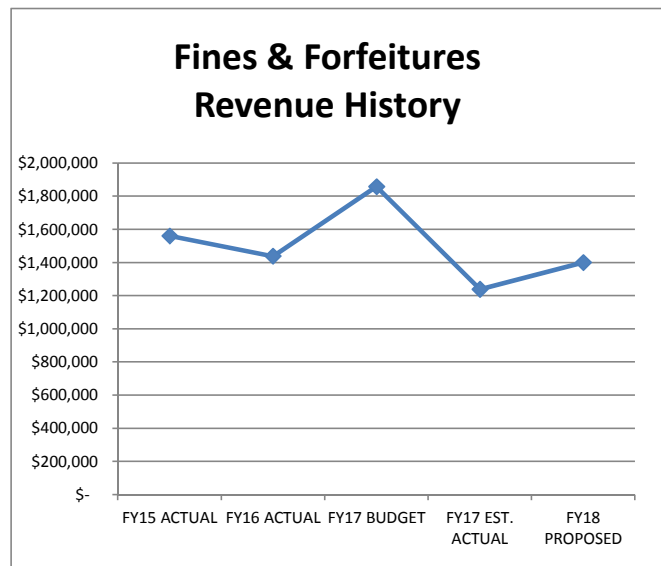
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Estimated actual revenue for FY17 is expected to be under budget by 33.3% or \$620K. The primary reason for the decrease is the decline in revenue associated with the Safe Speed for Student Program of approximately \$606K. During FY17, there have been times when only nine (9) of the eleven (11) cameras for this program were operational. One was removed from service with the closure of Winter Street Elementary School and another camera was temporarily out of service due to road construction and maintenance. Also, FY17 budget included the implementation of a new Red Light Camera program. While the City is actively working on this implementation, it is anticipated that the program will be operational beginning in FY18. To date, the City has entered into an agreement with Howard County Consortium to participate in its established program which was approved in October 2016.

Adopted FY17 to Proposed FY18

The FY18 budget for total Fines and Forfeitures revenue sources are 24.7% or \$459K less than FY17 budget. The anticipated decline in the Safe Speed for Students Program of 31.6% or \$555K is the primary reason for this overall decrease. While it is estimated that all eleven (11) cameras will be operational in FY18, it is anticipated that revenue will flatten and decline in future years as driving behaviors change. Some of this decline can potentially be offset with the implementation of a new Red Light Program. The FY18 budget includes an increase of \$71K over FY17 budget for a new Red Light Camera program and anticipates that four (4) sites will be operational.



UNALLOCATED GENERAL REVENUES - PROPOSED REVENUES
FISCAL YEAR 2017/2018

DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 ADOPTED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL			
Administrative Allocation Revenues	\$ 2,031,000	\$ 2,031,000	\$ 2,031,000	\$ 2,031,000	\$ 2,031,000	0.0%
Interest on Investments	25,846	5,000	18,000	18,000	18,000	260.0%
Rental Income	182,772	202,839	181,719	208,008	208,008	2.5%
Sale of Land & Other Assets	32,306	4,500	37,983	11,000	41,000	811.1%
Contributions & Donations	141,982	161,742	123,642	123,601	123,601	-23.6%
Other General Revenue	184,751	78,501	94,239	83,352	83,352	6.2%
Total Unallocated General Revenues	\$ 2,598,657	\$ 2,483,582	\$ 2,486,583	\$ 2,474,961	\$ 2,504,961	0.9%

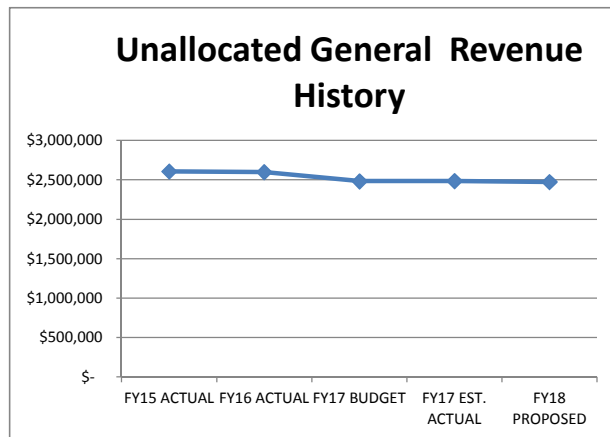
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

The FY17 actual is projected to be \$3K or 0.1% higher than FY17 budget. While the overall variance is flat, Interest on Investments grew by \$13K over FY17 budget which is a result of interest rate adjustments in the economy and is a continuation of the trends experienced in FY16. Likewise, there were increases in Sale of Land & Other Assets of \$33K and in Other General Revenue of \$16K or 20.0%. The increase in Other General Revenue is a result of insurance reimbursements for vehicles in the Police Department. Offsetting these increases were declines in Rental Income of \$21K due to combination of two (2) different cell tower leases into 1. Likewise, Contributions & Donations is expected to decline by \$38K or 23.6% due to an unfilled position for a police officer at the Library.

Adopted FY17 to Proposed FY18

The proposed FY18 budget is anticipated to decrease over the FY17 budget by 0.3% or \$9K in total. The decrease of \$38K or 23.6% in Contributions & Donations is a result of an unfilled police officer position at the Library which was included in the FY17 budget as being staffed by June 2016. This position has been vacant and it is not anticipated that staffing will be reassigned in the FY18 proposed budget figures. There are offsetting increases in all other categories of Unallocated General Revenues. There is a combined increase of \$11K or 13.7% in the FY18 budget for Sale of Land & Other Assets and total Other General Revenue. Selling of assets and insurance reimbursements for equipment are mostly one-time events that do not recur. For this reason, it is difficult to predict or expect to receive funding from these sources and the result is a variance from year to year in these categories. Last, it is estimated that Interest on Investments will be \$13K over FY17 budget amounts. It is projected that current economic trends in the market will continue and cash balances will remain stable.



TRANSFERS FROM OTHER FUNDS & OTHER FINANCING SOURCES - PROPOSED REVENUES
FISCAL YEAR 2017/2018

DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
Transfer from Economic Redevelopment Fund	\$ 70,488	\$ -	\$ -	\$ -	0.0%
Transfer from Health Insurance Fund	49,153	55,000	55,000	545,825	892.4%
Transfer from CDBG Fund	11,905	18,564	19,000	30,160	62.5%
Total Transfers from Other Funds & Other Financing Sources	\$ 131,546	\$ 73,564	\$ 74,000	\$ 575,985	683.0%

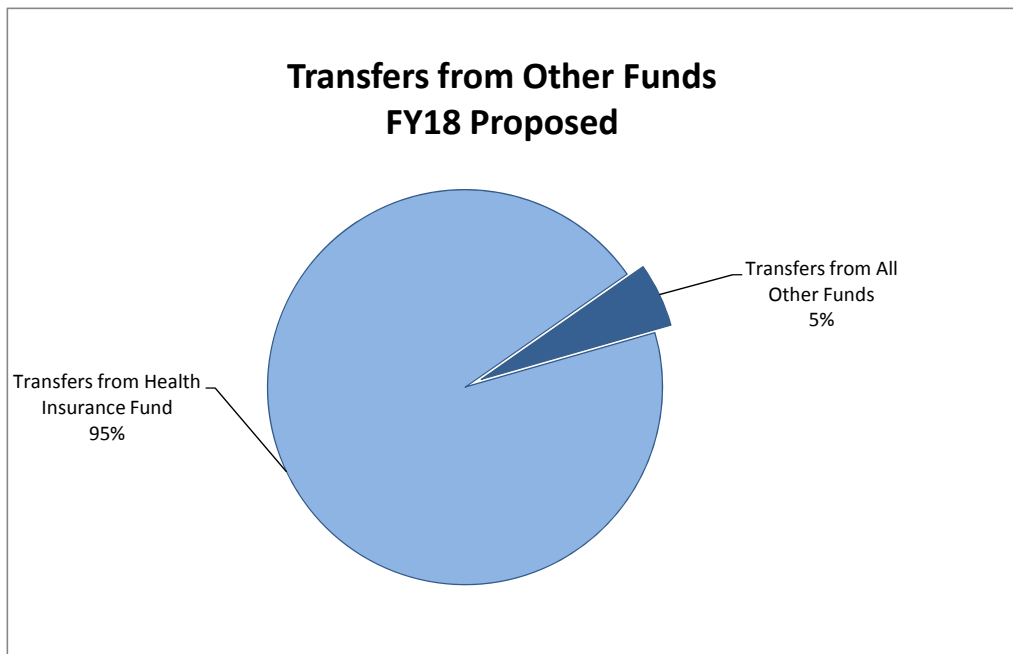
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Overall, estimated actual revenue for FY17 is expected to be slightly higher than FY17 budget by 0.6% or \$0.4K. The FY17 estimated actuals includes updated trends of annual spending for a part-time CDBG funded inspector.

Adopted FY17 to Proposed FY18

FY18 proposed budget is estimated to increase \$502K from FY17 budget because there is a one-time transfer included in FY18. In FY18 budget, Transfers from Health Insurance Fund include the annual \$55K toward the City's employee wellness program plus a one-time \$491K payment. The Health Insurance Fund is a separate City Fund that accumulates and pays for all costs associated with active and retiree health insurance. Throughout the year, all other City Funds provide funding to the Health Insurance Fund based on an equivalent insurance premium determined annually by CBIZ. The Health Insurance Fund has had lower costs than anticipated and has accumulated a fund balance. As of June 2016, the fund balance in the Health Insurance Fund was all of the following: over \$3.0M in total; approximately 47% of total annual operating expenses; and represented 5.7 months of total annual operating expenses. For all of the reasons stated, staff is recommending a one-time transfer of the FY16 actual total surplus of \$697K to be allocated to the General Fund (70.5%); Electric Fund (7.6%); Water Fund (11.0%); and Wastewater Fund (11.0%). Further it is important to note that staff would not recommend this transfer if all three conditions were not met.



MAYOR - PROGRAM DESCRIPTION
FISCAL YEAR 2017/18

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

- Establish City priorities, goals, objectives and work plans for the next fiscal year with the City Council and City Administrator.
- Provide leadership and participate with the Maryland Municipal League, Tri-County Council, and other County, State, and Federal officials to develop and implement goals.
- Serve as spokesperson for City programs, services, and new initiatives.
- Represent the City at public events and functions.
- The Mayor and City Council typically hold 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

	2015/16	2016/17	2017/18
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 2017/18

EXPENDITURE AND REVENUE SUMMARY

EXPENDITURE AND REVENUE SUMMARY

	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 48,276	\$ 47,871	\$ 47,871	\$ 47,871	0.0%
Benefits	14,721	15,401	13,946	13,249	-14.0%
Personnel Subtotal	62,997	63,272	61,817	61,120	-3.4%
Operating Expenditures	6,113	7,164	7,523	6,523	-8.9%
Operating Subtotal	6,113	7,164	7,523	6,523	-8.9%
Total Expenditures	\$ 69,110	\$ 70,436	\$ 69,340	\$ 67,643	-4.0%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 69,110	\$ 70,436	\$ 69,340	\$ 67,643	-4.0%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

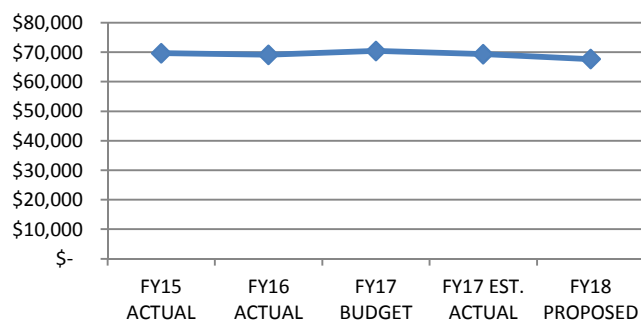
Adopted FY17 to Estimated Actual FY17

FY17 estimated actual is anticipated to be less than FY17 budget by 1.2% or approximately \$1K, which reflects a net reduction between benefit costs and increases in computer equipment for the Mayor elected in November 2016.

Adopted FY17 to Proposed FY18

There are no significant changes from FY17 budget to proposed FY18 budget. The FY18 budget does not include any salary enhancements. There is a slight decrease in Operating Expenditures reflecting reduced fringe benefit costs and reductions in capital outlay.

**Total Expenditures
History**



STAFFING SUMMARY

	FY17			
	FY16	Budg	Est Act	FY18
Full time	0.33	0.33	0.33	0.33
Less: Unfunded	-	-	-	-
Staffing Total	0.33	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 2017/2018

DEPARTMENT / PROGRAM OVERVIEW

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

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

DEPARTMENT / PROGRAM OBJECTIVES

- Establish City priorities, goals, objectives and work plans for the next fiscal year with the City Council and City Administrator.
- Provide leadership and participate with the Maryland Municipal League, Tri-County Council, and other County, State, and Federal officials to develop and implement goals.
- Serve as spokesperson for City programs, services, and new initiatives.
- Represent the City at public events and functions.
- The Mayor and City Council typically hold 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.
- For the purpose of carrying out the powers granted in the City Charter, the council may pass all necessary ordinances. All the powers of the city shall be exercised in the manner prescribed by the Charter, or if the manner is not prescribed, then in such manner as may be prescribed by ordinance or in accordance with the manner that may be prescribed under the public general laws of Maryland, if applicable.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Number of Mayor and Council meetings	50	50	50
Average number of meetings representing City (e.g. board/commission)	30	30	30
Average number of community functions attended representing the City	25	25	25

CITY COUNCIL - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 40,309	\$ 40,000	\$ 40,000	\$ 40,000	0.0%
Benefits	26,908	27,645	24,815	37,676	36.3%
Personnel Subtotal	67,216	67,645	64,815	77,676	14.8%
Operating Expenditures	40,241	44,135	45,335	45,554	3.2%
Operating Subtotal	40,241	44,135	45,335	45,554	3.2%
Total Expenditures	\$ 107,457	\$ 111,780	\$ 110,150	\$ 123,230	10.2%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 107,457	\$ 111,780	\$ 110,150	\$ 123,230	10.2%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

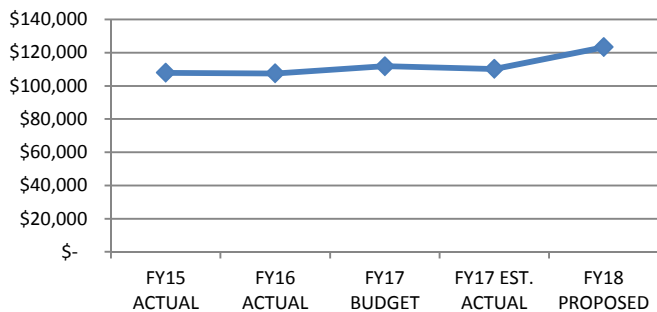
Adopted FY17 to Estimated Actual FY17

FY17 estimated actuals are anticipated to be approximately the same level as FY17 budget, with the exception of healthcare costs. There is a \$2K decrease in the cost.

Adopted FY17 to Proposed FY18

The FY18 budget is anticipated to be 10.2% or \$11.4K higher than the current FY17 budget. There is an increase in Operating Expenses of \$2K as a result of an increase in MML Dues and estimated supplies and equipment for the City Council body elected in November 2016, plus an approximate \$10K increase in health insurance benefits.

**Total Expenditures
History**



STAFFING SUMMARY

	FY16	FY17		FY18
		Budg	Est Act	
Full time	5.00	5.00	5.00	5.00
Less: Unfunded	-	-	-	-
Staffing Total	5.00	5.00	5.00	5.00

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

REGISTRATION AND ELECTIONS - PROGRAM DESCRIPTION
FISCAL YEAR 2017/18

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 26, 2016 and the General Election was held on November 8, 2016. Five of the newly elected Mayor and Councilmembers took office on November 28, 2016. A recount was conducted for the fifth Council seat and that Councilmember took office on December 2, 2016. Hagerstown voter turnout in the General Election was 64%. Voter turnout in the previous General Election (2012) was 67%. In 2009, before the election schedule was changed, voter turnout was at 15%.

PERFORMANCE INDICATORS

	2009	2012	2016
Number of Candidates Filing	25	15	15
Number of Registered Voters at General Election	20,969	20,898	23,251
Number of Registered Voters at Primary Election	16,814	15,504	22,560
Number Voting in General Election	3,173	14,095	14,797
Number Voting in Primary Election	1,988	4,062	7,404

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

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

PERFORMANCE INDICATORS

The City Administrator prepares and presents:

- Annual reports to Mayor and Council on prior calendar year accomplishments and current year departmental goals by 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 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
EXPENDITURES BY TYPE					
Salary and Wages	\$ 156,059	\$ 159,671	\$ 150,000	\$ 154,871	-3.0%
Benefits	45,782	45,431	40,045	46,211	1.7%
Overtime	(181)	-	-	-	0.0%
Personnel Subtotal	201,660	205,102	190,045	201,082	-2.0%
Operating Expenditures	12,520	15,378	15,421	15,904	3.4%
Capital Outlay	777	500	300	250	-50.0%
Operating Subtotal	13,297	15,878	15,721	16,154	1.7%
Total Expenditures	\$ 214,957	\$ 220,980	\$ 205,766	\$ 217,236	-1.7%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 214,957	\$ 220,980	\$ 205,766	\$ 217,236	-1.7%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

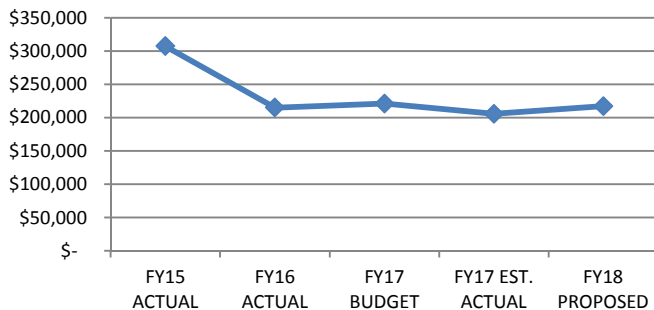
Adopted FY17 to Estimated Actual FY17

In total, FY17 estimated actuals are expected to be under budget by 6.9% or \$15.2K. This is due to slightly lower salaries in FY17 than originally anticipated which also reduces employer costs of benefits.

Adopted FY17 to Proposed FY18

There are no significant changes between the budget for FY17 and the proposed FY18. There is a very slight decrease of 1.7% or \$3.7K.

**Total Expenditures
History**



STAFFING SUMMARY

	FY17			
	FY16	Budg	Est Act	FY18
Full time	1.33	1.33	1.33	1.33
Less: Unfunded	-	-	-	-
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 2017/2018

DEPARTMENT / PROGRAM OVERVIEW

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

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

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

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

DEPARTMENT / PROGRAM OBJECTIVES

- To continue to increase public access to the weekly Mayor and Council meetings by maintaining an online meeting management system which provides media, staff members, and Mayor and Council the ability to view, download and/or print the agenda and all supporting documents.
- The City Clerk is the staff liaison for the City Ethics Commission. The Commission is responsible for ensuring the appropriate officials are following the guidelines of the City's Ethics Code. The Commission met twice in 2016 and provided the required certification to the State Ethics Commission by the October deadline.
- Begin the process of reviewing the City Code to identify outdated and irrelevant language within the Code, specific to the City Clerk, and to recommend amendments to reflect current practices.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Number of Ordinances Processed	24	25	30
Number of Resolutions Processed	47	48	49
Number of Licenses and Permits Issued	95	88	100
Number of Mayor and Council meetings processed	50	50	50

CITY CLERK - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 109,019	\$ 109,007	\$ 105,200	\$ 109,007	0.0%
Benefits	30,652	32,325	29,251	32,865	1.7%
Personnel Subtotal	139,671	141,332	134,451	141,872	0.4%
Contractual Services	10,002	7,000	5,000	6,000	-14.3%
Operating Expenditures	13,929	14,745	14,715	14,868	0.8%
Capital Outlay	835	-	-	1,000	100.0%
Operating Subtotal	24,766	21,745	19,715	21,868	0.6%
Total Expenditures	\$ 164,437	\$ 163,077	\$ 154,166	\$ 163,740	0.4%
REVENUES BY TYPE					
Departmental Revenue	\$ 112,754	\$ 103,500	\$ 101,000	\$ 123,500	19.3%
Total Revenues	\$ 112,754	\$ 103,500	\$ 101,000	\$ 123,500	19.3%
Expenditures, net of Revenues	\$ 51,683	\$ 59,577	\$ 53,166	\$ 40,240	-32.5%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

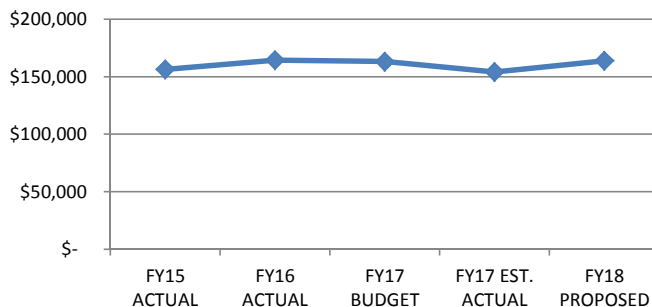
Adopted FY17 to Estimated Actual FY17

FY17 estimated expenditures net of revenue are \$6.4K lower than the FY17 budget, due to reductions in wages and benefits, and contracted services.

Adopted FY17 to Proposed FY18

FY18 proposed departmental expenditures are flat from the FY17 budget. FY18 projected revenues are anticipated to increase 19.3% or \$ 20K due to increases in Traders' Licenses, Utility License Fees, and Vendor Permits.

Total Expenditures History



STAFFING SUMMARY

	FY16	FY17 Budg	FY17 Est Act	FY18
Full time	1.34	1.34	1.34	1.34
Less: Unfunded	-	-	-	-
Staffing Total	1.34	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 the Communications Department.

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 advice on law enforcement issues to the Police Department, and provide representation at internal hearings and other litigation.
- Support the City's Ethics Commission in ensuring compliance with the City's Ethics Code.
- Assist in the development, review, and implementation of contracts, leases and other legal documents related to City Operations.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Number of Ordinances Processed	24	25	30
Number of Resolutions Processed	47	48	49
Number of Approved Contracts and Agreements	70	70	70

LEGAL - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURE AND REVENUE SUMMARY

	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ -	\$ -	\$ -	\$ -	0.0%
Personnel Subtotal	-	-	-	-	0.0%
Contractual Services	317,964	230,000	238,000	250,000	8.7%
Operating Expenditures	6,867	6,000	6,000	6,000	0.0%
Operating Subtotal	324,831	236,000	244,000	256,000	8.5%
Total Expenditures	\$ 324,831	\$ 236,000	\$ 244,000	\$ 256,000	8.5%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 324,831	\$ 236,000	\$ 244,000	\$ 256,000	8.5%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

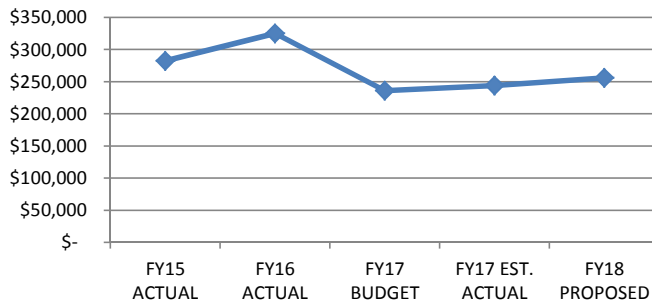
Adopted FY17 to Estimated Actual FY17

In total, FY17 estimated actuals are expected to be 3.4% or \$8K higher than FY17 budget. This is based on updated trends and additional legal opinions and representation being utilized.

Adopted FY17 to Proposed FY18

In total, FY18 budget is 8.5% or \$20K higher than FY17 budget levels. This increase in the FY18 budget is based on the current trends happening in FY17. Additionally, the City's current contract with the Law Offices of Salvatore & Morton, LLC expires on December 31, 2017.

**Total Expenditures
History**



STAFFING SUMMARY

	FY16	FY17 Budg Est Act		FY18
Full time	-	-	-	-
Less: Unfunded	-	-	-	-
Staffing Total	-	-	-	-

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.

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 over the next two fiscal years. The first phase will be educating departmental users on using the fixed asset module in Munis. The second phase 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 continue 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 (CAFR) and will also strive to produce a Popular Annual Financial Report (PAFR) 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 recommend updates for fiscal policies to present to Mayor and Council for approval.
- **Bonds & Other Debt:** Finance will continue to monitor the capital projects in the CIP fund. Also, Finance will continue to work with our financial advisor and bond counsel to issue general obligation bonds as needed and as approved for public improvement projects. Last, Finance will continue to monitor unspent bond projects and funding to ensure timely compliance with bond covenants.
- **Audit Services:** Finance will seek an extension of a two-year contract with SB & Company.
- **Software Implementation:** Finance and IT staff will continue to work with our time and attendance software vendor (Intellitime) to get all City departments "live" in the system.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
<i>Performance Measures</i>			
Maintain the City's bond rating:			
Standard and Poor's AA-	AA	AA	AA
Moody's Investors Service A2 or higher	Aa3	Aa3	Aa3
Receive GFOA distinguished Budget Presentation award	Yes/ 11 yrs	Yes/ 12 yrs	Yes/ 13yrs
Receive GFOA Comprehensive Annual Financial Reporting award	Yes/ 21 yrs	Yes/ 22 yrs	Yes/ 23yrs
<i>Workload Measures</i>			
Bond sales executed	0	2	1
Number of individual employee payrolls processed	26,527	27,053	27,600
Number of vendor invoices processed	9,783	10,427	11,000
Number of Pcard transactions processed	8,426	8,222	8,500
Number of Purchase Orders issued	1,180	970	1,200

FINANCE - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 455,306	\$ 473,773	\$ 425,000	\$ 509,195	7.5%
Benefits	140,557	158,936	115,115	151,508	-4.7%
Overtime	13	100	100	100	0.0%
Personnel Subtotal	595,876	632,809	540,215	660,803	4.4%
Contractual Services	26,104	37,432	30,916	31,085	-17.0%
Operating Expenditures	28,895	35,850	35,119	36,636	2.2%
Capital Outlay	2,162	2,800	2,800	2,800	0.0%
Operating Subtotal	57,161	76,082	68,835	70,521	-7.3%
Total Expenditures	\$ 653,037	\$ 708,891	\$ 609,050	\$ 731,324	3.2%
REVENUES BY TYPE					
Departmental Revenue	\$ 33,633,613	\$ 33,968,668	\$ 33,984,125	\$ 35,744,588	5.2%
Total Revenues	\$ 33,633,613	\$ 33,968,668	\$ 33,984,125	\$ 35,744,588	5.2%
Expenditures, net of Revenues	\$ (32,980,576)	\$ (33,259,777)	\$ (33,375,075)	\$ (35,013,264)	5.3%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

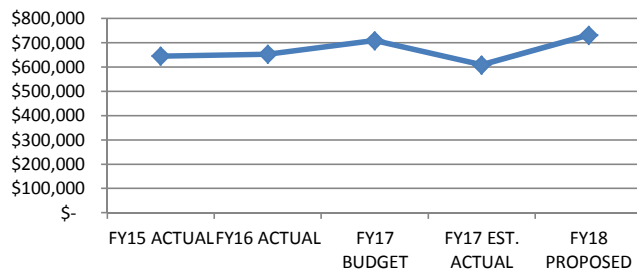
Adopted FY17 to Estimated Actual FY17

It is projected that total expenditures for the department will be 14.1% or \$100K lower than FY17 budget. Total personnel costs are expected to be 14.6% under budget. This decrease is a result of several vacant positions within the department. The department is approved for 8.5 full-time staff but at one point in FY17 the department was down to 5.5 full-time positions filled. Likewise, contractual services is under budget by 17.4% or \$7K as a result of extending the audit contract with our existing vendor SB&Company. Additionally, departmental revenue is anticipated to be \$15K higher than budget.

Adopted FY17 to Proposed FY18

From the FY17 budget to the FY18 proposed budget, overall total personnel expenditures are anticipated to increase by 4.4% or \$28K and operating expenditures to decrease by 7.3% or \$6K. The \$35K increase in salary expenditures is due to fully staffing the department and potential salary enhancements. There is a 4.7% or \$7K decrease in all benefits as all vacant positions are budgeted with minimal level of health insurance. Also, contractual services is estimated to be 17.0% or \$28K lower in proposed FY18 budget compared to FY17 budget levels. This savings is primarily in Auditing Fees and Services. The operating expenditures category is higher than FY17 budget levels for inflation on advertising and printing costs. Last, departmental revenue is anticipated to be 5.2% or \$1.75M more than FY17 budget as a result of higher total property tax revenue, admissions & amusement tax revenue, and increased use of appropriated fund balance.

**Total Expenditures
History**



STAFFING SUMMARY

	FY16	FY17		FY18
		Budg	Est Act	
Full time	8.50	8.50	8.50	8.50
Less: Unfunded	-	-	-	-
Staffing Total	8.50	8.50	8.50	8.50

There was no change in full time staffing from FY16 to FY18; and, 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 has two incumbent communications carriers with fiber-to-the-premise abilities in the City core, with both expanding into our residential neighborhoods in 2017. The City will continue to support these initiatives through awareness and promotion through our DCED and Communications groups.
- **Open Government Implementation:** The City will expand upon the ability of our citizenry to gain as much information on past / current / future activity of our governmental operations through our City website. This will include our transparency portal, geographic information systems (GIS) work, as well as enhancements made available through a financial system upgrade in 2017.
- **Munis Financial System Upgrade:** The City will undertake a major upgrade of our financial system in 2017. This system, in operation since 2007, will present to the internal user a new and more efficient interface for information input / output as well as increased opportunity for interaction through the internet browser. Citizens will also see increased opportunities for services with this upgrade.
- **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.
- **Business Process Review:** The upgrading of our financial system will allow staff to review and attempt to improve efficiencies of process and costs associated with daily operations. Initial reviews were held with a couple of departments and will be implemented as recommended in 2017. We hope to have all departments included in this review by end of 2017.
- **HPD Camera Upgrades / Implementations:** Staff will begin the large task of replacement of old models cameras currently part of our City streets surveillance system, as well as add several cameras and accompanying infrastructure in the central part of our City.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Number of City-wide personal computers	234	250	255
Number of PC Software programs supported	22	27	30
Number of Help Desk tickets	1,674	1,823	2,100
# of SPAM e-mails blocked daily	9,412	16,366	20,000
Phone calls managed through our central switch	381,266	386,021	390,000

INFORMATION TECHNOLOGY - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 380,090	\$ 364,097	\$ 355,000	\$ 385,243	5.8%
Benefits	128,860	126,234	112,433	122,921	-2.6%
Overtime	3,234	2,800	4,000	3,000	7.1%
Personnel Subtotal	512,184	493,131	471,433	511,164	3.7%
Contractual Services	852	3,000	3,000	3,000	0.0%
Operating Expenditures	336,110	371,645	370,559	383,271	3.1%
Capital Outlay	5,158	3,400	2,900	3,400	0.0%
Operating Subtotal	342,120	378,045	376,459	389,671	3.1%
Total Expenditures	\$ 854,304	\$ 871,176	\$ 847,892	\$ 900,835	3.4%
REVENUES BY TYPE					
Departmental Revenue	\$ 8,531	\$ 15,000	\$ 17,000	\$ 17,000	13.3%
Total Revenues	\$ 8,531	\$ 15,000	\$ 17,000	\$ 17,000	13.3%
Expenditures, net of Revenues	\$ 845,773	\$ 856,176	\$ 830,892	\$ 883,835	3.2%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

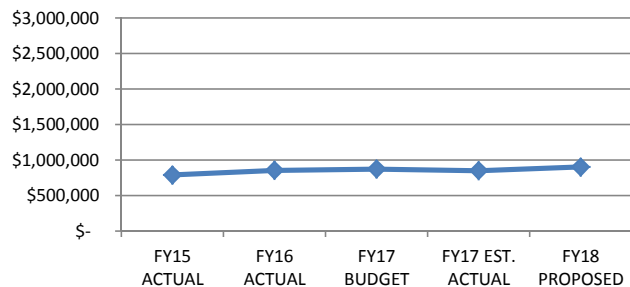
Adopted FY17 to Estimated Actual FY17

In total, FY17 actual expenditures are projected to be under FY17 budget by 3.0% or \$23K. Total personnel expenditures are expected to be 4.4% \$22K due to staff vacancy that occurred in FY17. Departmental revenue is anticipated to increase due to a cell tower lease.

Adopted FY17 to Proposed FY18

In total, expenditures are anticipated to increase by 3.4% or \$30K from proposed FY18 budget to FY17 budget amounts. FY18 personnel costs are projected to increase by 3.7% or \$18K as a result of filling vacant position and potential salary enhancements. Likewise, operating expenses are expected to increase from incremental rate increases on some hardware and/or software annual maintenance costs reflected in the operating expenditure category above. Last, the department revenue is expected to remain flat in FY18 compared to the current trend happening in FY17 with a cell tower lease.

Total Expenditures History



STAFFING SUMMARY

	FY17			
	FY16	Budg	Est Act	FY18
Full time	6.34	6.34	6.34	6.34
Less: Unfunded	-	-	-	-
Staffing Total	6.34	6.34	6.34	6.34
Part time	-	-	-	-
Total Part time	-	-	-	-

There are no anticipated changes to staffing in Information Technology through FY18.

SUPPORT SERVICES - PROGRAM DESCRIPTION
FISCAL YEAR 2017/18

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 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.
- **In-House Collection Effort:** Staff will look to utilize additional tools, such as skip tracing, in order to attempt collection on long-term delinquent accounts vs. sending to outside collections as a cost saving measure. Staff will also look to increase the reminder frequency through email / postal mail solicitations.
- **Welcome Packet For New Accounts:** Staff will create and distribute a welcome packet to all new utility account owners to provide information on the City services available to them.
- **Support Services Strategic Plan:** The changes in our capabilities to provide effective customer service and cash processing require a revisiting of how the department does business both with internal City departments as well as our external customers. Reviews of our utility collection process, cash management operation, tax collection and reporting processes will all be documented and reviewed by staff, with recommendations on implementation.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Number of calls offered into Support Services queue	62,522	58,416	60,000
Number of calls serviced in Support Services	48,454	49,499	53,400
Average hold time (in Seconds)	201	207	200
Number of counter transactions handled in City Hall	62,411	73,534	77,000
Total customers served	112,414	123,033	130,400
Dollar amount of transactions processed in City Hall	\$ 51,599,393	\$ 51,498,640	\$ 51,500,000

SUPPORT SERVICES - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 374,711	\$ 385,946	\$ 373,040	\$ 387,164	0.3%
Benefits	133,381	146,957	126,479	132,608	-9.8%
Overtime	4,463	2,270	3,500	3,500	54.2%
Personnel Subtotal	512,555	535,173	503,019	523,272	-2.2%
Contractual Services	206,955	227,500	227,500	227,800	0.1%
Operating Expenditures	(310,242)	(322,246)	(294,218)	(303,539)	-5.8%
Capital Outlay	4,109	5,300	5,800	5,300	0.0%
Operating Subtotal	(99,178)	(89,446)	(60,918)	(70,439)	-21.2%
Total Expenditures	\$ 413,377	\$ 445,727	\$ 442,101	\$ 452,833	1.6%
REVENUES BY TYPE					
Departmental Revenue	\$ 32,139	\$ 15,000	\$ 32,140	\$ 32,140	114.3%
Total Revenues	\$ 32,139	\$ 15,000	\$ 32,140	\$ 32,140	114.3%
Expenditures, net of Revenues	\$ 381,238	\$ 430,727	\$ 409,961	\$ 420,693	-2.3%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

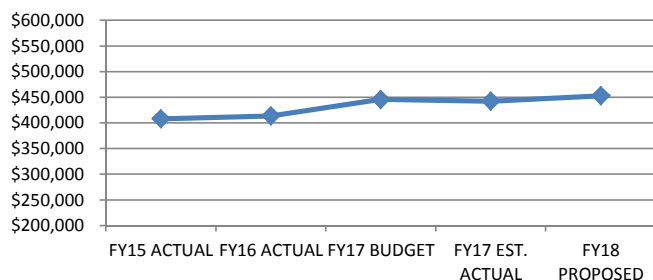
Adopted FY17 to Estimated Actual FY17

FY17 estimated actuals are projected to be lower than FY17 budget by 0.8% or \$4K. Personnel expenses are estimated to be under budget by 6.0% or \$32K due to vacant full-time position. In total, departmental revenue projections are higher than budget by \$17K for pay by phone transaction fees trends.

Adopted FY17 to Proposed FY18

The proposed FY18 budget for personnel expenses is expected to be 2.2% or \$12K less than FY17 budget. The decrease is result of lower health insurance cost estimates for a current full-time vacant position. Last, department revenue is expected to be higher than FY17 budget based on current trends.

Total Expenditures History



STAFFING SUMMARY

	FY16	FY17		FY18
		Budg	Est Act	
Full time	5.66	5.66	5.66	5.66
Less: Unfunded	-	-	-	-
Staffing Total	5.66	5.66	5.66	5.66
Part time	3.00	3.00	3.00	3.00
Part time Seasonal	-	-	-	-
Total Part time	3.00	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.

HUMAN RESOURCES - PROGRAM DESCRIPTION
FISCAL YEAR 2017/18

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.
- Administration of the four union contracts and personnel policies.
- Administer self-insured Workers' compensation Program and Liability Insurance Services.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Bargaining Unit Contracts	4	4	4
Per Employee Health Plan Costs	\$ 10,799	\$ 11,840	\$ 12,787
Per Retiree Health Plan Costs	\$ 5,036	\$ 4,569	\$ 4,934
Number of Employment Applications Received	2,448	1,720	1,800
Number of Regular FT employees hired	37	40	35
Number of non-regular employees hired	38	35	35
Retirements	13	12	15
Voluntary Separations	31	25	30
Involuntary Separations	4	4	4
Number of Injury Reports	77	80	78
Number of Property Claims	43	40	40
Number of General Liability Claims	17	25	25
Number of Police Liability Claims	5	4	4
Number of Auto Claims	89	70	75

HUMAN RESOURCES - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 360,460	\$ 363,552	\$ 365,000	\$ 398,475	9.6%
Benefits	133,790	134,555	118,441	131,628	-2.2%
Overtime	8	100	75	75	-25.0%
Personnel Subtotal	494,258	498,207	483,516	530,178	6.4%
Contractual Services	104,495	95,820	97,320	99,020	3.3%
Operating Expenditures	52,300	53,901	53,596	53,855	-0.1%
Capital Outlay	2,745	4,600	4,600	3,600	-21.7%
Operating Subtotal	159,540	154,321	155,516	156,475	1.4%
Total Expenditures	\$ 653,798	\$ 652,528	\$ 639,032	\$ 686,653	5.2%
REVENUES BY TYPE					
Departmental Revenue	\$ 2,139	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ 2,139	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 651,659	\$ 652,528	\$ 639,032	\$ 686,653	5.2%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

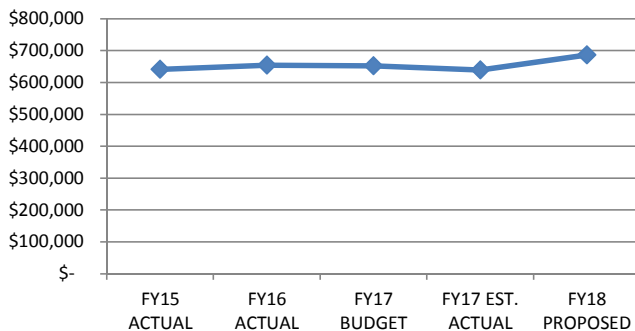
Adopted FY17 to Estimated Actual FY17

In total, FY17 estimated actual is expected to be 2.1% or \$13K under FY17 budget. Benefit costs are the primary reason for the budget variance at 12.0% or \$16K less. This savings has occurred from a shift in type of health insurance selected by employees in this department. All other operating expenses are anticipated to be within \$1K of the FY17 budget amounts.

Adopted FY17 to Proposed FY18

In total, FY18 expenses are estimated to be 5.2% or \$34K more than FY17 budget levels. Total personnel costs are estimated to be 6.4% or \$32K higher for potential salary enhancements. While contractual services are projected to be \$3K higher, capital outlay requests will help to offset this with a \$1K reduction over FY17 budget amounts.

**Total Expenditures
History**



STAFFING SUMMARY

	FY16	FY17		FY18
		Budg	Est Act	
Full time	5.00	5.00	5.00	5.00
Less: Unfunded	-	-	-	-
Staffing Total	5.00	5.00	5.00	5.00
Part time	3.00	4.00	4.00	4.00
Part time Seasonal	2.00	2.00	2.00	2.00
Total Part time	5.00	6.00	6.00	6.00

The Human Resources Department staffs the information/security desk at City Hall with part-time positions plus has a part-time HR Representative. Two seasonal employees are staffed to fill in for clerical/administrative positions throughout the City on an as-needed basis.

DEPARTMENT / PROGRAM OVERVIEW

The Communications Department was incorporated into the Technology and Support Services Department in November 2015. This department manages all communications generated by City departments and acts as the point of contact for all news/press related activities. The group maintains and provides custom programming for our Public/Educational/Government (PEG) Channel 25, as well as produces the City Mayor and Council broadcasts both on cable and streaming Internet video for our citizens. Communications staff manages and maintains our City website, YouTube channel, and all social media activity. In 2016, Communications staff re-branded all video production work on YouTube and the cable channel as "Hub City Now", reinforcing our efforts and goals to keep the community informed and up-to-date on what's happening in their local government.

DEPARTMENT / PROGRAM OBJECTIVES

- **Hub City Now Programming:** The video production studio was constructed in the second quarter of FY17 for the Communications department in the Elizabeth Hager Center. New equipment and lighting will be installed by the end of FY17. The studio allows for increased opportunities for community outreach and information by providing a production facility for more discussion-based information programming. Staff will coordinate recurring programming on a monthly and potentially a bi-weekly basis to include Mayor & Council updates, promotions for upcoming events, and features on community success stories.
- **Consolidated Communications Plan:** Staff will work across departments to coordinate marketing and promotions in an effort to leverage resources and more effectively promote all aspects of city government. This process will facilitate a more efficient workflow by having a determined communications plan each month. Promotions will be delivered across multiple platforms, including print, digital, social media and video advertising in local and regional markets.
- **Enhancing the City Website:** Following a re-design of the City website, staff will work with our site vendor, CivicPlus, as well as department representatives, to identify ways of utilizing the website to enhance customer service and information-delivering methods. This includes exploring various modules and revising page layouts to more effectively present information.
- **Resident x311 Notifications:** Staff is working with Washington County Emergency Services to implement a RESIDENT x311 service for City residents to provide non-emergency alerts via text message and email. Alert topics will range from interruptions in service to follow-up messaging after a large public safety event. Information will be distributed both City-wide or specifically to an immediate neighborhood area.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
YouTube Lifetime video views	73,383	106,713	200,000
YouTube subscribers	282	372	425
Website visits	422,700	506,200	600,000
Facebook likes	6,732	9,656	13,000
Twitter followers	945	1,378	1,700

COMMUNICATIONS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 150,673	\$ 148,228	\$ 137,000	\$ 152,687	3.0%
Benefits	45,128	40,049	35,001	34,969	-12.7%
Personnel Subtotal	195,801	188,277	172,001	187,656	-0.3%
Operating Expenditures	70,710	118,750	118,750	118,750	0.0%
Capital Outlay	211	1,000	1,000	1,000	0.0%
Operating Subtotal	70,921	119,750	119,750	119,750	0.0%
Total Expenditures	\$ 266,722	\$ 308,027	\$ 291,751	\$ 307,406	-0.2%
REVENUES BY TYPE					
Departmental Revenue	\$ 1,073	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ 1,073	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 265,649	\$ 308,027	\$ 291,751	\$ 307,406	-0.2%

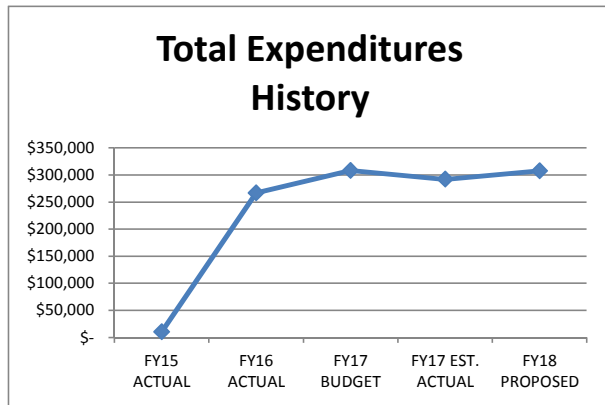
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

FY17 estimated projections are under FY17 budget levels by a total of 5.3% or \$16K. It is anticipated that personnel costs will be under budget by 8.6% or \$16K due to part-time salaries. The Communications department includes a part-time position shared with the City Clerk as well as videographers. The videographers work schedule can fluctuate dependent which results in the decrease over FY17 budget amounts.

Adopted FY17 to Proposed FY18

FY18 budget is relatively flat compared to FY17 budget amounts. The total decrease is 0.2% or less than \$1K and does not reflect any significant changes.



STAFFING SUMMARY

	FY16	FY17		FY18
		Budg	Est Act	
Full time	-	2.10	2.10	2.10
Less: Unfunded	-	-	-	-
Staffing Total	-	2.10	2.10	2.10
Part time	-	2.50	2.50	2.50
Part time Seasonal	-	-	-	-
Total Part time	-	2.50	2.50	2.50

The Communications Department was split out as a stand alone department in the middle of FY16 after budget completion. Prior to this time, the employees were part of Community and Economic Development budget and included in its staffing summary numbers. Even with this change, the employee count remained the same and no new positions were created related to Communications.

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

Recognizing that time is money for the development community, PCAD administers streamlined processes and provides exceptional service while planning for the future of the City through visionary yet realistic plans, flexible regulations, progressive programs, and customer-friendly processes. We remain focused on development and administration of progressive protective legislation for smart development and redevelopment. Our development review, permitting, and inspections staff strive to ensure speed and accuracy. Customer service enhancements are under development to make Hagerstown a location of choice for investors. In FY18 PCAD will continue to protect the quality of life in our community and enhance property values through development and administration of new programs and tools and working with stakeholders on enhancing the development review and inspections process, implementation of the Community's City Center Plan, and development of neighborhood improvement plans and the City's comprehensive plan. PCAD will continue to work with the Department of Community & Economic Development (DCED) and other City departments to expand the City's reputation as an effective and efficient partner to the neighborhoods and development community.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Value of Commercial Investment (in thousands)	\$ 27,400	\$ 19,600	\$ 20,000
Value of Residential Investment (in thousands)	\$ 5,500	\$ 5,300	\$ 5,000
Assessed Value of Newly Annexed Land	-	1,229	2,229
Number of New Home Starts	35	31	40
Percent of HDC applicant affirmed cases	100%	98%	98%
Number of Site Plans Reviewed	19	20	22
Volume of Inspections Performed	18,145	18,500	18,500
Number of Inspections Appealed	3	2	2
Number of Zoning Certificates issued of new businesses*	41	40	45
Number of Rental Units Licensed	9,102	9,200	9,200
Number of Vacant Residential Properties Licensed	974	1,230	1,200
Number of Vacant Non-Residential Properties Licensed	60	69	70
Value of Abatements performed by the City	\$ 91,878	\$ 70,000	\$ 70,000

*Applies only to new businesses that need a business license from the Courthouse

PLANNING AND CODE ADMINISTRATION - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,141,415	\$ 1,154,372	\$ 1,118,622	\$ 1,200,177	4.0%
Benefits	438,071	460,991	419,028	473,418	2.7%
Overtime	1,707	2,444	4,128	4,622	89.1%
Personnel Subtotal	1,581,193	1,617,807	1,541,778	1,678,217	3.7%
Contractual Services	1,010	9,800	870	9,800	0.0%
Operating Expenditures	222,593	226,899	228,775	323,044	42.4%
Capital Outlay	2,419	1,750	16,955	5,975	241.4%
Operating Subtotal	226,022	238,449	246,600	338,819	42.1%
Total Expenditures	\$ 1,807,215	\$ 1,856,256	\$ 1,788,378	\$ 2,017,036	8.7%
REVENUES BY TYPE					
Departmental Revenue	\$ 1,535,192	\$ 1,558,080	\$ 1,507,426	\$ 1,622,181	4.1%
Total Revenues	\$ 1,535,192	\$ 1,558,080	\$ 1,507,426	\$ 1,622,181	4.1%
Expenditures, net of Revenues	\$ 272,023	\$ 298,176	\$ 280,952	\$ 394,855	32.4%

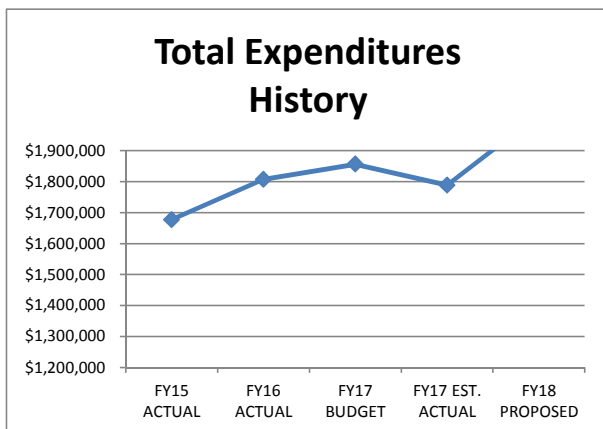
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Overall, personnel costs are expected to be 4.7% less than budgeted in FY 2017 due to vacancy savings in one inspector position, salary savings with new hire and overall health insurance cost reductions. Total operating expenditures are expected to be 3.4% less than budgeted. Funds available from cost savings attributed to transferring contractual work for high weeds and debris abatement to Public Works will be utilized to eradicate larger blight issues in our neighborhoods. Higher than anticipated revenues in the Planning budget will be utilized to develop a high density file system in the permits and inspections office. Overall revenues are expected to be down 3.3% mainly due to the liening of abatement and licensing costs for many vacant properties.

Adopted FY17 to Proposed FY18

Overall, personnel costs are anticipated to increase by 3.7% or \$60K from FY18 budget to FY17 budget for potential salary enhancements. Total operating expenditures are anticipated to be 42.1% or \$100K higher than prior FY17 budget amounts. The budget for contractual services will remain flat. As the City continues to work to eradicate larger blight issues in our neighborhoods, total operating expenditures are anticipated to increase by 0.8% or \$96K. Revenues are anticipated to increase by 4.1% or \$64K in anticipation of continued liening of abatement and licensing costs for many vacant properties. Explorations continue on potential to transfer perpetual tax lien properties and paper rights-of-way to new owners, which would reduce abatement costs and increase property tax revenues. Recruitment and facilitation of annexations are another potential means of increasing property tax revenues.



STAFFING SUMMARY

	FY16	FY17		FY18
		Budg	Est Act	
Full time	-	20.00	20.00	20.00
Less: Unfunded	-	-	-	-
Staffing Total	-	20.00	20.00	20.00
Part time	-	2.00	2.00	1.00
Part time Seasonal	-	3.00	3.00	3.00
Total Part time	-	5.00	5.00	4.00

In FY16, the Planning & Code Admin. Department was split from the Community & Economic Development department. Because of this change, the employees in this department were attached to the FY15 and FY16 DCED budget. However, for FY17 and beyond, the employee count will be reported under this department.

PLANNING AND CODE ADMINISTRATION - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURES BY PROGRAM

	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Planning	\$ 420,381	\$ 426,620	\$ 407,614	\$ 442,185	3.6%
Annexation	1,706	8,800	2,000	8,800	0.0%
Code Administration	1,385,128	1,420,836	1,378,764	1,566,051	10.2%
Total Expenditures	\$ 1,807,215	\$ 1,856,256	\$ 1,788,378	\$ 2,017,036	8.7%
REVENUES					
Departmental Revenue	\$ 1,535,192	\$ 1,558,080	\$ 1,507,426	\$ 1,622,181	4.1%
Total Revenues	\$ 1,535,192	\$ 1,558,080	\$ 1,507,426	\$ 1,622,181	4.1%
Expenditures, net of Revenues	\$ 272,023	\$ 298,176	\$ 280,952	\$ 394,855	32.4%

DEPARTMENT / PROGRAM OVERVIEW

The Department of Community and Economic Development (DCED) works in collaboration with all City Departments, our residents, businesses, current and prospective investors and visitors to advance the economy, image and quality of life in Hagerstown. The Department has three primary function areas: Community Development to grow strong neighborhoods; Economic Development to support business growth; and Special Events and Festivals to celebrate community pride.

DEPARTMENT / PROGRAM OBJECTIVES

In partnership with the private sector and all City Departments, DCED 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 special events; the management of the Arts & Entertainment District and Main Street Hagerstown programs; and increased volunteer opportunities. DCED leads the cross-department efforts of implementation of the 10-year Community's City Center Plan, comprised of eight (8) catalyst projects designed to spur private investment in downtown. Additionally, DCED leads community development projects designed to have visible results with a positive impact on the community, and the department administers the Community Development Block Grant (CDBG) functions (see also Special Revenue Section 5).

Staff continue to expand and adapt the department's programs to enhance the results, and in FY18, staff have proposed an aggressive list of goals.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Number of event attendees*	145,000	148,000	151,000
Number of volunteer hours	3,000	3,200	3,500
Number of business grand openings/anniversary celebrations	27	27	30
Number of new/retained jobs tied to incentive agreements	80	80	90
New investment tied to incentive agreements**	\$ 175,000	\$ 175,000	\$ 30,200,000

*Includes 80,000 for the Alsatia Parade

**Includes \$30 million investment by Pinnacle Foods

COMMUNITY AND ECONOMIC DEVELOPMENT - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 380,909	\$ 428,929	\$ 435,451	\$ 453,584	5.7%
Benefits	148,098	150,604	141,866	151,934	0.9%
Overtime	931	500	3,400	5,500	1000.0%
Personnel Subtotal	529,938	580,033	580,717	611,018	5.3%
Contractual Services	214,154	194,720	197,823	194,720	0.0%
Operating Expenditures	521,341	512,900	607,963	523,828	2.1%
Capital Outlay	530	4,500	4,500	4,500	0.0%
Operating Subtotal	736,025	712,120	810,286	723,048	1.5%
Total Expenditures	\$ 1,265,963	\$ 1,292,153	\$ 1,391,003	\$ 1,334,066	3.2%
REVENUES BY TYPE					
Departmental Revenue	\$ 544,888	\$ 489,109	\$ 483,262	\$ 470,202	-3.9%
Total Revenues	\$ 544,888	\$ 489,109	\$ 483,262	\$ 470,202	-3.9%
Expenditures, net of Revenues	\$ 721,075	\$ 803,044	\$ 907,741	\$ 863,864	7.6%

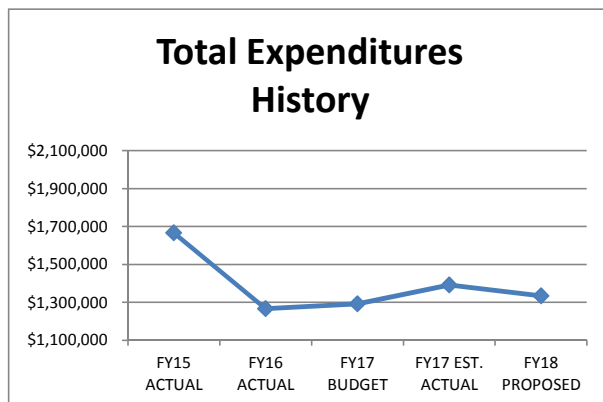
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Total personnel costs are anticipated to exceed FY17 budget by 0.1% or \$1K. This represents a slight difference in budgeting in comparison to hiring of vacancies following department reorganization in FY 16. Additionally, operating expenditures are 13.8% or \$98K higher than budget due to one-time economic incentives for Pinnacle Foods. Last, departmental revenue amounts are expected to be under budget by 1.2% or \$6K for one primary reason: a change to the Miss Maryland Pageant event so that the contributions from the County are sent directly to The Maryland Theatre which is a decrease of \$10K.

Adopted FY17 to Proposed FY18

In total, personnel costs are projected to be 5.3% or \$31K higher in proposed FY18 budget compared to current FY17 budget. This represents a slight adjustment to align the budget in comparison to the hired vacancies following the department reorganization in FY16 and for the potential of salary enhancements. Proposed FY18 budget for operating expenditures are 1.5% or \$11K higher than FY17 budget amounts. This increase is a result of reflecting all City staff costs in BluesFest budget that were inadvertently missed in FY17 budget while decreasing other miscellaneous events. Last, department revenue amounts are projected to be under FY17 budget amounts by 3.9% or \$19K. The revenue reductions are within two primary sources: \$10 reduction in Miss Maryland Pageant contributions from the County and \$10K reduction in Enterprise Zone tax credits as current eligible properties continue to phase out.



STAFFING SUMMARY

	FY16	FY17		FY18
		Budg	Est Act	
Full time	28.84	6.75	6.75	6.75
Less: Unfunded	(1.00)	-	-	-
Staffing Total	27.84	6.75	6.75	6.75
Part time	5.50	2.00	2.00	2.00
Part time Seasonal	3.00	-	-	-
Total Part time	8.50	2.00	2.00	2.00

Originally, this department included Planning & Code Administration and Communication employees which are now reflected separately after FY16 budget period.

COMMUNITY AND ECONOMIC DEVELOPMENT - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURES BY PROGRAM

	2015/16	2016/17		2017/18	2017/18
		BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Community Affairs	\$ 152,030	\$ 177,362	\$ 180,657	\$ 192,184	8.4%
Public Functions	480,730	463,586	495,086	473,086	2.0%
Farmers Market	52,002	79,590	79,931	78,134	-1.8%
Economic Development	394,790	343,096	414,838	363,075	5.8%
Neighborhoods First	61,462	80,688	66,579	76,886	-4.7%
Housing & Community Dev	124,949	147,831	153,912	150,701	1.9%
Total Expenditures	\$ 1,265,963	\$ 1,292,153	\$ 1,391,003	\$ 1,334,066	3.2%
REVENUES					
Departmental Revenue	\$ 544,888	\$ 489,109	\$ 483,262	\$ 470,202	-3.9%
Total Revenues	\$ 544,888	\$ 489,109	\$ 483,262	\$ 470,202	-3.9%
Expenditures, net of Revenues	\$ 721,075	\$ 803,044	\$ 907,741	\$ 863,864	7.6%

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 FY17/18, Parks & Engineering staff will complete the following:

Engineering Division

- Staff will continue to monitor the MDE requirements for pollution reduction from storm water runoff and will develop strategies needed to address these issues.
- Transportation initiatives in FY17/18 include pavement preservation, assisting the County with Professional Blvd design, bridge improvements based on recent inspections, and alley reconstruction.
- Other miscellaneous projects would be completion of phase I of the Cultural Trail, Safe Routes to School projects, design of the Marsh Run Trail, finalizing design of repairs to Pangborn Park lake and sidewalk and pedestrian beacon installation.

Parks and Recreation Division

- Develop Parks and Recreation Strategic Plan
- Publish biannual Recreation Program Guide and add new recreation programs such as fitness programs, dance classes, cycling, and outdoor recreation. Provide quality events to the public including 100-Miler, Hoedown, and possibly a Dash and Splash at the Potterfield Pool.
- Other goals for 2017/18 include the contracting with a pool management company to operate the Potterfield Pool; constructing a pavilion at the railroad exhibit, programming the FIT Room, upgrading bleachers and benches, and upgrading various public restrooms.

Solid Waste Collection and Disposal

- Review current contract for solid waste collection and determine if changes are desired by Mayor and Council. New contract needs to be in place by Fall 2017 so collection work will commence January 1, 2018.

ENGINEERING AND PARKS - PROGRAM DESCRIPTION
FISCAL YEAR 2017/18

PERFORMANCE INDICATORS - ENGINEERING

	2015/16	2016/17	2017/18
Number of Contracts and RFP's	33	28	22
Curb and Sidewalk Permits Issued	70	170	150
Traffic Complaints Resolved	150	173	160
Work Orders issued to Public Works	125	111	120

PERFORMANCE INDICATORS - PARKS

	2015/16	2016/17	2017/18
Number of Public Parks	19	21	21
Acres of Park Land	299	302	303
Number of Pavilion Reservations	399	378	400
City Park Bandshell Reservations	50	50	50
Municipal Stadium: Number of Suns Spectators (in 000s)	69	72	83
Miles of Bike Lanes and Paths	34	35	36
Hager House Visitors	2,742	3,337	3,400
Hager House Promotions/Events	10	11	11
Hagerstown 202 Railroad Museum Promotions/Events	6	7	7
202 Railroad Visitors	2,890	1,940	3,000

PERFORMANCE INDICATORS - GENERAL RECREATION

	2015/16	2016/17	2017/18
Number of Events	19	22	20
Number of Recreation Programs	21	63	60

PERFORMANCE INDICATORS - POTTERFIELD POOL

	2015/16	2016/17	2017/18
Number of Days in Full Operation	90	94	97
Number of Private Rentals	68	40	40
Number of Season Passes (all types)	34	45	31
Daily Paid Attendance (non camp)	9,365	11,365	12,000
Total Attendance	12,500	15,151	16,000

PERFORMANCE INDICATORS - WASTE COLLECTION

	2015/16	2016/17	2017/18
Tons of Garbage Collected Curbside	10,500	10,810	10,700
Tons of Yard Waste Collected	1,200	1,025	1,100
Tons of Recyclables Collected	2,750	2,523	2,700
Residential Units Served	14,345	14,425	14,450
Commercial Units served	67	69	70

ENGINEERING AND PARKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,879,431	\$ 1,801,307	\$ 1,749,448	\$ 1,900,333	5.5%
Benefits	660,315	658,026	635,067	683,855	3.9%
Overtime	42,694	24,540	25,732	25,740	4.9%
Personnel Subtotal	2,582,440	2,483,873	2,410,247	2,609,928	5.1%
Contractual Services	2,261,857	2,334,644	2,355,382	2,401,774	2.9%
Operating Expenditures	728,402	753,000	798,959	814,154	8.1%
Capital Outlay	19,882	3,900	9,100	7,650	96.2%
Operating Subtotal	3,010,141	3,091,544	3,163,441	3,223,578	4.3%
Total Expenditures	\$ 5,592,581	\$ 5,575,417	\$ 5,573,688	\$ 5,833,506	4.6%
REVENUES BY TYPE					
Departmental Revenue	\$ 2,634,779	\$ 2,673,426	\$ 2,672,787	\$ 2,719,439	1.7%
Total Revenues	\$ 2,634,779	\$ 2,673,426	\$ 2,672,787	\$ 2,719,439	1.7%
Expenditures, net of Revenues	\$ 2,957,802	\$ 2,901,991	\$ 2,900,901	\$ 3,114,067	7.3%

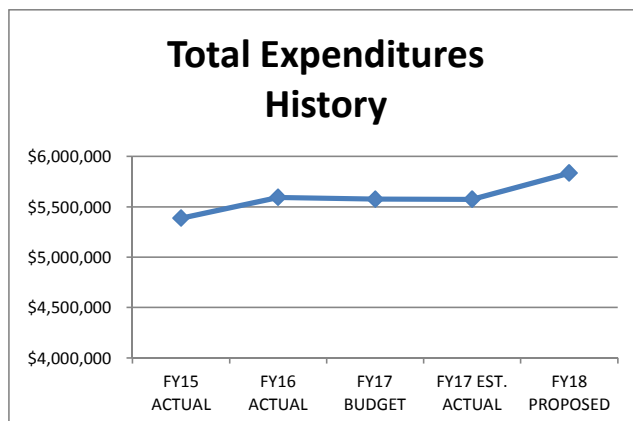
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Total personnel costs are expected to be 3.0% or \$74K lower than FY17 budget. During FY17, some long time Parks & Recreation staff retired which created periods of vacancy savings and an opportunity to transition other staff which resulted in net savings for FY17. Offsetting these decreases, total operating expenses are projected to be over budget by 2.3% or \$72K driven primarily by maintenance & repair costs in the Parks, chemicals used to treat Potterfield Pool, and ground supply costs in the Parks. Capital outlay is projected to be over FY17 budget by \$5K due to a computer replacement in the Parks office and some playground equipment for a Park. Last, total departmental revenue is expected to be within \$1K of the FY17 budget amounts. While street digging permit revenue is anticipated to be under budget it is offset by increases in the refuse collection fees and event sponsorships received.

Adopted FY17 to Proposed FY18

In total, personnel costs are projected to be 5.1% or \$126K higher in proposed FY18 budget compared to FY17 budget amounts. Salary increases are anticipated to be \$100K of this increase due to reallocating some supervisory staff from Golf to the General Fund to better reflect actual time spent and for potential salary enhancements for all employees. Overall benefits include a total 3.9% or \$26K increase which results from the salary changes. Total operating expenditures are anticipated to be 4.3% or \$132K higher in FY18 and includes increases: contractual services related to trash services and Parks ground services; operating expenses for maintenance & repair costs in the Parks, chemicals used to treat Potterfield Pool, and ground supply costs in the Parks \$15K to host a future electronic recycling event. Finally, departmental revenue amounts are projected to be 1.7% or \$46K higher in FY18 budget.



STAFFING SUMMARY

	FY16	FY17		FY18
		Budg	Est Act	
Full time	30.64	30.65	30.65	30.92
Less: Unfunded	(3.00)	(3.00)	(3.00)	(3.00)
Staffing Total	27.64	27.65	27.65	27.92
Part time	6.00	6.00	6.00	9.00
Part time Seasonal	20.00	19.00	19.00	21.00
Total Part time	26.00	25.00	25.00	30.00

Three vacant positions will remain unfunded in FY18. The Department has 21 part-time seasonal employees for grounds maintenance, park attendants, Potterfield Pool cashiers, Hager House, the train museum, and Sanitation/recycling.

ENGINEERING AND PARKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURES BY PROGRAM

	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Engineering	\$ 1,091,065	\$ 1,138,607	\$ 1,086,930	\$ 1,156,546	1.6%
Waste Collection and Disposal	2,001,190	2,050,687	2,039,734	2,115,019	3.1%
Recreation	388,151	374,493	337,230	461,494	23.2%
Swimming Pool	174,387	151,516	162,235	163,346	7.8%
Municipal Stadium	12,707	18,161	18,032	12,922	-28.8%
Hager House	40,137	42,835	45,921	36,076	-15.8%
Train Museum	28,082	15,647	20,802	19,638	25.5%
Parks Division	1,856,862	1,783,471	1,862,804	1,868,465	4.8%
Total Expenditures	\$ 5,592,581	\$ 5,575,417	\$ 5,573,688	\$ 5,833,506	4.6%

REVENUES

Departmental Revenue	\$ 2,634,779	\$ 2,673,426	\$ 2,672,787	\$ 2,719,439	1.7%
Total Revenues	\$ 2,634,779	\$ 2,673,426	\$ 2,672,787	\$ 2,719,439	1.7%

Expenditures, net of Revenues	\$ 2,957,802	\$ 2,901,991	\$ 2,900,901	\$ 3,114,067	7.3%

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 2018, the Hagerstown Police Department will continue to 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 2017-2018.

DEPARTMENT / PROGRAM OBJECTIVES

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

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

CRIMINAL INVESTIGATIONS: Primary responsibilities are to conduct follow-up investigations originating in the Patrol Division, provide the initial response to more complex investigations, and assist the State Attorney's Office with the prosecution of violators. A civilian coordinator along with two detectives are also assigned to oversee the department's 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 investigation.

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

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

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.

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

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

SPEED CAMERAS: The department operates 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.

RED LIGHT CAMERAS: The department will be completing the preliminary steps required for implementation. In 2018 the plan is to have a least two red light cameras installed at intersections where red light violations are prevalent.

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. This system will be utilized in future event planning as an additional assessment tool.

NEIGHBORHOOD POLICING: The Department will complete the implementation of its city-wide community engagement program designed to identify and solve problems that contribute to crime and the fear of crime in our neighborhoods. The Neighborhood Guardianship Program, funded through a grant from the Office of Community Oriented Policing, will have four officers assigned to specific neighborhoods to address systemic issues. These officers will be working in concert with the current neighborhood officers in using the Problem-Solving approach to policing. These 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 require officers to effectively interact with persons in crisis and often involve life-threatening situations which need to be safely resolved. In response to this issue, the department has implemented a CIT program involving specially trained CIT officers along with department-wide mental health first aid training with the goal of safely resolving mental health related situations. Through partnerships, the department has implemented a Mobile Crisis team approach in collaboration with the Mental Health Authority and Turning Point to reduce the number of repeated calls for service on individuals. This program is designed to not only alleviate calls for service but more effectively administer mental health services to the individuals in need.

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

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

DOWNTOWN PRESENCE: Maintaining a strong police presence in our downtown will continue to be a primary objective. In FY17 the department revised its staffing strategy and began assigning officers from each patrol squad to maintain a proactive downtown police presence. This will continue into 2018, with the goal of maintaining 24/7 coverage.

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

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

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 continue this year to utilize 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 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.

BODY WORN CAMERAS: In 2017 the Department completed its trial program. Policy was finalized and body worn cameras were procured for all patrol officers. The budget includes annual license and data storage fees.

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

POLICE - CONSOLIDATED - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Total calls for service	54,762	53,200	53,200
Criminal arrests	2,768	2,100	2,100
Juvenile arrests	533	325	325
CDS arrests	223	165	200
Domestic Violence Calls for Service	1,167	1,100	1,100
Mental Health Related Emergency Petitions	729	747	750
Accidents with injuries	227	250	240
Total Crime Rate*	0.036	0.036	0.036
Violent Crime Rate*	0.006	0.005	0.005
Property Crime Rate*	0.030	0.031	0.031
Volunteer response hours	8,665	7,400	7,500
Automated Speed Enforcement Citations	33,468	24,136	26,000
Funded Full-time Sworn Personnel	112	112	112
Funded Full-time Civilian Personnel	14	14	14

*= number of crimes per resident

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 6,430,298	\$ 6,755,628	\$ 6,232,649	\$ 6,986,474	3.4%
Benefits	3,152,575	3,272,445	3,073,116	3,368,977	2.9%
Overtime	681,390	650,950	763,580	765,150	17.5%
Personnel Subtotal	10,264,263	10,679,023	10,069,345	11,120,601	4.1%
Contractual Services	965,568	981,591	962,331	984,631	0.3%
Operating Expenditures	1,567,761	1,726,933	1,618,523	1,849,332	7.1%
Capital Outlay	195,529	207,385	211,574	152,850	-26.3%
Operating Subtotal	2,728,858	2,915,909	2,792,428	2,986,813	2.4%
Total Expenditures	\$ 12,993,121	\$ 13,594,932	\$ 12,861,773	\$ 14,107,414	3.8%
REVENUES BY TYPE					
Departmental Revenue	\$ 2,774,148	\$ 3,199,077	\$ 2,490,482	\$ 2,600,661	-18.7%
Total Revenues	\$ 2,774,148	\$ 3,199,077	\$ 2,490,482	\$ 2,600,661	-18.7%
Expenditures, net of Revenues	\$ 10,218,973	\$ 10,395,855	\$ 10,371,291	\$ 11,506,753	10.7%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Overall personnel costs are anticipated to be 5.7% or \$610K lower than budget. Salary and wages reflect \$523K of this savings as a result of vacant positions. However, overtime totals are expected to offset this and be 17.3% or \$113K over FY17 budget as a result of increased cases and trends to date. The operating expenditures category above reflect \$123K in reductions over FY17 budget levels. This decrease is related to two primary trends year to date: less patrol vehicle maintenance costs and lower electric costs at the Police Station. Overall, departmental revenue is estimated to be 5.4% or \$709K lower than budget primarily as a result of the Safe Speed for School program. To date in FY17, there have been times when only nine (9) of the eleven (11) cameras were operational as a result of a school closure and state road construction and maintenance.

Adopted FY17 to Proposed FY18

In total, personnel costs are projected to be 4.1% or \$442K more for proposed FY18 budget compared to FY17 budget levels. The increase in wages reflect potential salary enhancements. Total benefit costs are 2.9% or \$97K more than FY17 as a result of anticipated salary enhancements. Operating expenditures reflect an increase of 7.1% or \$122K more in FY18 budget. Some of the increases in this category include annual licensing and storage fees for body worn cameras, first aid supply costs for AED batteries and increased need for naloxone (Narcan), and a new K9 dog and associated training. Capital outlay expenses are estimated to be 26.3% or \$55K less than FY17 budget levels. In FY17, body worn cameras were purchased for fifty-four (54) Police staff at a total of \$54K which will not be replaced in FY18. Last, departmental revenue is expected to decrease slightly by 18.7% or \$599K. While it is estimated that all eleven (11) Safe Speed cameras will be operational in FY18, it is anticipated that revenues will decline from prior years as driver behaviors change.

POLICE - CONSOLIDATED - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

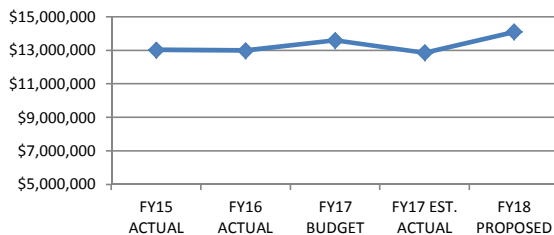
EXPENDITURES BY PROGRAM

	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Police Administration	\$ 758,294	\$ 890,836	\$ 828,699	\$ 845,068	-5.1%
HPD Information Technology	233,469	227,536	228,374	280,956	23.5%
Community Programs	40,076	40,321	40,321	40,321	0.0%
Police Records	178,038	197,039	179,332	208,790	6.0%
Communication / Dispatch	456,764	461,996	459,316	463,811	0.4%
Professional Services	342,907	375,261	365,184	358,873	-4.4%
HPD Building	158,930	181,174	164,938	185,180	2.2%
Western Maryland Laboratory	336,910	351,500	338,991	374,121	6.4%
Police K-9	31,128	17,670	17,841	41,580	135.3%
Evidence & Property	86,411	87,775	84,161	87,389	-0.4%
Patrol	7,193,252	7,508,755	7,002,918	7,540,657	0.4%
Criminal Investigation Division	1,163,668	1,286,372	1,235,677	1,583,567	23.1%
Patrol Vehicles	384,983	455,980	353,301	456,196	0.0%
Narcotics Task Force	968,426	913,023	972,822	1,029,382	12.7%
Police Auxiliary	18,323	18,950	16,945	18,870	-0.4%
Speed Camera Enforcement	641,542	580,744	572,953	592,653	2.1%
Total Expenditures	\$ 12,993,121	\$ 13,594,932	\$ 12,861,773	\$ 14,107,414	3.8%

REVENUES

Departmental Revenue	\$ 2,774,148	\$ 3,199,077	\$ 2,490,482	\$ 2,600,661	-18.7%
Total Revenues	\$ 2,774,148	\$ 3,199,077	\$ 2,490,482	\$ 2,600,661	-18.7%
Expenditures, net of Revenues	\$ 10,218,973	\$ 10,395,855	\$ 10,371,291	\$ 11,506,753	10.7%

**Total Expenditures
History**



STAFFING SUMMARY

	FY16	FY17		FY18
		Budg	Est Act	
Full time	123.00	127.00	127.00	127.00
Less: Unfunded	(1.00)	(1.00)	(1.00)	(1.00)
Staffing Total	122.00	126.00	126.00	126.00
Part time	19.00	18.00	18.00	14.00
Total Part time	19.00	18.00	18.00	14.00

HPD currently has 1 vacant civilian position (Bookkeeping/ Clerk Typist) that is scheduled to remain unfunded for FY18. 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. FY18 includes the potential replacement of one police officer position that had been partially funded through the Washington County Library with a 6th School Resource Officer to be fully funded through the Washington County School Board.

FIRE - PROGRAM DESCRIPTION
FISCAL YEAR 2017/18

DEPARTMENT / PROGRAM OVERVIEW

Conduct research, planning, recordation, personnel and management functions of the Fire Department. Improve the quality of life for all citizens and visitors to prevent or minimize the 9-1-1 emergency through a variety of community risk reduction programs including fire prevention, life safety education, fire suppression, neighborhood canvassing campaigns, rescue and other special services to help protect the people that live, visit, work and invest in the City of Hagerstown.

DEPARTMENT / PROGRAM OBJECTIVES

- All-hazard emergency incident mitigation and 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, technical rescue and emergency medical services to the City and surrounding automatic aide partners.
- Fire Marshall - Provide education, engineering, and enforcement programs necessary to ensure the public welfare. Manage 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 in the City. 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. Using our explosives K-9, properly investigate and render safe incidents involving explosives and other hazards.
- Training - Operate and maintain the FD Training Center on Bowman Ave. This includes a burn building, training tower, classroom building, test pit, SCBA maze and pump test pit. Maintain certification levels for all personnel that meet or exceed minimum standards and industry best practices. Ensure that training classes are available for volunteer personnel during non-traditional business hours including nights and weekends.
- Goals - Work with Washington County Volunteer Fire & Rescue Association (WCVFRA), Washington County Department of Emergency Services (WCDES), automatic aide partners and political leaders to strengthen the HFD. Implement the recommendations of the HFD Strategic Plan once finalized to guide the future path of the department. Strengthen the Emergency Preparedness Program, participate in the WC Emergency Management EOC and further collaborate with all partners to increase the efficiency and effectiveness of public safety in Hagerstown.

PERFORMANCE INDICATORS

	Calendar 2015	Calendar 2016	Calendar 2017 (Est)
Number of emergency incidents within City limits	12,274	13,010	*
Number of HFD Responses	3,236	3,430	3,489
EMS Events	10,528	11,189	*
Fire Events	1,746	1,821	1,695
Civilian Fire Injuries	16	N/A	13
Civilian Fire Deaths	0	N/A	0
# of Incidents with Recorded Fire Loss	120	118	N/A
Annual \$ Fire Loss	\$ 903,478	N/A	\$ 1,029,436
Average response time to emergencies in minutes	4.1	4.1	4.2
Percent of structure fire causes identified	100%	100%	100%
Ratio of arrests to convictions by Fire Marshall Office	30	N/A	N/A
Number of Inspections	2,817	2,991	3,472
Number of free smoke detectors installed	538	601	*
Number of educational programs presented	1,288	906	*
Number of people attending educational programs	9,269	7,677	*
Average number of firefighters responding per incident	5	5	5
# of active volunteer firefighters/officers	29	29	24
# of volunteers firefighters that received LOSAP benefits	N/A	N/A	N/A

*Based on 3 year incident history the Fire Department projects a 3.7% in Calendar 2017 based on WCDES CAD Data Sets

FIRE - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURE AND REVENUE SUMMARY

	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 4,297,090	\$ 4,296,799	\$ 4,158,204	\$ 4,564,562	6.2%
Benefits	2,096,341	2,139,736	1,973,156	2,221,270	3.8%
Overtime	322,313	250,000	250,000	250,000	0.0%
Personnel Subtotal	6,715,744	6,686,535	6,381,360	7,035,832	5.2%
Contractual Services	44,469	62,000	62,000	60,500	-2.4%
Operating Expenditures	383,889	553,328	552,128	557,774	0.8%
Capital Outlay	4,448	20,500	20,500	20,600	0.5%
Operating Subtotal	432,806	635,828	634,628	638,874	0.5%
Total Expenditures	\$ 7,148,550	\$ 7,322,363	\$ 7,015,988	\$ 7,674,706	4.8%
REVENUES BY TYPE					
Departmental Revenue	\$ 102,566	\$ 123,315	\$ 110,600	\$ 116,450	-5.6%
Total Revenues	\$ 102,566	\$ 123,315	\$ 110,600	\$ 116,450	-5.6%
Expenditures, Net of Revenues	\$ 7,045,984	\$ 7,199,048	\$ 6,905,388	\$ 7,558,256	5.0%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

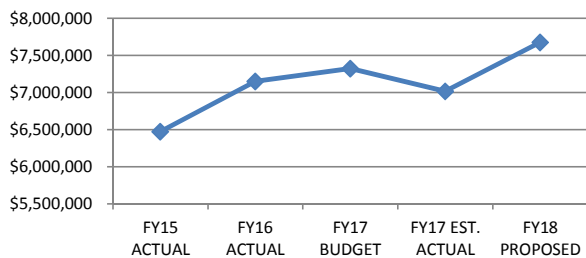
Adopted FY17 to Estimated Actual FY17

Total personnel costs for estimated actual FY17 are expected to be 4.6% or \$305K less than FY17 budget. The budget included potential vacation pay-outs but has remained staffed all year. Additionally, a long-term employee retired at the end of FY16 and this replacement reflects same savings. Historically, the overtime budget has exceeded budgeted amounts but it is anticipated that overtime will be within the budgeted amount for FY17. Enforcement of the sick leave policy has reversed this trend. Operating expenditures are also projected to be within \$1K of FY17 budget. An increase in the amounts needed for maintenance of buildings, structures and training center, vehicle maintenance, IT infrastructure and professional development needs were increased in the FY17 budget cycle, providing resources to impact maintenance of efforts in all areas.

Adopted FY17 to Proposed FY18

Personnel cost trends are expected to remain within the allocated amounts and will largely be determined by labor negotiations in progress. The proposed FY18 budget reflects an increase on termination pay-outs that occur when staff retires or leaves employment, as there are up to eight (8) employees eligible for retirement. In total, operating expenditures are estimated to be 0.5% or \$3K higher than FY17 budget to continue all of the following: maintenance costs for buildings, training center maintenance; vehicle maintenance and repair costs; miscellaneous tools, clothing, uniforms and safety apparel; professional development; and other general expense items. The proposed FY18 budget for capital outlay items is projected slightly higher than the FY17 budget amount by 0.5%. A solicited donation of 100 used Self Contained Breathing Apparatus (SCBA) should offset a large CIP request for three additional years. The HFD continues to seek and explore grant funding opportunities for large expenditures.

**Total Expenditures
History**



STAFFING SUMMARY

	FY17			FY18
	FY16	Budg	Est Act	
Full time	83.00	83.00	83.00	83.00
Less: Unfunded	(6.00)	(6.00)	(6.00)	(6.00)
Staffing Total	77.00	77.00	77.00	77.00

The Fire Department has six (6) vacant full time positions, which will remain unfunded during FY18.

PUBLIC WORKS - PROGRAM DESCRIPTION
FISCAL YEAR 2017/18

DEPARTMENT / PROGRAM OVERVIEW

The Public Works Department provides for the maintenance of streets, traffic control devices, building facilities and the city's fleet of vehicles and equipment. Street maintenance includes repairs (potholes, storm drains), street cleaning and snow operations of approximately 153 miles of streets and alleys within the city. Traffic control works closely with the Engineering Department to maintain and coordinate the 136 signaled intersections. Thousands of traffic signs also fall under this division. Facilities maintenance includes multiple buildings including City Hall, Elizabeth Hager Center, Roslyn Building, 60 W. Washington St., the Central Equipment Building, 36 - 40 North Potomac St., Market House and the parking decks. Fleet maintenance involves the repairs of vehicles and equipment for every city department including all utilities, parks, public works, fire and police.

DEPARTMENT / PROGRAM OBJECTIVES

- A focus on street maintenance will continue to be a priority for the department. Activities include reconstruction and cleaning many of the over 4,000 storm drains. Street trees (those planted between the curb and sidewalk) require pruning and sometimes removal. Efforts will focus on maintaining a healthy and vibrant tree canopy. These trees also create issues of sidewalk damage due to root growth. Sidewalk repairs and replacement due to tree roots will also be a focus for the budget year.
- An advanced signal optimization system known as Autoscope will be installed at the intersection of Northern Avenue and Oak Hill Avenue. This system "watches" traffic with cameras and then reacts in real time to provide optimal traffic control. Autoscope has already been installed at other city intersections including Frederick St. & Memorial Blvd. and Wilson Blvd. & Maryland Ave.
- A major facilities project will be to replace the majority of windows and the roof of the Roslyn Building at 17 - 25 East Franklin Street. Many of the windows are rotted and no longer function properly. The roof is over 20 years old and beyond any warranties provided with the roof system.
- Public Works will continue to assist the Department of Code Enforcement with the abatement of trash, debris and yard work on private properties throughout the city. This cooperative effort began in April of 2016 with the use of internal staff in lieu of external contracted services. Response time to complete the work and invoice the property owners clearly improved with city staff managing the work load.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Number of lane miles swept	11,308	12,000	12,000
Snow storm costs	\$ 392,703	\$ 402,553	\$ 404,011
Tons of Salt Used	1,187	1,200	2,000
Bulk Trash Collections	274	250	250
Traffic Islands Maintained	177	180	180
Public Trash Cans Maintained	166	170	170
Signaled Intersections	136	136	136
Sign Work Orders	100	110	110
Vehicles & Equipment Maintained	375	379	379
Property Abatements	124	287	287

PUBLIC WORKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,499,645	\$ 1,569,768	\$ 1,517,044	\$ 1,560,533	-0.6%
Benefits	624,319	677,468	586,610	653,596	-3.5%
Overtime	47,913	49,000	49,000	49,000	0.0%
Personnel Subtotal	2,171,877	2,296,236	2,152,654	2,263,129	-1.4%
Contractual Services	152,280	186,260	212,160	219,260	17.7%
Operating Expenditures	954,791	922,799	1,303,943	1,088,005	17.9%
Capital Outlay	9,323	21,765	22,765	21,765	0.0%
Operating Subtotal	1,116,394	1,130,824	1,538,868	1,329,030	17.5%
Total Expenditures	\$ 3,288,271	\$ 3,427,060	\$ 3,691,522	\$ 3,592,159	4.8%
REVENUES BY TYPE					
Departmental Revenue	\$ 237,414	\$ 138,719	\$ 217,973	\$ 153,275	10.5%
Total Revenues	\$ 237,414	\$ 138,719	\$ 217,973	\$ 153,275	10.5%
Expenditures, net of Revenues	\$ 3,050,857	\$ 3,288,341	\$ 3,473,549	\$ 3,438,884	4.6%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

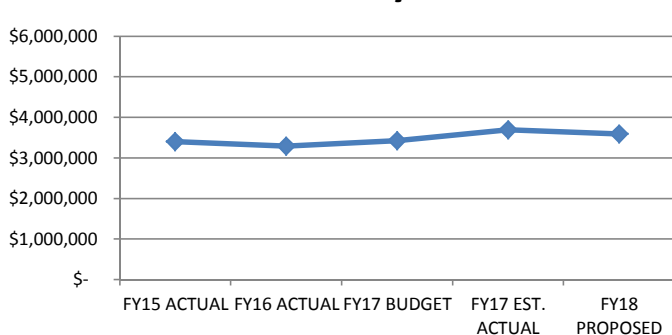
Adopted FY17 to Estimated Actual FY17

Total personnel expenditures from the FY17 budget to the FY17 estimated actual reflect a decrease of 6.3% or \$144K. This reduction is a result of a few more tenured retirements that happened after FY17 budget completion. With the retirements, new staff replacements are at lower step levels which has decreased total salary costs. In total, operating expenses are anticipated to be 36.1% or \$408K over budget due to contracting for weed and landscaping in traffic islands, gasoline, and more staff time charged within Public Works and less time charged out to other areas for garage/vehicle work and maintenance type of projects in other buildings and areas. Departmental revenue is expected to be \$79K higher than budget due to reimbursement from the County to use the City's fuel island station for its fleet of vehicles while upgrades were being completed and from sale of assets that is periodic and difficult to predict.

Adopted FY17 to Proposed FY18

In total, personnel expenditures are projected to be 1.4% or \$33K lower in proposed FY18 budget compared to FY17. This reduction is a continuation of filling more tenured retirements with less tenured and senior replacements. Overall, operating expenses are projected to increase by 17.5% or \$198K as a result of the current trends and changes in work allocation assumptions. It is anticipated that more staff time will be spent within Public Works division and less allocated out to other areas. Departmental revenue is expected to be 10.5% or \$15K over FY17 budget levels.

Total Expenditures History



STAFFING SUMMARY

	FY17			
	FY16	Budg	Est Act	FY18
Full time	32.50	32.90	32.90	32.90
Less: Unfunded	(5.00)	(4.00)	(4.00)	(4.00)
Staffing Total	27.50	28.90	28.90	28.90
Part time Seasonal	8.00	9.00	9.00	9.00
Total Part time	8.00	9.00	9.00	9.00

In response to revenue reductions in FY09, the Public Works Department staff was reduced and positions were unfunded. The FY18 budget reflects maintaining the current four (4) full-time position as unfunded.

PUBLIC WORKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/18

EXPENDITURES BY PROGRAM

	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
EXPENDITURES					
City Hall	\$ 262,156	\$ 304,028	\$ 308,668	\$ 302,357	-0.5%
Signal Supervision	509,811	491,253	491,227	483,186	-1.6%
Street Lighting	609,752	625,000	625,000	622,000	-0.5%
Snow Removal	392,703	398,253	402,553	404,011	1.4%
Street Cleaning	252,190	281,970	278,989	255,163	-9.5%
Gas Station & Maintenance Garage	284,808	325,239	455,137	437,132	34.4%
Public Works & Streets Maintenance	877,618	888,103	1,016,392	976,365	9.9%
Central Equipment Building	99,233	113,214	113,556	111,945	-1.1%
Total Expenditures	\$ 3,288,271	\$ 3,427,060	\$ 3,691,522	\$ 3,592,159	4.8%
REVENUES					
Departmental Revenue	\$ 237,414	\$ 138,719	\$ 217,973	\$ 153,275	10.5%
Total Revenues	\$ 237,414	\$ 138,719	\$ 217,973	\$ 153,275	10.5%
Expenditures, net of Revenues	\$ 3,050,857	\$ 3,288,341	\$ 3,473,549	\$ 3,438,884	4.6%

UNALLOCATED EXPENSES - PROGRAM SUMMARY
FISCAL YEAR 2017/2018

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 FY18 proposed budget include the following current issues: 2004, 2005, 2006, 2009A, 2009B, 2014, 2015A and 2015B public improvement bond issues, and a 2012 loan issuance for financing of recycling totes. In addition, the following anticipated bond issues are included: 2017 future public improvement bond issues. Finally, the annual debt service requirements for capital improvement program items (listed in detail in Section 8 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 committed a combined total of \$1.5M in fund balance reserves to be utilized for the Invest Hagerstown Program as an economic incentive. Details on this incentive program are listed separately in Section 5 Special Revenue Funds. The funding reflected in the General Fund section represents the completion of projects that are currently obligated and does not include additional funding beyond the original amount of \$1.5M.

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 FY18 budget includes a \$125,000 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 FY18 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 FY18, a reserve of \$200,000 for savings associated with the management of future vacancies in various departments; \$100,000 in general contingency for miscellaneous items such as salary pay-outs upon employee terminations; and a \$95,811 reduction in overall employer health insurance costs.

CONTRIBUTIONS TO OTHER AGENCIES POLICY

Contributions to Other Agencies accounts for the contributions the City makes to several organizations. A formal policy was originally adopted on November 25, 2014, with a revision on October 20, 2015, 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 Fiscal Policies & Glossary on pages 6-7.

UNALLOCATED EXPENSES - PROPOSED EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE
DEBT SERVICE-PRINCIPAL AND INTEREST						
2004 General Obligation Bonds	\$ 121,348	\$ 122,195	\$ 122,195	\$ 122,733	\$ 122,733	0.4%
2005 Public Facilities Bonds	325,076	325,698	325,441	330,372	330,372	1.4%
2006 Public Facilities Bonds	648,039	648,150	648,148	647,206	647,206	-0.1%
2009-A Public Facilities Bonds	388,393	400,224	395,707	404,847	404,847	1.2%
2009-B Public Facilities Bonds (Build America Bond)	188,164	252,664	189,365	189,365	189,365	-25.1%
2012 Tote Loan	73,101	73,101	73,101	73,101	73,101	0.0%
2014 Public Improvements Bond	36,148	35,916	36,125	36,125	36,125	0.6%
2015-A Future General Obligation Bond	198,983	194,475	209,837	215,046	215,046	10.6%
2015-B Future General Obligation Bond	46,850	45,334	45,589	45,343	45,343	0.0%
2017-A Future General Obligation Bond	-	68,310	-	313,300	313,300	358.6%
2017-B Future General Obligation Bond	-	-	-	36,800	36,800	0.0%
Total Expenses	\$ 2,026,102	\$ 2,166,067	\$ 2,045,508	\$ 2,414,238	\$ 2,414,238	11.5%
RETIREE HEALTH COSTS						
Health Insurance	\$ 1,410,477	\$ 1,518,635	\$ 1,481,251	\$ 1,525,689	\$ 1,481,251	-2.5%
OPEB Plan - Reimbursement	-	(300,000)	-	-	-	-100.0%
Dental Insurance	47,104	48,375	47,543	47,543	47,543	-1.7%
Total Expenses	\$ 1,457,581	\$ 1,267,010	\$ 1,528,794	\$ 1,573,232	\$ 1,528,794	20.7%
INVENTORY ADJUSTMENTS						
Physical Inventory Adjustments	\$ 11,761	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	0.0%
E&O Inventory Write-offs	(1,606)	5,000	5,000	5,000	5,000	0.0%
Total Expenses	\$ 10,155	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	0.0%
CIP, FUND BALANCE APPROPRIATIONS, AND OTHER TRANSFERS						
Capital Transfers Out - CIP Fund	\$ 822,656	\$ 952,445	\$ 985,317	\$ 295,517	\$ 130,371	-86.3%
GF Fund Balance Out - CIP Fund	103,869	-	-	1,052,000	1,049,000	0.0%
GF Fund Balance Out - Economic Redevelopment for Invest Hagerstown Program	386,736	420,031	326,566	257,198	257,198	-38.8%
Total Expenses	\$ 1,313,261	\$ 1,372,476	\$ 1,311,883	\$ 1,604,715	\$ 1,436,569	4.7%
OPERATING TRANSFERS TO OTHER FUNDS						
Golf Course Fund	\$ 233,198	\$ 200,000	\$ 220,000	\$ 220,000	\$ 220,000	10.0%
Economic Redevelopment Fund	100,000	100,000	100,000	125,000	125,000	25.0%
Grant Fund	40,597	8,166	8,166	-	-	-100.0%
Total Expenses	\$ 373,795	\$ 308,166	\$ 328,166	\$ 345,000	\$ 345,000	12.0%
CONTINGENCY RESERVES						
Vacancy Savings	\$ -	\$ -	\$ -	\$ (200,000)	\$ (300,000)	0.0%
General Contingency	-	170,000	-	100,000	100,000	-41.2%
Health Insurance	-	-	-	(95,811)	(95,811)	0.0%
Total Expenses	\$ -	\$ 170,000	\$ -	\$ (195,811)	\$ (295,811)	-274.0%
CONTRIBUTIONS TO OTHER AGENCIES						
Art Museum	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	0.0%
Community Rescue Service	45,000	45,000	45,000	45,000	45,000	0.0%
Hagerstown Municipal Band	18,000	18,000	18,000	18,000	18,000	0.0%
Hagerstown Neighborhood Develop Partnership	28,450	28,450	28,450	28,450	28,450	0.0%
Maryland Symphony Orchestra	17,550	17,550	17,550	17,550	17,550	0.0%
Maryland Theatre	9,000	9,000	9,000	9,000	9,000	0.0%
Washington County Free Library	31,500	31,500	31,500	31,500	31,500	0.0%
Washington County Historical Society	-	5,000	5,000	5,000	5,000	0.0%
Unspecified Agency Contributions	-	10,000	10,000	10,000	10,000	0.0%
Total Contributions to Other Agencies	\$ 190,000	\$ 205,000	\$ 205,000	\$ 205,000	\$ 205,000	0.0%

SCHEDULE OF PUBLIC FUNCTIONS
FISCAL YEAR 2017/2018

FUNCTION DESCRIPTION	2015/16		2016/17		2017/18	2017/18	2017/18
	ACTUAL		BUDGET	EST. ACTUAL	PROPOSED	ADOPTED	% CHANGE
Augustoberfest (City Services)	\$ 20,808	\$	20,000	\$ 20,000	\$ 20,000	\$ 20,000	0.0%
A&E District Event	5,105		11,000	11,000	6,000	6,000	-45.5%
BISFA Gala and Auction	3,000		3,000	3,000	3,000	3,000	0.0%
Blues Festival (City Services)	32,749		-	52,000	52,000	52,000	100.0%
Blues Festival	239,686		229,300	229,300	229,300	229,300	0.0%
Christmas Decorating	20,882		18,000	18,000	18,000	18,000	0.0%
Fairgrounds Country Fest	4,522		-	6,500	6,500	-	100.0%
Fairgrounds July 4th Fireworks	52,179		47,000	47,000	47,000	43,500	0.0%
Film Festival	1,500		1,500	1,500	1,500	1,500	0.0%
Hagerstown Official Commemorations	183		3,000	3,000	3,000	3,000	0.0%
Hollyfest/Tree Lighting	3,186		3,500	3,500	3,500	3,500	0.0%
Library Events	3,000		3,500	3,500	3,500	3,500	0.0%
Maryland Theatre Wind Downs	3,000		4,000	4,000	4,000	4,000	0.0%
Miscellaneous Downtown Events	15,062		28,000	28,000	16,000	16,000	-42.9%
Miss Maryland Pageant	36,940		36,000	9,000	9,000	9,000	-75.0%
Mummers Parade	31,257		31,000	31,000	31,000	31,000	0.0%
University of MD Systems Gala	1,000		1,000	1,000	1,000	1,000	0.0%
University Plaza Events	1,300		10,000	10,000	5,000	5,000	-50.0%
Utility Benefit Concert	-		1,000	1,000	1,000	1,000	0.0%
Velo Club Bike Race	2,000		3,200	3,200	3,200	3,200	0.0%
Veterans WWII Trip	-		800	800	800	800	0.0%
Subtotal Public Function Events	\$ 477,359	\$	454,800	\$ 486,300	\$ 464,300	\$ 454,300	2.1%
Christmas In The Park	10,383		13,000	13,000	13,000	13,000	0.0%
City Park Festival	7,095		7,000	7,000	7,000	7,000	0.0%
Fairgrounds Harvest Hoedown	8,963		8,200	8,200	8,200	8,200	0.0%
Fishing Tournament-Pangborn	710		1,000	1,000	1,000	1,000	0.0%
Music by the Lake	6,819		7,500	7,500	7,500	7,500	0.0%
Subtotal Recreation Events	33,970		36,700	36,700	36,700	36,700	0.0%
Total Recreation Events	\$ 511,329	\$	491,500	\$ 523,000	\$ 501,000	\$ 491,000	1.9%

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
CITY ADMINISTRATOR 0103001-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	250
CITY CLERK 0103002-5865 Computer Equipment	Replace Computer	Replace As Needed	1,000
COMMUNITY AFFAIRS 0103003-5865 Computer Equipment	Replace Computer	Replace As Needed	1,500
COMMUNICATIONS 0103006-5865 Computer Equipment	Replace Computer	Replace As Needed	1,000
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 2017/2018

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	1,000
TOTAL CASHIERING			2,500
PLANNING			
0109001-5865 Computer Equipment	Replace Computer	Replace As Needed	1,750
CITY HALL BUILDING			
0109003-5821 Office Buildings	Replace A/C Units	Replace As Needed	1,800
0109003-5839 Portable Tools/Equipment	Replace Tools	Replace As Needed	600
0109003-5863 Decorative & Lighting	Replace Carpets, Furniture, And Remodel City Administrator's Office	Replace As Needed	5,000
TOTAL CITY HALL BUILDING			7,400
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	50
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			3,600

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
POLICE ADMINISTRATION			
0110001-5855 Portable Equipment	ID Printer And Accessories	Replace As Needed	2,000
0110001-5861 Desks, Chairs & Tables	Conference Table and Chairs	Replace As Needed	1,000
TOTAL POLICE ADMINISTRATION			3,000
POLICE INFORMATION TECHNOLOGY			
0110003-5865 Computer Equipment	Replace Notebooks, Desktops, Monitors, Servers, Tablets	Replace As Needed	54,800
POLICE BUILDING			
0110204-5830 Non-Portable Equipment	Replace Equipment	Replace As Needed	1,100
0110204-5839 Portable Tools/Equipment	Replace Tools & Equipment	Replace As Needed	100
TOTAL POLICE BUILDING			1,200
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	1,500
TOTAL WESTERN MARYLAND LAB			2,500
POLICE K9 PROGRAM			
0110206-5830 Non-Portable Equipment	Heat Alarms for K-9 Cruisers	Safety During Warm Weather	2,600
0110206-5839 Portable Tools/Equipment	Purchase Of K-9 Equip (Sleeves, Leashes, Etc.)	Replace Worn Equipment	1,900
0110206- 5898 Other Capitalized Expenses	Replace K-9 Dog	Cost Includes Travel And Training	18,400
TOTAL POLICE K-9 PROGRAM			22,900

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
POLICE PATROL			
0110401-5834 Firearms, Body Armor	Police Officer Use / Safety Equipment - Ballistic Vests	Replacement Of Expired Vests & Purchase Of New Vests	45,600
0110401-5839 Portable Tools & Other Equipment -	Purchase Moving Radar Units - LIDAR Speed Measuring Device	New Equipment Needed	16,100
0110401-5848 Bicycles-Repair (& In-Line Skates)	Police Officer Use	Repair And Maintenance	1,200
0110401-5867 Communication Equipment	Portable Radios	Replace As Needed	5,000
TOTAL POLICE PATROL			67,900
CRIMINAL INVESTIGATION			
0110402-5832 Photography Equipment	Replace Equipment	Replace as needed	550
FIRE DEPARTMENT			
0112001-5830 Non Portable Equipment	Purchase Equipment	Replace As Needed	5,000
0112001-5855 Portable Equipment	Purchase Equipment	County No Longer Supplying	5,000
0112001-5861 Desks, Chairs & Tables	Purchase Office Furniture	Replace As Needed	2,100
0112001-5865 Computer Equipment	Purchase Computers	Replace As Needed	7,000
0112001-5867 Communication Equipment	Portable Radios	Replace As Needed	1,500
TOTAL FIRE DEPARTMENT			20,600
CODE ADMINISTRATION			
0114001-5832 Photography Equipment	Replace Equipment	Replace As Needed	225
0114001- 5861 Desks, Chairs & Tables	Filing Cabinets, Desks, Chairs	Replace As Needed	500
0114001-5865 Computer Equipment	Purchase Computers	Replace As Needed	3,500
TOTAL CODE ADMINISTRATION			4,225
TRAFFIC CONTROL			
0116003-5839 Portable Tools & Other Equipment	Replace Power Tools	Replace As Needed	1,500

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
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
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	1,500

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

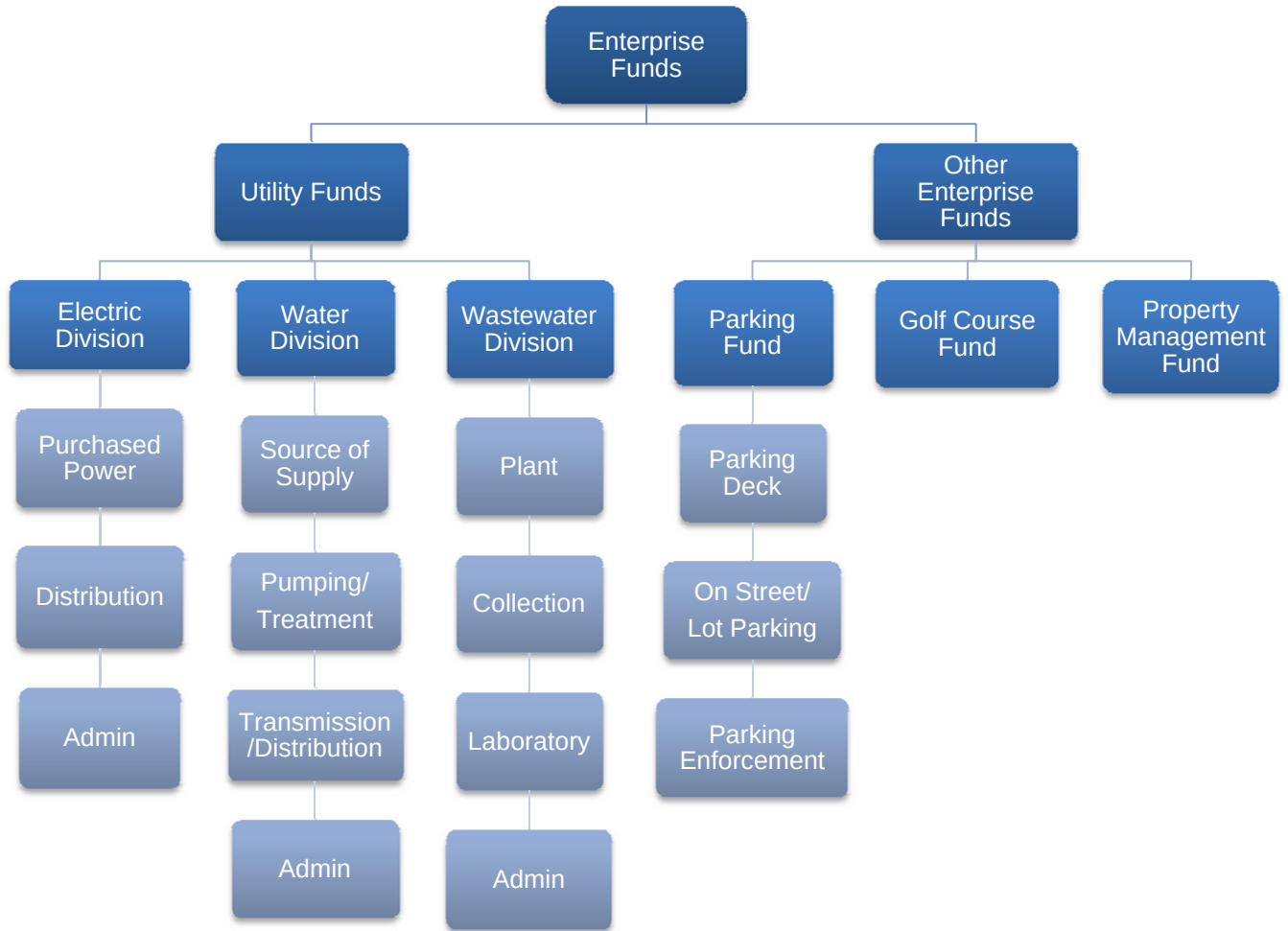
ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
SWIMMING POOL			
0140202-5839 Portable Tools & Other Equip	Power Washer, Leaf Blower Lawnmower, Power Tools, Etc.	Replace As Needed	200
0140202-5865 Computer Equipment	Replace Computers	Replace As Needed	250
TOTAL SWIMMING POOL			450
PARKS AND EQUIPMENT DEPARTMENT			
0145000-5837 Playground & Parks Equipment	Benches	Memorial Bench Program	2,000
0145000-5865 Computer Equipment	Replace Computer	Replace As Needed	1,500
TOTAL PARKS AND EQUIPMENT DEPARTMENT			3,500
ECONOMIC DEVELOPMENT & ADMIN			
0150001-5865 Computer Equipment	Replace Computer	Replace As Needed	3,000
TOTAL CAPITAL OUTLAY			\$ 230,690

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ENTERPRISE FUNDS SECTION 4

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ENTERPRISE FUNDS – ORGANIZATIONAL CHART
FISCAL YEAR 2017/18



ENTERPRISE FUNDS - COMBINING STATEMENT
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	ELECTRIC	WATER	WASTEWATER	PARKING	GOLF COURSE	PROPERTY MANAGEMENT	TOTAL
OPERATING REVENUES							
Service Charges	\$22,296,900	\$10,888,000	\$ 12,713,000	\$ 916,750	\$200,758	\$ 330,297	\$ 47,345,705
Other Revenues	704,417	830,220	287,585	2,000	21,050	6,000	1,851,272
Total Operating Revenues	23,001,317	11,718,220	13,000,585	918,750	221,808	336,297	49,196,977
OPERATING EXPENSES							
Production and Treatment	16,555,449	3,757,380	4,865,055	-	-	-	25,177,884
Transmission, Distribution & Collection	2,358,079	1,873,269	1,819,460	-	-	-	6,050,808
Selling, General & Administrative	3,191,253	2,655,659	3,278,450	537,021	391,807	453,186	10,507,376
Depreciation	945,000	3,370,000	3,180,000	287,000	50,000	138,000	7,970,000
Total Operating Expenses	23,049,781	11,656,308	13,142,965	824,021	441,807	591,186	49,706,068
Operating Income (Loss)	(48,464)	61,912	(142,380)	94,729	(219,999)	(254,889)	(509,091)
NON-OPERATING REVENUES (EXPENSES)							
Interest Earned	99,723	3,100	2,000	900	-	14,000	119,723
Premium on Bonds	-	10,601	7,953	1,757	-	-	20,311
Interest (Expense)	(14,626)	(572,310)	(404,815)	(31,767)	-	(3,203)	(1,026,721)
Gain (Loss) on Sale of Capital Assets	10,000	15,000	-	-	-	-	25,000
Total Other Income (Expense)	95,097	(543,609)	(394,862)	(29,110)	-	10,797	(861,687)
Net Income before Contributions & Transfers	46,633	(481,697)	(537,242)	65,619	(219,999)	(244,092)	(1,370,778)
OTHER FINANCING SOURCES (USES)							
Capital Contributions	-	500,000	500,000	-	-	-	1,000,000
Developer/Grant Funded	50,000	350,000	440,000	-	-	-	840,000
Operating & Capital Transfers (In)	53,079	76,308	76,306	-	220,000	-	425,693
Operating & Capital Transfers (Out)	(1,875)	(1,875)	(1,875)	(500)	-	-	(6,125)
Increase (Decrease) in Retained Earnings	147,837	442,736	477,189	65,119	1	(244,092)	888,790
ADJUST RETAINED EARNINGS TO A UNRESTRICTED CASH FLOW BASIS							
Add Back Depreciation	945,000	3,370,000	3,180,000	287,000	50,000	138,000	7,970,000
Capital Outlay/Fixed Assets	(987,500)	(5,337,000)	(3,027,000)	(525,000)	(37,000)	(312,000)	(10,225,500)
Repayment of Principal on Debt	(39,848)	(1,820,570)	(1,801,718)	(181,991)	-	(7,108)	(3,851,235)
Non-Cash Capital Contributions	(50,000)	(350,000)	-	-	-	-	(400,000)
Bond Proceeds	-	4,275,000	1,312,000	450,000	-	225,000	6,262,000
Net Sources (Uses) of Cash	\$ 15,489	\$ 580,166	\$ 140,471	\$ 95,128	\$ 13,001	\$ (200,200)	\$ 644,055
Beginning Fund Balance	\$18,492,961	\$86,617,612	\$ 50,943,241	\$ 6,776,754	\$534,925	\$ 4,567,807	\$ 167,933,300
Ending Fund Balance	\$18,640,798	\$87,060,348	\$ 51,420,430	\$ 6,841,873	\$534,926	\$ 4,323,715	\$168,822,090

ELECTRIC FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2017/2018

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 challenge to accurately project. Reduced wholesale power supply costs and projected increases in employee benefits will force the Division to continue to minimize CIP expenditure and extend the life of our existing assets as required.
- The Electric Division strives to provide reliable electric service to all customers. 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 land lease agreements with Alevo, paired with Customized Energy Solutions, for the installation of energy storage systems on substation properties. During periods of high energy demand, these systems 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. Contractors are assisting with areas inaccessible to HLD lineworkers. Projected expenditure and other contracted overhead line maintenance in FY18 is \$100,000.
- The Hagerstown Light Department is currently operating under an addendum to the Power Services Agreement which ends May 31, 2017. City staff developed and submitted an RFP for the Wholesale Power Supply and negotiated an addendum to the existing Power Services Contract. The new agreement becomes effective on June 1, 2017 and ends on May 31, 2022.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Number of Residential Customers	14,391	14,650	14,650
Number of Commercial Customers	2,545	2,550	2,550
Million Kilowatt-hours Purchased	297	300	300
Million Kilowatt-hours Sold	287	291	291
Customer Average Interruption Duration Index (Hours/customer)	1	1	1
Number of Employees	31	30	30
Number of Customers Served per Employee	546	573	573

ELECTRIC FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,813,436	\$ 1,892,549	\$ 1,807,489	\$ 1,853,632	-2.1%
Benefits	1,346,222	1,143,868	994,807	1,140,773	-0.3%
Overtime	94,464	114,500	109,450	114,250	-0.2%
Personnel Subtotal	3,254,122	3,150,917	2,911,746	3,108,655	-1.3%
Contractual Services	413,218	379,686	447,063	405,338	6.8%
Operating Expenditures	18,419,749	19,812,152	18,429,752	18,549,787	-6.4%
Operating Cap Exp (Cap Outlay)	2,000	-	-	-	0.0%
Other General Expenses	930,583	1,032,785	982,077	1,002,502	-2.9%
Operating Subtotal	19,765,550	21,224,623	19,858,892	19,957,627	-6.0%
Total Expenditures	\$ 23,019,672	\$ 24,375,540	\$ 22,770,638	\$ 23,066,282	-5.4%
REVENUES BY TYPE					
Departmental Revenue	22,692,268	24,455,730	23,039,892	23,214,119	-5.1%
Total Revenues	\$ 22,692,268	\$ 24,455,730	\$ 23,039,892	\$ 23,214,119	-5.1%
Revenues, excess of Expenditures	\$ 327,404	\$ (80,190)	\$ (269,254)	\$ (147,837)	84.4%

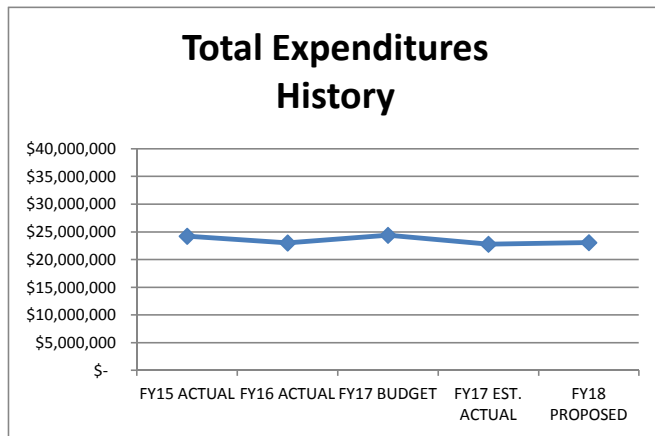
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

The Hagerstown Light Department maintains reduced staff levels at 6 unfilled positions and all external seminars and non-certification training continue to be monitored. The requested budget for Capital Outlay has remained consistent. 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 FY17. The decrease in revenue from FY17 budget compared to FY17 estimated actual is 5.8% or \$1.4M and is offset by the \$1.4M, or a 6.4%, reduction in operating expenditures, largely due to a decrease in purchase power costs, fuel/oil costs, and lower amounts of uncollectible accounts. The HLD utilizes common sense approaches related to energy consumption, material repair/reuse, employee sharing, and vehicle re-utilization etc.

Adopted FY17 to Proposed FY18

The current Power Service Agreement will expire on May 31, 2017 and staff has retained wholesale power with an amendment to the existing contract to begin June 1, 2017 through May 31, 2022. Revenue from FY17 budget compared to the FY18 proposed budget shows a decrease of 5.1% or \$1.2M while operating expenditures shows a decrease of \$1.3M or 6.4% largely due to the decrease in the total purchased power costs (including consulting and legal fees to negotiate the new contract) and lower amounts of uncollectible accounts. Vegetation management will continue through the City for areas identified by HLD staff to require qualified arborists. This maintenance program has proven effective to reduce outage frequencies and durations. Land lease payments are being received for the Energy Storage System sites. One site has been installed at the Frederick Street Substation and the other two, located at Wesel and Fairgrounds substations, are expected to progress.



STAFFING SUMMARY

	FY16	FY17 Budg	FY17 Est Act	FY18
Full time	35.55	35.55	35.55	35.55
Less: Unfunded	(5.00)	(5.00)	(5.00)	(6.00)
Staffing Total	30.55	30.55	30.55	29.55

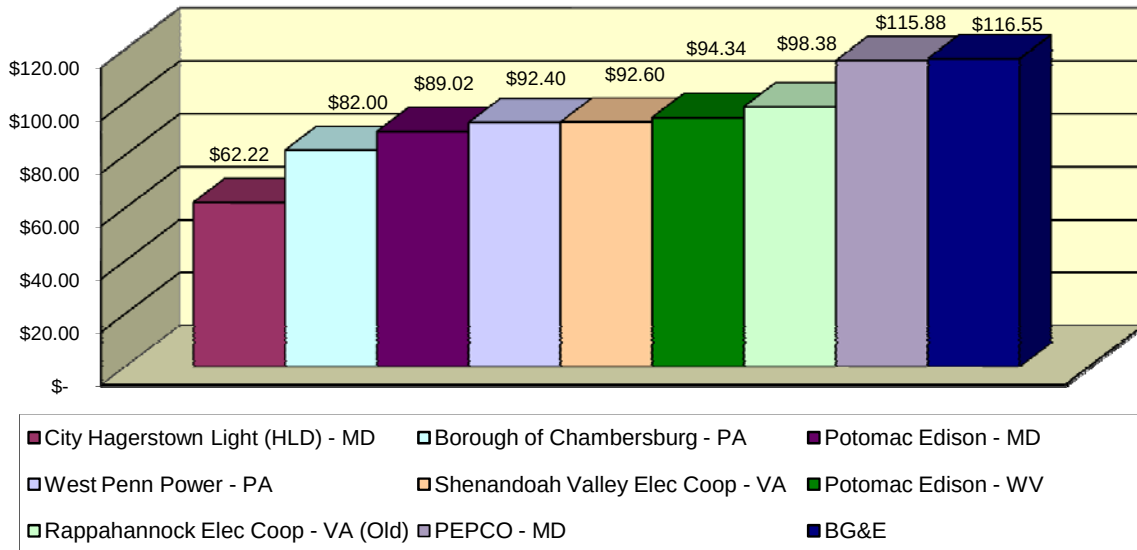
The Division will continue to reduce operational costs through any and all means available through FY18 and beyond.

ELECTRIC FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Service Charges	\$ 21,911,521	\$ 23,696,540	\$22,159,720	\$ 22,296,900	-5.9%
Other Revenues	628,851	594,107	708,390	704,417	18.6%
Total Operating Revenues	22,540,372	24,290,647	22,868,110	23,001,317	-5.3%
OPERATING EXPENSES					
Purchased Power	16,568,991	17,594,781	16,453,593	16,555,449	-5.9%
Distribution Expenses	2,168,849	2,358,542	2,216,841	2,358,079	0.0%
Customer Accounts Expenses	887,961	1,136,283	961,332	990,318	-12.8%
Selling, General & Administrative	2,503,080	2,295,149	2,197,795	2,200,935	-4.1%
Depreciation	867,215	965,000	920,000	945,000	-2.1%
Total Operating Expenses	22,996,096	24,349,755	22,749,561	23,049,781	-5.3%
Operating Income (Loss)	(455,724)	(59,108)	118,549	(48,464)	-18.0%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	121,900	105,083	111,782	99,723	-5.1%
Interest (Expense)	(23,576)	(22,285)	(17,577)	(14,626)	-34.4%
Gain (Loss) on Capital Assets	(7,772)	10,000	10,000	10,000	0.0%
Total Other Income (Expense)	90,552	92,798	104,205	95,097	2.5%
Net Income before Operating Transfers	(365,172)	33,690	222,754	46,633	38.4%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to CIP Fund	-	(3,500)	(3,500)	(1,875)	-46.4%
Transfers From Health Ins. Fund	-	-	-	53,079	100.0%
Total Transfers From (To) Funds	-	(3,500)	(3,500)	51,204	-1563.0%
CAPITAL CONTRIBUTIONS					
Non-Cash Developer Contributions	37,768	50,000	50,000	50,000	0.0%
Total Capital Contributions	37,768	50,000	50,000	50,000	0.0%
Increase (Decrease) in Retained Earnings	(327,404)	80,190	269,254	147,837	84.4%
Add Back Depreciation	867,215	965,000	920,000	945,000	-2.1%
Capital Outlay/Fixed Assets	(997,626)	(987,500)	(874,243)	(987,500)	0.0%
Repayment of Principal	(46,409)	(46,486)	(38,455)	(39,848)	-14.3%
Non-Cash Capital Contributions	(37,768)	(50,000)	(50,000)	(50,000)	0.0%
Changes in Working Capital	820,881	-	(234,991)	-	0.0%
Net Sources (Uses) of Cash	\$ 278,889	\$ (38,796)	\$ (8,435)	\$ 15,489	-139.9%
Beginning Fund Balance	\$ 18,551,111	\$ 18,223,707	\$18,223,707	\$ 18,492,961	1.5%
Ending Fund Balance	\$ 18,223,707	\$ 18,303,897	\$18,492,961	\$ 18,640,798	1.8%

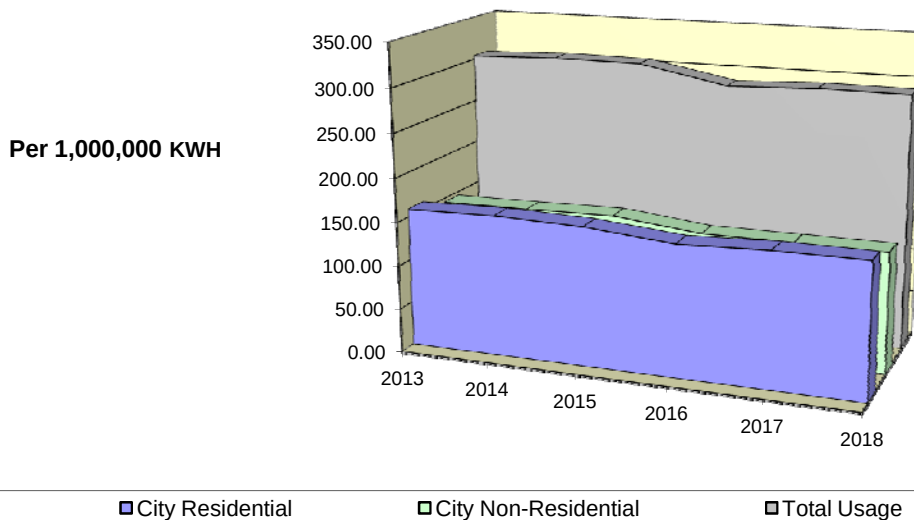
**ELECTRIC FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2017/2018**

SERVICE CHARGE COMPARISON AS OF FEBRUARY 2017



Shown above are comparative residential rates based on an average usage of 800 kWh per month. The Hagerstown Light Department has accepted a new wholesale power contract extension with First Energy Solutions at a rate of \$52.70 per MWh effective June 1, 2017 through May 31, 2022.

ELECTRIC CONSUMPTION FROM 2013 - 2018



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

ELECTRIC FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
ELECTRIC REVENUES					
Sales of Electric-Unbilled Readings	\$ (43,241)	\$ -	\$ -	\$ -	0.0%
Residential Lighting	11,479,429	12,274,000	11,695,000	11,737,200	-4.4%
Residential Metering	2,296	1,000	2,000	2,000	100.0%
Commercial Lighting	4,829,681	5,053,000	4,816,000	4,846,900	-4.1%
Commercial Metering	6,854	6,800	6,800	6,800	0.0%
Power Pl(09)	1,915,750	2,069,000	1,922,000	1,938,200	-6.3%
Power Ph(10)	2,943,361	3,502,000	2,940,000	2,977,850	-15.0%
High Voltage-Newstech	119,407	129,000	122,000	122,000	-5.4%
Dusk to Dawn	21,036	20,120	20,180	20,460	1.7%
Street Lighting	615,712	620,100	614,550	623,810	0.6%
Traffic Lighting	21,236	21,520	21,190	21,680	0.7%
Total Electric Revenues	21,911,521	23,696,540	22,159,720	22,296,900	-5.9%
OTHER REVENUES					
Pole Rental/Attachment Fees	22,112	21,500	24,732	25,000	16.3%
Rents from Electric Properties	13,500	6,000	36,000	50,000	733.3%
Building Rental-CMG	39,000	39,000	39,000	40,200	3.1%
Rent Income - Sub-Station	3,050	3,050	3,101	3,101	1.7%
Late Fees	202,761	160,000	200,000	200,000	25.0%
Miscellaneous Electric Revenue	17,982	40,000	40,000	40,000	0.0%
Reconnection Charges	96,875	90,000	100,000	100,000	11.1%
Customer Reimbursed Overtime	3,833	15,000	45,000	15,000	0.0%
Scrap Sales	11,021	10,000	10,000	10,000	0.0%
Interconnection Application Fee	62	-	1,500	-	0.0%
Insurance Reimbursements	46,712	25,000	25,000	25,000	0.0%
Recovery of Notes Receivable-F.U.F.	168,755	180,057	180,057	192,116	6.7%
Bad Check Charges	3,188	4,500	4,000	4,000	-11.1%
Total Other Revenues	628,851	594,107	708,390	704,417	18.6%
Total Operating Revenues	\$ 22,540,372	\$ 24,290,647	\$ 22,868,110	\$ 23,001,317	-5.3%

ELECTRIC FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

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	225,000
Telemetry Equipment-C0111 Construction of communication networks to facilitate transmission of data from installed devices in the Electric System.	Communication Equipment	Improve service, increase system reliability	25,000
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 and/or locations	30,000
Building & Site Improvements-C0542 Improvements to HLD facility on East Baltimore Street.	Replace interior lighting in garage and stock room areas.	Cost avoidance, planned improvement, and improved service	50,000
Streetlight Replacement-C0546 Replace direct buried streetlight circuit, obsolete fixtures, and non-standard poles. FY18 - 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	Aesthetic improvements to the A&E district of Downtown Hagerstown	25,000
Test Equipment-C0609 Procure/repair test equipment to improve maintenance programs and power quality for customers.	Station Equipment	Improve reliability of service	17,500
Substation Breaker Replacement-C0776 Replace Aging Breakers in Substation to Maintain Reliability	Replace Substation Breakers on maintenance cycle to reduce equipment failure	Increase Reliability of Service	50,000
Spare Regulators-C0797 Purchase and/or refurbish voltage regulators and controllers for substations.	Station Equipment	Replace, refurbish, and repair substation voltage regulators as needed to maintain levels within limits mandated by the MD Public Service Commission	20,000

ELECTRIC FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

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.	20,000
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			\$ 552,500
5085001-581001 General Plant - Structure	Administrative Building	Replace worn office furniture and computer equipment	5,000
5085001-583002 Dist-Station Equipment	Costs of installation of station equipment including transformer banks, which are used for the purpose of changing the characteristics of electricity in connection with its distribution.	To upgrade existing substation facilities and to continue periodic replacement of aged equipment	40,000
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	70,000
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	50,000
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 2017/2018

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	15,000
5085001-583013 Dist-Street & Signal Lighting	Costs of installation of equipment used wholly for public streets.	To provide adequate street lighting for City residents	80,000
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
5085001-5860 General Plant - Office Furniture, Fixtures, & Equip	Administrative Building	Replace worn office furniture and computer equipment	5,000
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
TOTAL CAPITAL OUTLAY			\$ 987,500

WATER FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2017/2018

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 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, the Water Division continues to work with Hazen and Sawyer to ensure the long-term viability of the Edgemont 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 identified in the Safe Drinking Water Act and Clean Water Act.
- The Water Division is responsible for the treatment and distribution of 11.7 MGD (2016 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 has undergone many improvements over the past 10 years which include the construction of two 6.4 MG tanks, electrical and treatment, and piping upgrades at R.C. Willson and numerous water distribution main replacements. These improvements help ensure a reliable cost effective water supply to all customers served by the City of Hagerstown.
- To further assist in our financial commitment to our customers, the Division applied for and has been awarded grants for planned projects to include the replacement of the Traveling Screens at R.C. Willson Water Treatment Plant, storage tank mixing systems, and new pumps at two pump stations. The Water Fund has submitted a request for additional MDE funding for repairs to the Edgemont Reservoir to address seepage issues. Funding will be requested for the W.M. Breichner Plant for compliance with the LT2ESWTR and Stage 2 DBPR once work is underway at Edgemont. Water Distribution will begin the fire Line Meter Program in FY18 to meet MDE water loss reduction plan requirements. The Department will continue to test all large commercial/industrial meters annually. The Water Division will continue with system rehabilitation and main replacement projects through the leak detection program, hydrant and valve program, and through coordinated efforts with the City/County/State roadway rehabilitation projects. This CIP assists greatly in reducing system operational issues related to water main and equipment failures.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Number of Inside City Customers	13,215	13,260	13,300
Number of Outside City Customers	15,778	15,900	16,000
Million Gallons Produced	4,370	4,215	4,281
Million Gallons Accounted For	710	547	626
Percentage of Unaccounted for Water	16.2%	13.0%	14.6%
Number of Employees	51.0	51.0	51.0
Number of Customers Served per Employee	568	572	575

WATER FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 2,726,209	\$ 2,858,678	\$ 2,725,977	\$ 2,856,137	-0.1%
Benefits	1,614,546	1,335,902	1,245,358	1,373,361	2.8%
Overtime	130,513	118,000	111,000	111,000	-5.9%
Personnel Subtotal	4,471,268	4,312,580	4,082,335	4,340,498	0.6%
Contractual Services	550,977	554,386	620,413	625,538	12.8%
Operating Expenditures	3,004,293	3,320,539	3,192,290	3,275,321	-1.4%
Operating Cap Exp (Cap Outlay)	29,781	49,500	40,500	44,500	-10.1%
Other General Expenses	3,580,761	3,685,176	3,757,974	3,944,636	7.0%
Operating Subtotal	7,165,812	7,609,601	7,611,177	7,889,995	3.7%
Total Expenditures	\$ 11,637,080	\$ 11,922,181	\$ 11,693,512	\$ 12,230,493	2.6%
REVENUES BY TYPE					
Departmental Revenue	12,818,258	12,400,533	12,387,371	12,673,229	2.2%
Total Revenues	\$ 12,818,258	\$ 12,400,533	\$ 12,387,371	\$ 12,673,229	2.2%
Expenditures, net of Revenues	\$ (1,181,178)	\$ (478,352)	\$ (693,859)	\$ (442,736)	-7.4%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

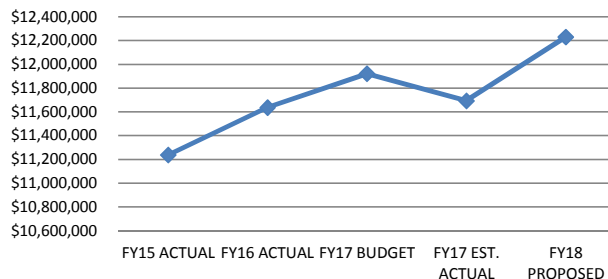
Adopted FY17 to Estimated Actual FY17

The Water Division has reduced staff and currently has 4 positions unfunded in FY17. Vehicle replacement purchases are limited and based on repair cost versus replacement cost. All external seminars and non-certification training are monitored for consistency with programmatic needs. Capital Improvement Projects have remained consistent with FY16 actual of \$3.25M and \$2.92M projected in FY17. Total operating revenues have increased from \$11.4M FY16 actual to a projected \$11.5M in FY17. As with all businesses who continue to weather tight economic conditions, the Water Division utilizes common sense approaches related to energy consumption, chemical usage, employee sharing etc.

Adopted FY17 to Proposed FY18

Total operating expenditures are projected to increase by 2.8% or \$319K as a result of an increase in depreciation expense, employee benefit expenses, water storage tank maintenance, and increases in energy and chemical 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, FY18 revenue reflects the fourth year of the updated Cost of Service Study Rate Model. Staff will continue to work with Municipal Financial Services to maintain the integrity of the Rate Model.

**Total Expenditures
History**



STAFFING SUMMARY

	FY16	FY17		FY18
		Budget	Est Act	
Full time	54.52	54.52	54.52	54.52
Less: Unfunded	(4.00)	(4.00)	(4.00)	(4.00)
Staffing Total	50.52	50.52	50.52	50.52
Part time Seasonal	1.00	1.00	1.00	3.00
Total Part time	1.00	1.00	1.00	3.00

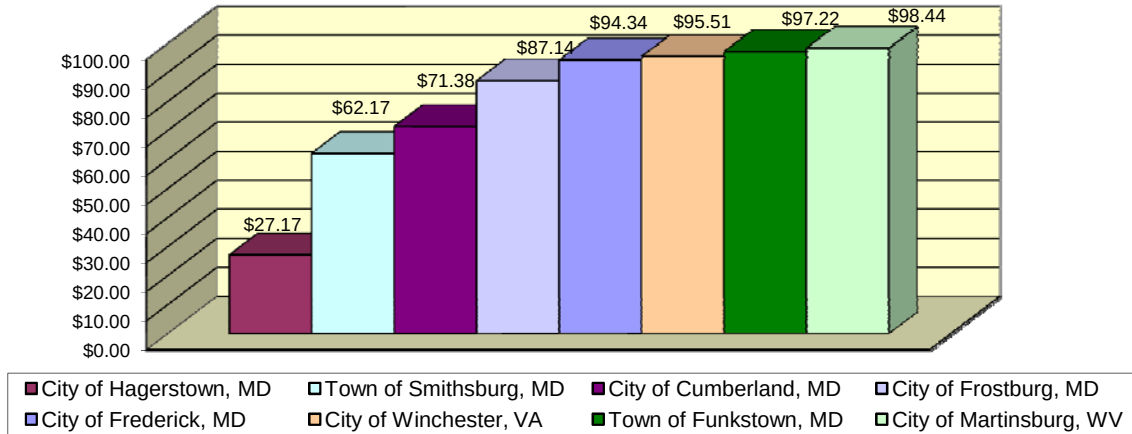
The Division will continue to attempt to reduce operational costs through any and all means available through FY18 and beyond through the management of the financial operations while insuring that our recently updated rate model is followed.

WATER FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 PROPOSED
OPERATING REVENUES					
Service Charges	\$ 10,456,682	\$ 10,742,000	\$ 10,676,000	\$ 10,888,000	1.4%
Other Revenues	988,428	787,432	829,220	830,220	5.4%
Total Operating Revenues	11,445,110	11,529,432	11,505,220	11,718,220	1.6%
OPERATING EXPENSES					
Source of Supply	114,048	55,750	45,255	44,700	-19.8%
Pumping & Water Treatment	3,527,145	3,584,185	3,516,873	3,712,680	3.6%
Transmission & Distribution	1,392,221	1,895,717	1,746,389	1,873,269	-1.2%
Selling, General & Administrative	3,023,113	2,701,552	2,627,431	2,655,659	-1.7%
Depreciation	3,079,045	3,100,000	3,200,000	3,370,000	8.7%
Total Operating Expenses	11,135,572	11,337,204	11,135,948	11,656,308	2.8%
Operating Income (Loss)	309,538	192,228	369,272	61,912	-67.8%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	8,184	500	6,550	3,100	520.0%
Premium on Bonds	10,602	10,601	10,601	10,601	0.0%
Interest (Expense)	(501,510)	(581,477)	(554,064)	(572,310)	-1.6%
Gain (Loss) on Capital Assets	10,118	10,000	15,000	15,000	50.0%
Total Other Income (Expense)	(472,606)	(560,376)	(521,913)	(543,609)	-3.0%
Income Before Contribs. & Transfers	(163,068)	(368,148)	(152,641)	(481,697)	30.8%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to CIP Fund	-	(3,500)	(3,500)	(1,875)	-46.4%
Transfers From Health Insurance Fund	-	-	-	76,308	100.0%
Total Transfers From (To) Funds	-	(3,500)	(3,500)	74,433	-2226.7%
CAPITAL CONTRIBUTIONS					
Water Benefit Charges	518,396	500,000	500,000	500,000	0.0%
Non-Cash Developer Contributions	825,850	350,000	350,000	350,000	0.0%
Total Capital Contributions	1,344,246	850,000	850,000	850,000	0.0%
Increase (Decrease) in Retained Earnings	1,181,178	478,352	693,859	442,736	-7.4%
Add Back Depreciation	3,079,045	3,100,000	3,200,000	3,370,000	8.7%
Capital Outlay/Fixed Assets	(3,245,936)	(3,754,000)	(2,923,104)	(5,337,000)	42.2%
Repayment of Principal on Debt	(1,648,547)	(1,724,170)	(1,674,170)	(1,820,570)	5.6%
Non-Cash Capital Contributions	(825,850)	(350,000)	(350,000)	(350,000)	0.0%
Changes in Working Capital	1,042,167	-	-	-	0.0%
Bond Proceeds	556,522	2,627,000	1,761,474	4,275,000	62.7%
Net Sources (Uses) of Cash	\$ 138,579	\$ 377,182	\$ 708,059	\$ 580,166	53.8%
Beginning Fund Balance	\$ 84,742,575	\$ 85,923,753	\$ 85,923,753	\$ 86,617,612	0.8%
Ending Fund Balance	\$ 85,923,753	\$ 86,402,105	\$ 86,617,612	\$ 87,060,348	0.8%

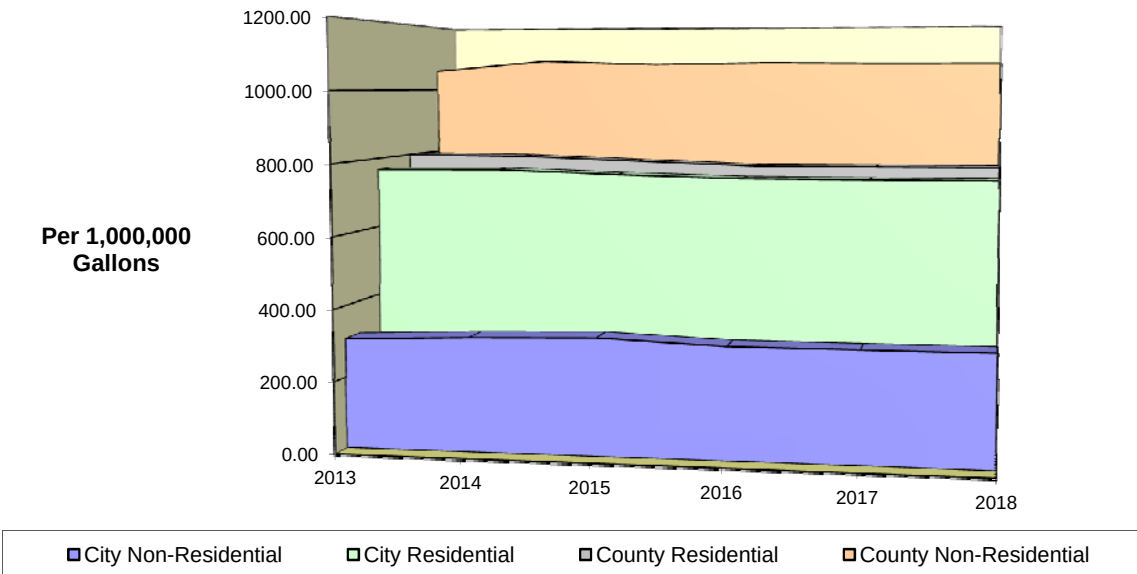
WATER FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2017/2018

SERVICE CHARGE COMPARISON AS OF FEBRUARY 2017
(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 2013 - 2018



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

WATER FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
WATER SERVICES					
Metered Sales-Unbilled	\$ 17,448	\$ -	\$ -	\$ -	0.0%
Water Fixed Charge - City	504,415	514,000	518,000	528,000	2.7%
Water Fixed Charge - County	1,874,064	1,909,000	1,930,000	1,968,000	3.1%
Metered City Water	1,605,026	1,673,000	1,640,000	1,671,000	-0.1%
Metered County Water	6,455,729	6,646,000	6,588,000	6,721,000	1.1%
Total Service Charges	10,456,682	10,742,000	10,676,000	10,888,000	1.4%
OTHER REVENUES					
Contracted Services	7,349	7,500	15,000	15,000	100.0%
Reconnection Charges	67,965	70,000	70,000	70,000	0.0%
Water Service Application Fee	20,268	15,000	18,000	18,000	20.0%
Water Transfer Fee	45,630	35,000	40,000	35,000	0.0%
W.C.S.D. Consumption Data Service	62,205	55,000	62,800	63,500	15.5%
Review/Inspection Fee	20,813	15,000	5,000	10,000	-33.3%
Insurance Reimbursements	6,182	2,500	5,800	3,300	32.0%
Rent-City Employees	20,900	20,620	20,620	20,620	0.0%
Late Fees	181,923	150,000	150,000	150,000	0.0%
Miscellaneous Other Revenues	80,197	42,000	42,000	42,000	0.0%
County Debt Service Surcharge	21,122	21,312	20,500	21,300	-0.1%
Cell Tower Rent	11,669	10,000	10,000	10,000	0.0%
Fire Protection	150,805	152,000	155,000	160,000	5.3%
Plumbing	275,000	180,000	200,000	200,000	11.1%
Net Gain/Loss-Scrap Sales	13,775	10,000	13,000	10,000	0.0%
Bad Check Charges	2,625	1,500	1,500	1,500	0.0%
Total Other Revenues	988,428	787,432	829,220	830,220	5.4%
Total Operating Revenues	\$ 11,445,110	\$ 11,529,432	\$ 11,505,220	\$ 11,718,220	1.6%

WATER FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Water Fund Vehicles-C0117 Replace fleet vehicles.	Unit 215, Unit 218, Unit 228, Unit 232, Unit 250, Unit 226, Unit 204, Unit 212	Replace Water Division vehicles	412,000
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	225,000
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 and make required MDE Improvements, Complete study and begin design.	Land Improvements	Improve system and increase reliability	1,900,000
Breichner WTP Improvements-C0405 Plant upgrades will be a result of the implementation of existing and proposed Safe Drinking Water Act requirements as well as Clean Water Act requirements.	Equipment	Replace and/or upgrade aging equipment to achieve compliance and to continue to ensure a back-up water supply	100,000
Administrative & Eng. Equipment-C0648 Upgrade computer equipment and info-water program.	Computer Equipment & Software	Replace and/or upgrade engineering computer hardware and software	10,000
Pump Station Improvements-C0651 Replacement of tank mixing system for compliance with the Stage 2 DBP Rule-Nitrification Control, Replacement of critical equipment.	Infrastructure	Replace and/or upgrade deteriorating infrastructure reliability	615,000
Distribution Services-C0653 Continue the fire line metering program which will include the evaluation of unmetered fire lines and installation of a fire meter.	Meter Replacement	Replace aging equipment to ensure water and sewer rates are an accurate reflection of the required revenue	330,000
Distribution System Rehabilitation-C0709 Continue the leak detection program and replace aging infrastructure throughout the Distribution System.	Infrastructure	Replace deteriorating infrastructure, improve safety for workers, and improve customer service	550,000

WATER FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Water SCADA System-C0820 Upgrade MP2 Software and software/hardware required SCADA upgrades.	Equipment	Replace and/or upgrade aging equipment and facilities	150,000
RC Willson-Traveling Screen Replacement-C0863 Complete construction to replace existing Traveling Screens.	Equipment	Replacement of deteriorating equipment. Improve system reliability and reduce short term maintenance expenses.	545,000
SUBTOTAL PROJECT EXPENSES			\$ 5,337,000
5270501-5833 Laboratory Equipment-Willson	Laboratory Equipment	Maintain laboratory equipment	4,000
5270501-5839 Portable Tools/Equipment-Willson	Portable Tools and Equipment	Replace portable tools and equipment as needed	1,000
5270501-5861 Desks-Chairs-and Tables-Willson	Desks, Chairs, Tables	To replace office furniture as needed	500
5270501-5865 Computer Equipment-Willson	Computer Equipment	Replace worn equipment as needed	1,500
5270501-5867 Communication Equipment-Willson	Communication Equipment	To replace communication equipment as needed	4,000
5270502-5825 Residential Buildings-Pump Stations	Park Ave. Office - Facility Maintenance	Routine facility maintenance required	1,000
5270502-5861 Desks-Chairs-Tables-Pump Stations	Desks, Chairs, Tables	To replace office furniture as needed	500
5270502-5865 Computer Equipment-Pump Stations	Computer Equipment	Replace worn equipment as needed	3,000

WATER FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

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, Tables	To replace office furniture as needed	500
5270503-5865 Computer Equipment-Laboratory	Computer Equipment	Replace worn equipment as needed	1,000
5271001-5825 Residential Buildings-Source of Supply	Maintain Residential/ Rental Properties	Rental property maintenance (3 properties)	3,000
5271001-5865 Computer Equipment-Source of Supply	Computer Equipment	Replace worn equipment as needed	1,500
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 Tools 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 2017/2018

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	500
5274001-5861 Desks-Chairs and Tables-Admin & General	Desks, Chairs, Tables	To replace office furniture as needed	500
5274001-5865 Computer Equipment-Admin & General	Computer Equipment	Replace worn equipment as needed	3,500
5274502-5861 Desks-Chairs and Tables-Customer Accounts	Desks, Chairs, Tables	To replace office furniture as needed	500
5274502-5865 Computer Equipment-Customer Accounts	Computer Equipment	Replace worn equipment as needed	3,000
5274502-5867 Communication Equipment-Customer Accounts	Communication Equipment	To replace communication equipment as needed	1,500
TOTAL CAPITAL OUTLAY			\$ 5,381,500

WASTEWATER FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2017/2018

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 6.70 MG per day of wastewater for calendar year 2016. The WWTP is currently permitted to treat an average daily flow of 8.0 MGD. The collection system is comprised of over 157 miles of gravity sewer, 23 wastewater pumping stations, 8.24 miles of forcemain, 330 Grinder Pumps, and approximately 4.68 miles of Low Pressure Sewer. The infrastructure ensures that all customers served by the City of Hagerstown receive consistently reliable service. The Division is currently working with Synagro to upgrade the sludge handling facilities at the Wastewater Treatment Plant. Phase One of that project addresses the need for redundant facilities to store and thicken sludge prior to being transferred to the Pelletizing Facility. Phase Two will address the upgrade and/or replacement of equipment within the Pelletizing Facility. Improvements to the Pelletizing Facility will ensure that the City, in conjunction with its contractor Synagro, will continue 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 2016 Operations and Maintenance Grant submission.
- The City will invest approximately \$3 million over the next 2 years (FY18 through FY19) to upgrade the sludge storage, thickening 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 the contract term. The City has secured \$300,000 of matching grant funds for FY16 and FY17 from the MDE for continuation of the 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

	2015/16	2016/17	2017/18
Number of Inside City Customers	12,930	12,980	13,000
Number of Outside City Customers	6,567	6,610	6,650
Annual Million Gallons/Day Treated	7.00	7.00	6.70
Inflow/Infiltration Million Gallons/Day Treated	2.80	2.80	2.60
Available Allocation in Thousand Gallons (carryover)	798	798	798
Number of Employees	46.26	46.26	46.26
Number of Customers Served per Employee	419	419	425

WASTEWATER FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 2,658,179	\$ 2,674,261	\$ 2,591,701	\$ 2,738,192	2.4%
Benefits	1,552,915	1,341,899	1,273,876	1,398,497	4.2%
Overtime	81,049	66,500	78,000	68,000	2.3%
Personnel Subtotal	4,292,143	4,082,660	3,943,577	4,204,689	3.0%
Contractual Services	1,694,056	1,685,386	1,666,813	1,674,238	-0.7%
Operating Expenditures	3,901,983	4,089,538	4,014,786	4,069,638	-0.5%
Operating Cap Exp (Cap Outlay)	73,109	10,800	11,400	14,400	33.3%
Other General Expenses	3,346,548	3,543,929	3,526,153	3,586,690	1.2%
Operating Subtotal	9,015,696	9,329,653	9,219,152	9,344,966	0.2%
Total Expenditures	\$ 13,307,839	\$ 13,412,313	\$ 13,162,729	\$ 13,549,655	1.0%
REVENUES BY TYPE					
Departmental Revenue	13,703,806	13,612,864	13,591,728	14,026,844	3.0%
Total Revenues	\$ 13,703,806	\$ 13,612,864	\$ 13,591,728	\$ 14,026,844	3.0%
Expenditures, net of Revenues	\$ (395,967)	\$ (200,551)	\$ (428,999)	\$ (477,189)	137.9%

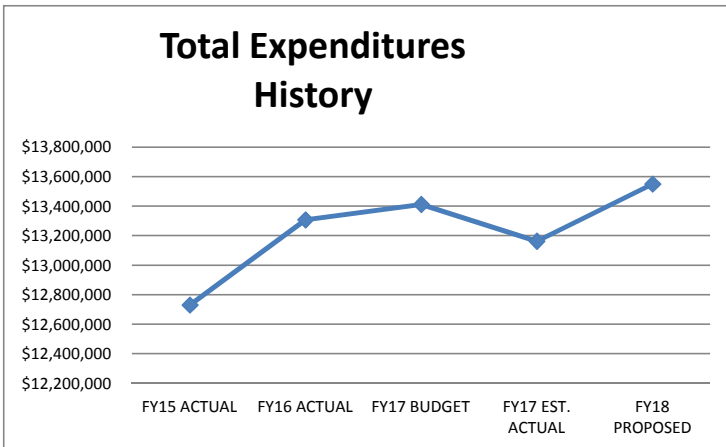
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

The Wastewater Division continues to carry 2 positions unfunded in the Collection System for FY17. All external seminars and non-certification training continue to be monitored. Capital improvement projects have decreased from \$3.28M budgeted in FY17 to \$3.028M estimated in FY18 (a 7.5% reduction) due in part to the delay of collection system rehabilitation work. From FY14 to FY17 our total revenues have increased from \$11.6M to a projected \$13.6M (\$2M increase) due to a gradual rate increase approved for FY15 through FY19. 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.

Adopted FY17 to Proposed FY18

Total personnel expenditures reflect an increase of approximately \$122K or 3.0% from FY17 budget to FY18 budget as a result of potential salary enhancements and related employer payroll costs. In total, operating expenses are projected to increase by just 0.2% or \$15K for some additional lab equipment needs and increased depreciation as a result of infrastructure improvements made. Staff submitted our annual funding request to the MDE for the continuation of our multi-year Citywide Inflow & Infiltration Project and was awarded \$300K in matching funds by the MDE. The CIP for the Wastewater Division has budgeted \$300K for the project and is currently under contract to complete the work.



STAFFING SUMMARY

	FY17			
	FY16	Budg	Est Act	FY18
Full time	48.26	48.26	48.26	48.26
Less: Unfunded	(2.00)	(2.00)	(2.00)	(2.00)
Staffing Total	46.26	46.26	46.26	46.26

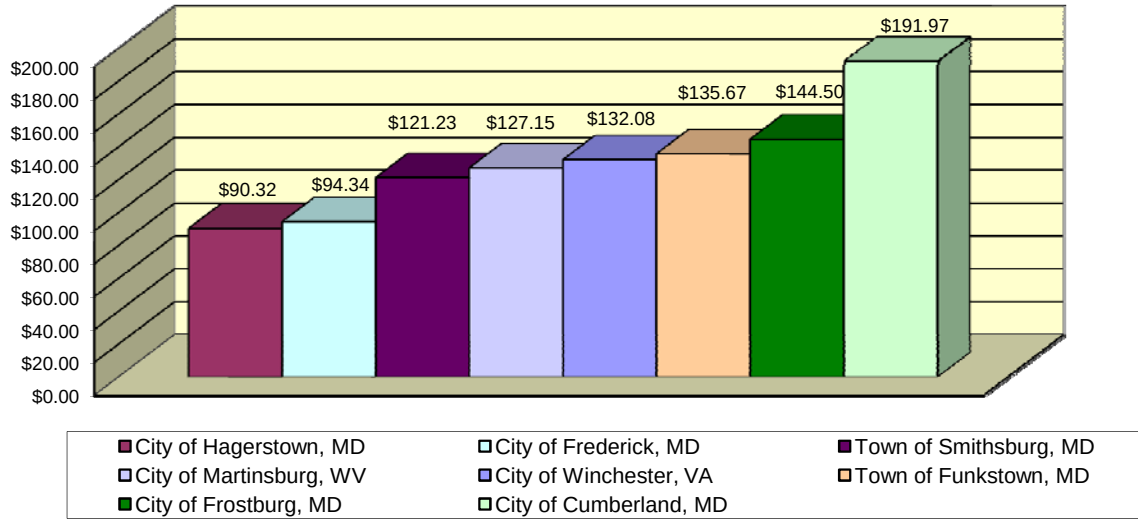
In order to respond to the projection of a reduced customer base, the Division will continue to monitor operational costs through any and all means available through FY18 and beyond.

WASTEWATER FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Service Charges	\$ 12,035,025	\$ 12,571,000	\$12,463,000	\$ 12,713,000	1.1%
Other Revenues	366,031	291,911	273,925	287,585	-1.5%
Operating Revenues	12,401,056	12,862,911	12,736,925	13,000,585	1.1%
OPERATING EXPENSES					
Plant Expenses	4,780,546	4,818,550	4,725,153	4,865,055	1.0%
Laboratory Expenses	279,088	280,405	265,858	300,875	7.3%
Collections	1,408,780	1,487,022	1,420,524	1,518,585	2.1%
Selling, General & Administrative	3,492,878	3,282,407	3,225,041	3,278,450	-0.1%
Depreciation	2,964,626	3,120,000	3,120,000	3,180,000	1.9%
Total Operating Expenses	12,925,918	12,988,384	12,756,576	13,142,965	1.2%
Operating Income (Loss)	(524,862)	(125,473)	(19,651)	(142,380)	13.5%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	7,507	2,000	6,850	2,000	0.0%
Premium on Bonds	7,953	7,953	7,953	7,953	0.0%
Interest (Expense)	(381,920)	(420,429)	(402,603)	(404,815)	-3.7%
Gain (Loss) on Sale of Capital Assets	(2)	-	(50)	-	0.0%
Total Other Income (Expense)	(366,462)	(410,476)	(387,850)	(394,862)	-3.8%
Income before Contribs. & Transfers	(891,324)	(535,949)	(407,501)	(537,242)	0.2%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to CIP Fund	-	(3,500)	(3,500)	(1,875)	-46.4%
Transfers from Health Insurance Fund	-	-	-	76,306	100.0%
Total Transfers From (To) Funds	-	(3,500)	(3,500)	74,431	-2226.6%
CAPITAL CONTRIBUTIONS					
Wastewater Benefit Charges	765,546	500,000	500,000	500,000	0.0%
Grants in Aid of Construction	240,000	240,000	340,000	440,000	83.3%
Developers Contributions	281,745	-	-	-	0.0%
Total Capital Contributions	1,287,291	740,000	840,000	940,000	27.0%
Increase (Decrease) in Retained Earnings	395,967	200,551	428,999	477,189	137.9%
Add Back Depreciation	2,964,626	3,120,000	3,120,000	3,180,000	1.9%
Capital Outlay/Fixed Assets	(947,872)	(3,274,000)	(2,058,698)	(3,027,000)	-7.5%
Repayment of Principal on Debt	(1,681,242)	(1,704,499)	(1,704,499)	(1,801,718)	5.7%
Non-Cash Capital Contributions	(281,745)	-	-	-	0.0%
Changes in Working Capital	(148,763)	-	-	-	0.0%
Bond Proceeds		1,747,000	1,300,000	1,312,000	-24.9%
Net Sources (Uses) of Cash	\$ 300,971	\$ 89,052	\$ 1,085,802	\$ 140,471	57.7%
Beginning Fund Balance	\$ 50,118,275	\$ 50,514,242	\$50,514,242	\$ 50,943,241	0.8%
Ending Fund Balance	\$ 50,514,242	\$ 50,714,793	\$50,943,241	\$ 51,420,430	1.4%

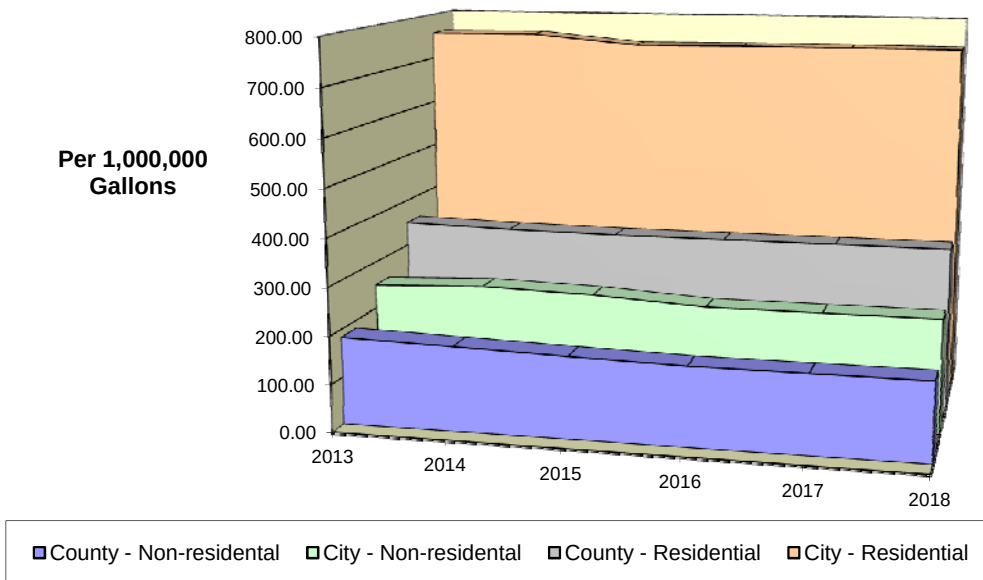
WASTEWATER FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2017/2018

SERVICE CHARGE COMPARISON AS OF MARCH 2017
(Rates presented are strictly City)



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

WASTEWATER CONSUMPTION FROM 2013 - 2018



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

WASTEWATER FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
WASTEWATER SERVICES					
Fixed Service Charge - City	\$ 1,522,205	\$ 1,576,000	\$ 1,591,000	\$ 1,623,000	3.0%
Fixed Service Charge - County	666,619	691,000	693,000	707,000	2.3%
Fixed Service Charge - Joint Service	642,811	662,000	669,000	682,000	3.0%
Service Charges-Unbilled	51,398	-	-	-	0.0%
Metered City Wastewater	4,976,300	5,254,000	5,172,000	5,279,000	0.5%
Metered County Wastewater	2,375,795	2,531,000	2,480,000	2,529,000	-0.1%
Metered Joint Service Wastewater	1,695,000	1,753,000	1,753,000	1,788,000	2.0%
Low-Pressure System Charge	104,897	104,000	105,000	105,000	1.0%
Total Service Charges	12,035,025	12,571,000	12,463,000	12,713,000	1.1%
OTHER REVENUES					
Wastewater Application Fees	2,750	150	2,000	2,000	1233.3%
Wastewater Connection Charges	3,600	2,500	2,500	2,500	0.0%
Review/Inspection Fee	20,702	1,200	20,000	15,000	1150.0%
Industrial Permit Maintenance Fee	5,550	5,750	5,500	5,500	-4.3%
Reimbursements	7,714	-	3,000	2,000	100.0%
Lab Testing	746	746	1,000	1,000	34.0%
Industrial Surcharges	53,514	100,000	55,000	75,000	-25.0%
Rental Income	3,334	465	12,725	13,085	2714.0%
Late Fees	163,580	175,000	165,000	165,000	-5.7%
Miscellaneous Revenue	104,107	5,600	6,000	6,000	7.1%
Net Gain/Loss-Scrap Sales	434	500	1,200	500	0.0%
Total Other Revenues	366,031	291,911	273,925	287,585	-1.5%
Total Operating Revenues	\$ 12,401,056	\$ 12,862,911	\$ 12,736,925	\$ 13,000,585	1.1%

WASTEWATER FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Vehicle Replacement Program-C0004 Replace 2000 #512 Dump Truck (\$135,000), 2001 #592 John Deere Backhoe (\$140,000), and 1989 #519 Chevy 7D042 Vacuum Truck (\$105,000)	Vehicle Replacement	Replacement units - reduced maintenance costs anticipated.	380,000
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 Replacement	As part of the City's Annual Pavement Preservation Program	69,000
Pumping Station Improvements-C0299 Replacement and upgrades to Collection System Pump Stations; these stations convey Wastewater to Wastewater Treatment Plant from low lying areas.	Pump Station Rehabilitation Project	Reduce maintenance and increase safety and security of stations	121,000
Collection System Rehabilitation-C0327 Collection System personnel to continue point repairs throughout the system, service connection & main rehabilitation, and manhole rehabilitation.	Construction	Reducing the inflow and infiltration will provide future recapturing of allocation for the WWTP	400,000
WWTP Equipment-C0584 Replaces various aging equipment or adds additional new equipment to maintain efficient operations and permit compliance.	Equipment	Deteriorating Equipment that has reached the end of its useful life cycle requires replacement to maintain reliable and continuous operations	50,000
Buildings and Structures-C0585 Replace flooring and lower drop ceiling in the Administration building, Replace boiler system in Operations Building, Begin replacement of hot water heaters.	Construction	Aging structures that require repairs and improvements	90,000
Oxygen System Improvements-C0657 Begin replacement of actuators and valves on oxygen distribution system at OAB deck.	Equipment	Improve reliability, efficiencies, and maintain MDE compliance	50,000
Solids Processing Pelletizer & WWTP Improvements-C0711 Upgrade or replace equipment in the Sludge Pelletizing facility (Synagro).	Equipment	Improve reliability and maintain MDE compliance	200,000

WASTEWATER FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Sludge Storage Phase I Improvement-C0712 Phase 1A & 1B - Sludge Storage and Thickening Improvements, Modifications to DAF building and DAF equipment.	Equipment Upgrades	Improve reliability and maintain MDE compliance	1,000,000
Collection System Equipment-C0713 Replaces various aging equipment or adds additional new equipment. New 45kVA trailer mounted, portable emergency generator for Pump Stations (\$30,000).	Equipment	Reduce annual maintenance costs, and long-term CIP planning	80,000
Laboratory Equipment-C0745 Replaces various aging equipment or adds additional new equipment.	Equipment	Improve reliability of existing equipment	10,000
Grinder Pump Replacement Program-C0767 Replace 20 Grinder Pumps.	Equipment	Replace deteriorating equipment	162,000
SSES City-Wide-CS Rehab-C0800 Correct infiltration & inflow into the Wastewater Collection System by replacement or re-lining defective piping.	Piping	Reducing the inflow & infiltration will provide future recapturing of allocation for the WWTP	400,000
Truck Lines and Laterals-C0834 Purchase or transfer of Infrastructure.	Infrastructure	Provide efficient use of Wastewater Infrastructure throughout system	15,000
SUBTOTAL PROJECT EXPENSES			\$ 3,027,000
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	1,200
5471501-5867 Communication Equipment	Two-way Radios	Operators safety for 24-7 operations	1,000

WASTEWATER FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5472601-5861 Office Furniture and Equipment	Office Furniture and Equipment	Normal replacement of worn equipment.	600
5472601-5865 Computer Equipment	Computer Equipment	Replace worn equipment	1,500
5472601-5867 Communication Equipment	Radios and SCADA System Upgrades	Normal replacement of worn equipment	1,000
5472701-5833 Lab Equipment	WW Lab Equipment	Replace worn equipment	5,000
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	1,500
TOTAL CAPITAL OUTLAY			\$ 3,041,400

PARKING SYSTEM - PROGRAM DESCRIPTION
FISCAL YEAR 2017/2018

DEPARTMENT / PROGRAM OVERVIEW

The mission of the Parking System is to provide convenient and safe parking options at affordable rates for the residents, businesses and visitors to downtown Hagerstown. This is accomplished with 625 spaces in 2 parking decks, over 360 spaces on the streets and 750 spaces in 12 parking lots around the city. Half of the lots are neighborhood lots that provide additional parking for residents. A systems supervisor oversees full time and part time employees to collect money from the meters, invoice permit customers and maintain the facilities. Parking enforcement is managed by the Hagerstown Police Department.

DEPARTMENT / PROGRAM OBJECTIVES

- The major project for FY18 is the complete replacement of the PARCS (Parking Access and Revenue Control System) equipment at both parking decks. The existing equipment is no longer manufactured making it increasingly difficult to repair and maintain. The gates, entry equipment and POF (Pay-On-Foot) machines will be replaced. Additional POF machines will be added to the University District Parking Deck and the Arts & Entertainment District Parking Deck becoming the primary means for drivers to pay for parking. New computers and software will be needed to manage the system. Cost estimates for this extensive replacement project run upwards of \$450,000.
- Staff is working towards relocating the parking office from the Arts & Entertainment Parking Deck to the Roslyn Building at 25 E. Franklin St. The intent is to provide better customer service with a location that is easier to access. The new office would be larger providing more room for staff to manage the Parking System.
- Parking enforcement is currently managed by the Hagerstown Police Department. Discussions are underway to bring enforcement under the Parking System hence bringing all aspects of parking management under one roof. Relocation of the parking office is instrumental to this change. The additional space is needed for the staff.
- Work will continue on making improvements to multiple parking lots. This includes repairs to the paving, sidewalks and lighting. Paving work will be included with the street overlay project to take advantage of the bid prices. The City Light Department has been and will continue to be instrumental in replacing the parking lot lights.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Parking Decks			
No. of Parking Spaces	625	625	625
No. of Permit Holders	667	670	605
Revenue			
Meters: Fees & Permits	\$335,050	\$344,470	\$344,470
Decks: Fees & Permits	\$499,417	\$441,780	\$451,780
Parking Enforcement	\$118,163	\$119,200	\$120,500
Number of Parking Lots	12	12	12
Number of Parking Lot Permit Holders	422	430	297
Total Parking Spaces (Lots & Street)	1,113	1,113	1,113

PARKING SYSTEM - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 244,379	\$ 240,616	\$ 245,812	\$ 271,017	12.6%
Benefits	98,125	94,276	89,193	104,655	11.0%
Overtime	1,661	1,200	1,200	1,200	0.0%
Personnel Subtotal	344,165	336,092	336,205	376,872	12.1%
Contractual Services	10,127	12,036	13,163	13,338	10.8%
Operating Expenditures	120,560	140,198	141,702	145,811	4.0%
Operating Cap Exp (Cap Outlay)	2,501	1,000	1,000	1,000	0.0%
Other General Expenses	279,306	299,104	292,941	319,267	6.7%
Operating Subtotal	412,494	452,338	448,806	479,416	6.0%
Total Expenditures	\$ 756,660	\$ 788,430	\$ 785,011	\$ 856,288	8.6%
REVENUES BY TYPE					
Departmental Revenue	956,678	859,659	910,507	921,407	7.2%
Total Revenues	\$ 956,678	\$ 859,659	\$ 910,507	\$ 921,407	7.2%
Expenditures, net of Revenues	\$ (200,018)	\$ (71,229)	\$ (125,496)	\$ (65,119)	-8.6%

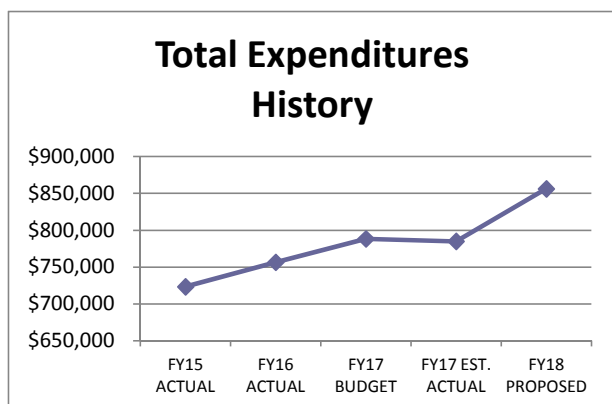
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Total personnel expenditures for FY17 estimated actual are anticipated to be on budget. In total, operating expenses are expected to be 0.78% or \$3,532 lower than budget primarily due to updated depreciation trends being lower than originally anticipated. There were some infrastructure repairs included at the time of FY17 budget preparation that are being deferred. Departmental revenues are expected to be 5.91% higher than budget due to higher parking deck fees and less parking discounts given at the University District Parking Deck and more parking enforcement revenue.

Adopted FY17 to Proposed FY18

Total personnel expenditures for FY18 proposed budget are 12.1% or \$40,780 higher than FY17 budget. This increase reflects all of the following: adjustment of minimum wage in July, filling 1 regular part-time position that has been vacant, and adding a third part-time parking enforcement staff person. Operating expenditures are anticipated to increase by \$27,078 or 6.0% as a result of budgeting for administrative parking office rental and increased depreciation. Depreciation expense is expected to increase over current FY17 budget due to higher infrastructure investments included in the FY18 budget. Departmental revenues are expected to continue the same trend experiencing in current year. As a result, departmental revenue is \$61,748 higher than the FY17 budget.



STAFFING SUMMARY

	FY17			
	FY16	Budg	Est Act	FY18
Full time	2.40	2.20	2.20	2.20
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	2.40	2.20	2.20	2.20
Part time	9.00	7.00	7.00	10.00

The increase in part-time positions from FY17 actual to FY18 budget reflects the shift of 3 part-time enforcement staff from HPD (Hagerstown Police Department) to Parking.

PARKING FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
University District Parking Deck	\$ 262,218	\$ 217,000	\$ 245,500	\$ 255,500	17.7%
A & E Parking Deck	237,199	196,280	196,280	196,280	0.0%
Parking Lot Fees	335,050	344,122	344,470	344,470	0.1%
Net Parking Fines	118,163	98,000	119,200	120,500	23.0%
Other Revenue	950	2,000	2,000	2,000	0.0%
Total Operating Revenues	953,580	857,402	907,450	918,750	7.2%
OPERATING EXPENSES					
University District Parking Deck	132,877	131,015	124,417	140,088	6.9%
A & E Parking Deck	175,420	155,125	170,656	159,396	2.8%
Other Parking Facilities	132,262	153,812	153,107	168,098	9.3%
Parking Enforcement Expenses	36,795	49,374	43,890	69,439	40.6%
Depreciation	231,513	256,163	250,000	287,000	12.0%
Total Operating Expenses	708,867	745,489	742,070	824,021	10.5%
Operating Income (Loss)	244,713	111,913	165,380	94,729	-15.4%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	1,341	500	1,300	900	80.0%
Premium on Bonds	1,757	1,757	1,757	1,757	0.0%
Interest (Expense)	(47,793)	(40,941)	(40,941)	(31,767)	-22.4%
Total Other Income (Expense)	(44,695)	(38,684)	(37,884)	(29,110)	-24.7%
Income Before Contribs. & Transfers	200,018	73,229	127,496	65,619	-10.4%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to CIP Fund	-	(2,000)	(2,000)	(500)	-75.0%
Total Transfers From (To) Funds	-	(2,000)	(2,000)	(500)	-75.0%
Increase (Decrease) in Retained Earnings	200,018	71,229	125,496	65,119	-8.6%
Add Back Depreciation	231,513	256,163	250,000	287,000	12.0%
Capital Outlay/Fixed Assets	(79,617)	(135,000)	(65,000)	(525,000)	288.9%
Repayment of Principal on Debt	(162,528)	(169,612)	(169,612)	(181,991)	7.3%
Changes in Working Capital	(11,572)	-	-	-	0.0%
Bond Proceeds	-	-	-	450,000	100.0%
Net Sources/(Uses)of Cash	\$ 177,814	\$ 22,780	\$ 140,884	\$ 95,128	317.6%
Beginning Fund Balance	\$ 6,451,240	\$ 6,651,258	\$ 6,651,258	\$ 6,776,754	1.9%
Ending Fund Balance	\$ 6,651,258	\$ 6,722,487	\$ 6,776,754	\$ 6,841,873	1.8%

PARKING FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
UNIVERSITY DISTRICT PARKING DECK					
Parking Deck Permits	\$ 211,065	\$ 200,000	\$ 200,000	\$ 210,000	5.0%
Parking Deck Fees	45,679	35,000	40,000	40,000	14.3%
Downtown Promotions	7,670	7,000	7,000	7,000	0.0%
Parking Deck Coupons	2,318	2,000	1,500	1,500	-25.0%
Validation Fees	26,712	22,000	22,000	22,000	0.0%
Park N Shop	(8,753)	(9,000)	(5,000)	(5,000)	-44.4%
Volume Parking Discount	(22,473)	(40,000)	(20,000)	(20,000)	-50.0%
Total University District Deck Revenues	262,218	217,000	245,500	255,500	17.7%
A&E PARKING DECK					
Parking Deck Permits	183,085	150,000	150,000	150,000	0.0%
Parking Deck Fees	56,635	50,000	50,000	50,000	0.0%
Downtown Promotions	580	-	-	-	0.0%
Pep Discounts	(3,101)	(3,720)	(3,720)	(3,720)	0.0%
Total A&E Parking Deck Revenues	237,199	196,280	196,280	196,280	0.0%
PARKING LOT REVENUES					
Street Meters	110,190	110,000	110,000	110,000	0.0%
Antietam Street Lot Meters	26,511	25,000	25,000	25,000	0.0%
Bryan Center Lot Meters	416	350	350	350	0.0%
Central Lot Meters	39,810	40,000	40,000	40,000	0.0%
Market House Lot Meters	2,613	3,000	2,500	2,500	-16.7%
Rochester Lot Meters	613	500	500	500	0.0%
Central Lot Permits	42,502	45,000	45,000	45,000	0.0%
Church Street Lot Permits	49,430	49,068	50,000	50,000	1.9%
Market House Lot Permits	25,983	32,000	32,000	32,000	0.0%
Rochester Lot Permits	6,480	7,000	7,000	7,000	0.0%
Departmental Charges-Parking Permits	33,382	35,000	35,000	35,000	0.0%
Free Parking - 41 E Franklin Street	(1,152)	(1,140)	(1,152)	(1,152)	1.1%
Free Parking - 39 E Franklin Street	(1,728)	(1,656)	(1,728)	(1,728)	4.3%
Total Parking Lot Revenues	335,050	344,122	344,470	344,470	0.1%
PARKING TICKET REVENUES					
Fines-Traffic Violations	2,230	5,000	1,200	2,500	-50.0%
Original Issuance	93,335	93,000	93,000	93,000	0.0%
Late fees	69,681	75,000	75,000	75,000	0.0%
Uncollectable Parking Tickets	(47,083)	(75,000)	(50,000)	(50,000)	-33.3%
Total Parking Ticket Revenues	118,163	98,000	119,200	120,500	23.0%
Insurance Reimbursements	-	2,000	2,000	2,000	0.0%
Sale of Assets	950	-	-	-	0.0%
Total Other Revenues	950	2,000	2,000	2,000	0.0%
Total Operating Revenues	\$ 953,580	\$ 857,402	\$ 907,450	\$ 918,750	7.2%

PARKING FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTISIFCATION	COST
Upgrades to Parking Decks-C0749 General repairs and improvements to both decks.	Replacement of Gate Equipment for A&E District Parking Deck	Manufacturer of original gate equipment is no longer in business. Parts are difficult to obtain.	470,000
Parking Lot Improvements-C0857 Improve the overall condition of surface parking lots: Rochester 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.	30,000
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			\$ 525,000
5674013-5861 Desks-Chairs-Tables	Office Equipment	Replace as needed	1,000
TOTAL CAPITAL OUTLAY			\$ 526,000

GOLF - PROGRAM DESCRIPTION
FISCAL YEAR 2017/2018

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.

Standard green fee rates were last updated in 2012. In the last few years we have replaced all tee markers, installed yardage markers, installed new bridges over Hamilton Run and made general improvements to the course. All carts are leased in a piggyback on a Washington County contract. 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.

DEPARTMENT / PROGRAM OBJECTIVES

- We propose to eliminate some of the special rate programs to increase revenue. Recreation staff will monitor the point of sale program carefully for trends and data so adjustments can be made. Plan to add tournaments, leagues, promotions, and advertising (including on scorecards and tee markers).
- We will strive to decrease costs during FY18 by eliminating a full time position in the clubhouse and using only part time and seasonal employees. We will continue to use 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 are two full time (March-December) maintenance staff assigned to care for the course.
- In 2017, we plan to add sand traps, move the number 5 green, continue to strive for increased professionalism of the clubhouse operations and will continue to study relocating the stream on Holes #2 and #6.

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Number of 9-hole Rounds started	17,438	13,296	15,000
Number of Rounds started	12,360	9,500	11,000
Average daily rounds of golf	56	43	50
Number of cart rentals	6,466	5,000	5,750
Number of golf leagues	2	2	2
Number of golf tournaments	5	5	5
Concession Revenue (in \$)	\$ 20,218	\$18,500	\$18,500

GOLF - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 165,796	\$ 149,013	\$ 147,673	\$ 155,718	4.5%
Benefits	94,958	82,809	77,762	90,593	9.4%
Overtime	11,941	7,400	10,580	7,000	-5.4%
Personnel Subtotal	272,695	239,222	236,015	253,311	5.9%
Contractual Services	45,280	39,097	36,932	38,945	-0.4%
Operating Expenditures	103,832	99,037	105,795	99,551	0.5%
Other General Expenses	36,284	45,000	44,000	50,000	11.1%
Operating Subtotal	185,396	183,134	186,727	188,496	2.9%
Total Expenditures	\$ 458,091	\$ 422,356	\$ 422,742	\$ 441,807	4.6%
REVENUES BY TYPE					
Departmental Revenue	458,091	422,450	422,750	441,808	4.6%
Total Revenues	\$ 458,091	\$ 422,450	\$ 422,750	\$ 441,808	4.6%
Expenditures, net of Revenues	\$ -	\$ (94)	\$ (8)	\$ (1)	-98.9%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

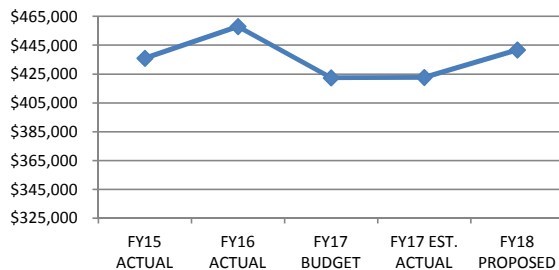
Adopted FY17 to Estimated Actual FY17

Total Expenditures reflect a 0.1% or a \$386 increase from the adopted budget to estimated actual for FY17. Operating revenue is projected to be in line with FY17 budget as well. However departmental revenue is expected to be \$35,341 or 7.7% lower than FY16 actual due to less general fund stipend being utilized in FY17 than in FY16.

Adopted FY17 to Proposed FY18

In total, personnel expenditures are planned to increase by 5.9% or \$14,089. Of this total, benefit expenses include an increase of 9.4% or \$7,784. Other general expenses are expected to increase by \$5,000 or 11.1%. This increase is a result of the investments the Golf Course continues to make in capital improvements which increases the associated depreciation expense. Total departmental revenue reflects a total increase of 4.6% or \$19,358. The increase in revenue results from needing \$20K more in FY18 from the general fund as a stipend. The total anticipated stipend needed in FY18 from the general fund is \$220K.

**Total Expenditures
History**



STAFFING SUMMARY

	FY16	FY17		FY18
		Budg	Est Act	
Full time	2.52	2.52	2.52	2.25
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	2.52	2.52	2.52	2.25
Part time	2.00	1.00	1.00	2.00
Part time Seasonal	2.00	3.00	3.00	2.00
Total Part time	4.00	4.00	4.00	4.00

Overall, staffing for the Golf Course will remain steady with the same number of employees. However, some staff will be allocated for additional time spent in other areas in FY18 which is reflected in the slight decrease in full-time staffing above.

GOLF COURSE FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Green Fees	\$ 71,169	\$ 80,000	\$ 76,200	\$ 81,258	1.6%
Cart Rentals	28,187	35,000	30,000	35,000	0.0%
Tournaments and Specials	79,165	78,000	77,500	84,500	8.3%
Other Revenues	26,372	29,450	19,050	21,050	-28.5%
Total Operating Revenues	204,893	222,450	202,750	221,808	-0.3%
OPERATING EXPENSES					
Operating Expenses	421,807	377,356	378,742	391,807	3.8%
Depreciation	36,284	45,000	44,000	50,000	11.1%
Total Operating Expenses	458,091	422,356	422,742	441,807	4.6%
Operating Income (Loss)	(253,198)	(199,906)	(219,992)	(219,999)	10.1%
NONOPERATING REVENUES (EXPENSES)					
Interest Earned	-	-	-	-	0.0%
Total Other Income (Expense)	-	-	-	-	0.0%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers from General Fund	233,198	200,000	220,000	220,000	10.0%
Total Transfers From (To) Funds	233,198	200,000	220,000	220,000	10.0%
CAPITAL CONTRIBUTIONS					
Capital Contributions	20,000	-	-	-	0.0%
Total Capital Contributions	20,000	-	-	-	0.0%
Increase (Decrease) in Retained Earnings	-	94	8	1	-98.9%
Add Back Depreciation	36,284	45,000	44,000	50,000	11.1%
Capital Outlay/Fixed Assets	(51,910)	(35,000)	(35,000)	(37,000)	5.7%
Changes in Working Capital	(5,676)	-	-	-	0.0%
Net Sources (Uses) of Cash	\$ (21,302)	\$ 10,094	\$ 9,008	\$ 13,001	28.8%
Beginning Fund Balance					
Beginning Fund Balance	\$ 534,917	\$ 534,917	\$ 534,917	\$ 534,925	0.0%
Ending Fund Balance	\$ 534,917	\$ 535,011	\$ 534,925	\$ 534,926	0.0%

GOLF COURSE FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
GREENS REVENUES					
Greens Fees-Weekday,Regular,9-Hole	68,019	80,000	76,200	81,258	1.6%
Season Pass- Regular Individual	3,150	-	-	-	0.0%
Total Greens Revenues	71,169	80,000	76,200	81,258	1.6%
GOLF CART REVENUES					
Cart Rentals-Regular, 9-Holes	28,187	35,000	30,000	35,000	0.0%
Total Golf Cart Revenues	28,187	35,000	30,000	35,000	0.0%
TOURNAMENTS & SPECIALS					
	79,165	78,000	77,500	84,500	8.3%
OTHER REVENUES					
Rental of Golf Clubs	615	-	200	200	100.0%
Contributions/Other Sponsorships	400	250	250	250	0.0%
Tee Marker/Scorecard Sponsorship	5,050	2,000	-	2,000	0.0%
Golf Course Concession Revenues	4,540	4,000	4,000	4,000	0.0%
Golf Course Vending Revenues	6,466	9,000	6,000	6,000	-33.3%
Gift Certificate Revenues	50	100	-	-	-100.0%
Golf Course Alcohol Revenues	9,212	10,000	8,500	8,500	-15.0%
Miscellaneous Golf Revenues	39	4,100	100	100	-97.6%
Total Other Revenues	26,372	29,450	19,050	21,050	-28.5%
Total Operating Revenues	\$ 204,893	\$ 222,450	\$ 202,750	\$ 221,808	-0.3%

GOLF COURSE FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
GOLF COURSE- Vehicles/Equipment-C0395 Replace Top Dresser	Vehicle and Equipment Replacement Schedule	Replace deteriorated equipment. Maintain reliable and efficient equipment necessary to operate and maintain golf course.	37,000
TOTAL CAPITAL OUTLAY			\$ 37,000

PROPERTY MANAGEMENT FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2017/2018

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 FY11 and initiated the renovation of the building. The building is now fully renovated. Utilizing funds from a USDA RBEG Grant, furnishing and fit out of the business incubator space has been completed. This space will be used as a business resource center for entrepreneurs and growing businesses. Program planning has been completed and BuroBox operations are now underway. The name "BuroBox" which translates to "OfficeBox" is representative of Hagerstown's German roots. The front retail space is currently available for lease. The rear classroom and office space remains occupied by USMH.

- The City acquired 36-40 N. Potomac Street in FY12 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, were completed in 2015 and the gallery is now operational with rotating art exhibits throughout the year.

- Planned repairs for FY18 and future fiscal years include:

40 N Potomac Street - improvements to the rear parking lot and replacement of the deck behind the restaurant space

60 West Washington Street - replacement of roof

17-25 East Franklin Street - replacement of roof and replacement of windows

PERFORMANCE INDICATORS

	2015/16	2016/17	2017/18
Number of leases -			
Elizabeth-Hager Center	7	7	8
Roslyn Building	2	2	2
Fire Police Headquarters	1	1	1
Small Business Incubator (60 W. Washington St)	1	1	1
36-40 North Potomac Street	5	3	4
Alms House	0	0	0

PROPERTY MANAGEMENT FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 81,463	\$ 84,357	\$ 84,357	\$ 84,694	0.4%
Benefits	25,217	27,458	23,406	27,286	-0.6%
Overtime	56	-	-	-	0.0%
Personnel Subtotal	106,736	111,815	107,763	111,980	0.1%
Contractual Services	17,479	25,552	28,082	27,395	7.2%
Operating Expenditures	275,783	329,836	341,255	313,811	-4.9%
Operating Cap Exp (Cap Outlay)	-	-	4,118	-	0.0%
Other General Expenses	273,863	414,611	411,058	141,203	-65.9%
Operating Subtotal	567,125	769,999	784,513	482,409	-37.3%
Total Expenditures	\$ 673,861	\$ 881,814	\$ 892,276	\$ 594,389	-32.6%
REVENUES BY TYPE					
Departmental Revenue	458,209	330,524	407,702	350,297	6.0%
Total Revenues	\$ 458,209	\$ 330,524	\$ 407,702	\$ 350,297	6.0%
Expenditures, net of Revenues	\$ 215,652	\$ 551,290	\$ 484,574	\$ 244,092	-55.7%

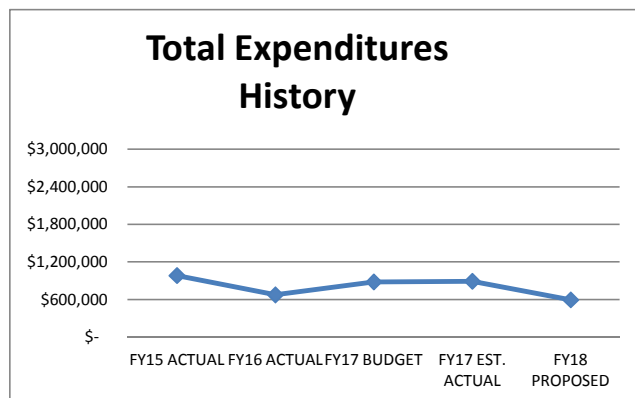
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Salaries and wages are expected to end FY17 in line with the FY17 budget. Additionally, overall personnel expenditures are expected to be under budget by \$4K or 3.6% due to lower health insurance expense. Operating expenditures are anticipated to be higher than budget by \$15K or 1.9%. In total, revenues are projected to come in higher than FY17 budgeted by \$77,178 or 23%. This is due to higher than anticipated rental income on City Properties and \$49K for grants related to work being completed for the BuroBox located in 60 W Washington.

Adopted FY17 to Proposed FY18

Salaries and Wages are projected to remain flat to FY17 budget and estimated actuals. Operating expenditures are planned to decrease by \$288K, or 37.3%, largely as a result of a one-time transfer for the Hagerstown Cultural Trail included in FY17 for \$280K. In addition, departmental revenues are expected to increase by 6.0% or \$20K, largely due to projected rental income additions of \$7K at 25 E. Franklin Street for the parking office and, \$5K projected increase for the artist loft apartments rentals at 38 N. Potomac.



STAFFING SUMMARY

	FY17			
	FY16	Budget	Est Act	FY18
Full time	1.10	0.90	0.90	0.90
Less: Unfunded	-	-	-	-
Staffing Total	1.10	0.90	0.90	0.90
Part time	1.00	1.00	1.00	1.00
Total Part time	1.00	1.00	1.00	1.00

PROPERTY MANAGEMENT FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
OPERATING REVENUES					
Rent from Tenants	\$ 373,870	\$ 316,324	\$ 342,418	\$ 330,297	4.4%
Other Revenues	507	4,200	2,000	6,000	42.9%
Total Operating Revenues	374,377	320,524	344,418	336,297	4.9%
OPERATING EXPENSES					
Selling, General and Administrative Expenses	399,999	467,203	481,218	453,186	-3.0%
Depreciation	127,004	132,000	130,000	138,000	4.5%
Total Operating Expenses	527,003	599,203	611,218	591,186	-1.3%
Operating Income (Loss)	(152,626)	(278,679)	(266,800)	(254,889)	-8.5%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	14,344	10,000	14,166	14,000	40.0%
Interest (Expense)	(2,673)	(2,611)	(1,058)	(3,203)	22.7%
Gain (Loss) on Capital Assets	(29,732)	-	-	-	0.0%
Total Other Income (Expense)	(18,061)	7,389	13,108	10,797	46.1%
Net Income (Loss) Before Transfers	(170,687)	(271,290)	(253,692)	(244,092)	-10.0%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to Capital Improvement Fund	-	(280,000)	(280,000)	-	-100.0%
Transfers to Econ Redevelopment	(114,453)	-	-	-	0.0%
Total Transfers From (To) Funds	(114,453)	(280,000)	(280,000)	-	-100.0%
CAPITAL CONTRIBUTIONS					
Grants in Aid of Construction	69,489	-	49,118	-	0.0%
Total Capital Contributions	69,489	-	49,118	-	0.0%
Increase (Decrease) in Retained Earnings	(215,652)	(551,290)	(484,574)	(244,092)	-55.7%
Add Back Depreciation	127,004	132,000	130,000	138,000	4.5%
Capital Outlay/Fixed Assets	(78,991)	(162,000)	(190,733)	(312,000)	92.6%
Repayment of Principal on Debt	(3,429)	(3,304)	(586)	(7,108)	115.1%
Changes in Working Capital	15,189	-	-	-	0.0%
Bond Proceeds	-	-	40,453	225,000	100.0%
Net Sources (Uses) of Cash	\$ (155,879)	\$ (584,594)	\$ (505,440)	\$ (200,200)	-65.8%
Beginning Fund Balance					
Beginning Fund Balance	\$ 5,268,033	\$ 5,052,381	\$ 5,052,381	\$ 4,567,807	-9.6%
Ending Fund Balance	\$ 5,052,381	\$ 4,501,091	\$ 4,567,807	\$ 4,323,715	-3.9%

PROPERTY MANAGEMENT FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
Rent - 2-6 N Potomac Street, 1st Floor	\$ 175,291	161,530	161,530	161,530	0.0%
Rent - 14 N Potomac Street, Suite 200A/B	33,620	20,400	35,458	33,884	66.1%
Rent - 14 N Potomac Street, Suite B-2	18,106	-	-	-	0.0%
Rent - 6 N Potomac Street	18,953	19,306	19,306	19,306	0.0%
Rent - 14 N Potomac Street, Suite B-3	31,657	29,222	29,222	14,611	-50.0%
Rent - 17 E Franklin Street	9,078	9,188	9,188	9,451	2.9%
Rent - 25 E Franklin Street	-	-	2,336	7,200	100.0%
Rent - 14 N Potomac Suite 200B Rm 59	2,334	2,334	2,334	2,334	0.0%
Rent - 790-800 Potomac Avenue	16,876	13,000	13,000	13,000	0.0%
Rent - 40 N Potomac Street	18,615	19,704	19,704	20,291	3.0%
Rent - 60 W Washington St Rear	30,240	30,240	30,240	31,590	4.5%
Rent - 38 N Potomac Street	19,100	11,400	20,100	17,100	50.0%
Total Rent from Tenants	373,870	316,324	342,418	330,297	4.4%
Contributions/Donations	225	-	-	-	0.0%
Membership Dues	-	4,200	2,000	6,000	42.9%
Other Revenues	282	-	-	-	0.0%
Total Other Revenues	507	4,200	2,000	6,000	42.9%
Total Operating Revenues	\$ 374,377	\$ 320,524	\$ 344,418	\$ 336,297	4.9%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Rental income from tenants is anticipated to be \$26K higher than FY17 budget primarily due to an increase in rental income of \$15K from a lease renewal with NIST not budgeted, and a \$9K increase in rent from the artist loft apartments. Other revenues for FY17 budget and FY17 estimated actual are lower by \$2K in membership dues from the delay in opening the BuroBox.

Adopted FY17 to Proposed FY18

The FY18 budget was prepared to incorporate the changes that occurred in FY17 into the budget. The total rents from tenants will increase by 4.4% or \$14K largely due to projected rental income additions of \$7K at 25 E. Franklin Street for the parking office and, \$5K projected increase for the artist loft apartments rentals at 38 N.Potomac.

PROPERTY MANAGEMENT FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

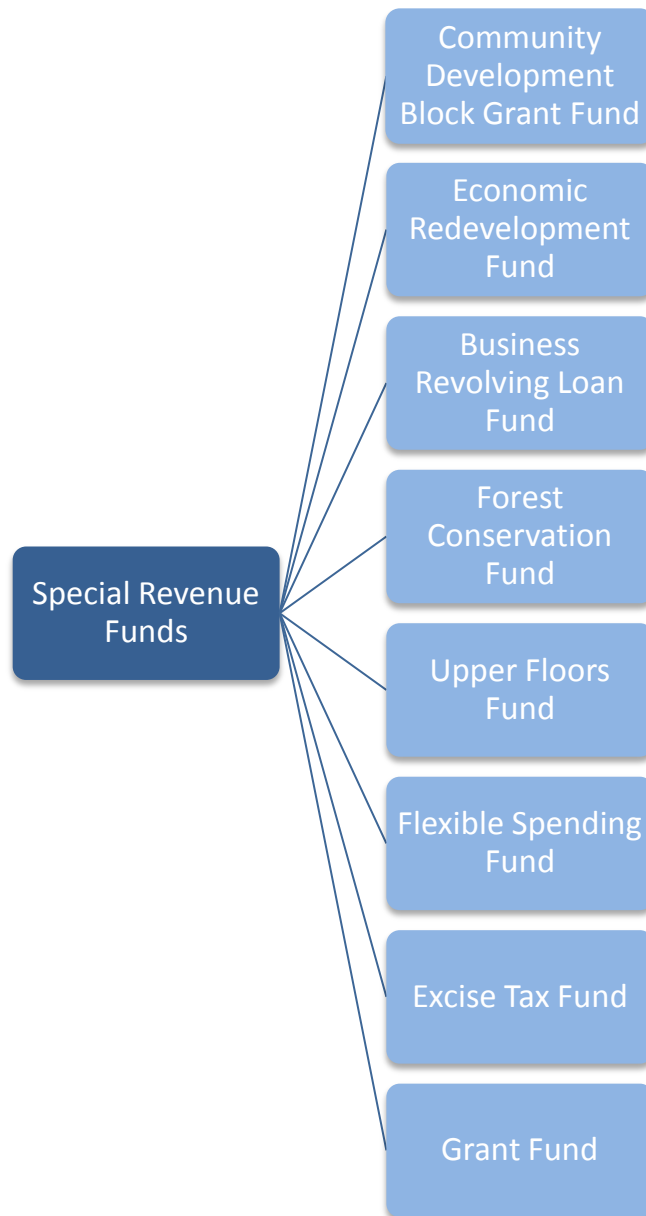
ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Alms House Repairs-C0775 Building Stabilization and Exterior Code Compliance	Building Renovation	Bring building up to current property codes with regard to the exterior.	5,000
Roslyn Building Renovation-C0779 Roof Replacement (\$125,000) Window Replacement (\$100,000)	Building Renovation	Roof is original to renovation over 15 years ago. Useful life has been met or exceeded. Wood windows have deteriorated. Need is immediate.	225,000
Elizabeth Hager Center-C0803 Painting, Various Leasehold Improvements, Replacement of HVAC Units, Replace tile and subfloor in DLLR main lobby (\$20,000), Replace windows on second floor of DLLR building (\$25,000)	Office Use for City's Tenants	New HVAC should be more efficient, possibly saving on heating and cooling costs. Replace floor and windows in accordance with DLLR lease extension.	45,000
Hagerstown Small Business Center-C0828 Building Renovations	Building Renovation	Provide space for new and existing downtown businesses.	10,000
36-40 North Potomac Street-C0836 Building Renovations	Parking Lot Replacement	Cracked and damaged parking lot. Sealing is not an option.	27,000
TOTAL CAPITAL OUTLAY			\$ 312,000

**SPECIAL REVENUE FUNDS
SECTION 5**

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SPECIAL REVENUE FUNDS – ORGANIZATIONAL CHART
FISCAL YEAR 2017/18



SPECIAL REVENUE FUNDS -COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	CDBG	ECONOMIC REDEV	BUS. REVOLV LOAN FUND	FOREST CONSERV FUND	UPPER FL REDEVELOP FUND	FLEXIBLE SPENDING	EXCISE TAX	GRANT	TOTAL
REVENUES									
Grant Revenues	\$ 1,099,952	\$ 210,000	-	\$ -	\$ -	\$ -	\$ -	\$ 331,478	\$ 1,641,430
Program Income	266,405	-	28,186	-	-	-	-	-	294,591
Interest on Investments	-	160	120	-	-	10	75	-	365
Reforestation Fees	-	-	-	20,000	-	-	-	-	20,000
Other Revenues	-	-	-	-	-	6,300	-	-	6,300
Total Revenues	1,366,357	210,160	28,306	20,000	-	6,310	75	331,478	1,962,686
EXPENDITURES									
New Loan Expenditures	-	-	75,000	-	-	-	-	-	75,000
Commercial/Industrial Improvements	-	20,000	-	-	-	-	-	-	20,000
Public Facilities and Improvements	240,000	-	-	-	-	-	-	-	240,000
Public Services	105,000	-	-	-	-	-	-	-	105,000
Housing	704,960	-	-	-	-	-	-	-	704,960
Administration	152,474	11,025	13,316	-	-	9,695	-	-	186,510
Public Safety	-	-	-	-	-	-	-	331,478	331,478
Comm First Third Grant:Invest Hagerstown	-	250,000	-	-	-	-	-	-	250,000
City-wide Residency Prog:Invest Hagerstown	-	7,198	-	-	-	-	-	-	7,198
Citywide Down Payment	-	38,473	-	-	-	-	-	-	38,473
City Center Down Payment	-	25,000	-	-	-	-	-	-	25,000
PEP Subsidized Rent Payments	-	131,500	-	-	-	-	-	-	131,500
USMH Housing Catalyst #3	-	10,000	-	-	-	-	-	-	10,000
Total Expenditures	1,202,434	493,196	88,316	-	-	9,695	-	331,478	2,125,119
Excess of Revenues Over (under) Expenditures	163,923	(283,036)	(60,010)	20,000	-	(3,385)	75	-	(162,433)
OTHER FINANCING USES									
Operating Transfers In	-	175,838	-	-	-	-	-	-	175,838
General FB Transfers (In) Invest Hagerstown	-	257,198	-	-	-	-	-	-	257,198
Operating Transfers (Out)	-	-	-	(20,000)	(50,838)	-	-	-	(70,838)
Total Other Financing Uses	-	433,036	-	(20,000)	(50,838)	-	-	-	362,198
Net Change in Fund Balance	163,923	150,000	(60,010)	-	(50,838)	(3,385)	75	-	199,765
Beginning Fund Balance	2,789,031	1,308,462	912,415	24,893	50,841	13,654	6,051	167,222	5,272,569
Ending Fund Balance	\$ 2,952,954	\$ 1,458,462	\$ 852,405	\$ 24,893	\$ 3	\$ 10,269	\$ 6,126	\$ 167,222	\$ 5,472,334
DETAIL OF ENDING FUND BALANCE									
Nonspendable	\$ -	1,000,000	\$ 900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000
Restricted	2,800,000	-	-	-	-	-	-	-	2,800,000
Assigned	80,000	458,462	(47,595)	24,893	3	10,269	6,126	167,222	699,380
Unassigned	72,954	-	-	-	-	-	-	-	72,954
Ending Fund Balance	\$ 2,952,954	\$ 1,458,462	\$ 852,405	\$ 24,893	\$ 3	\$ 10,269	\$ 6,126	\$ 167,222	\$ 5,472,334

COMMUNITY DEVELOPMENT BLOCK GRANT - PROGRAM DESCRIPTION
FISCAL YEAR 2017/2018

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 prior to FY13. The entitlement amount for FY18 is estimated to be \$575,000. This amount is approximately \$80,000 less than the FY17 entitlement amount and continues the trend of reduced entitlements to the CDBG program.

DEPARTMENT / PROGRAM OBJECTIVES

- Consistent with the National Objectives and Hagerstown's Five Year CDBG Consolidated Plan, the FY18 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 FY18 include crosswalk enhancements, new sidewalk construction and sidewalk accessibility ramp construction.

- The FY18 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

	2015/16	2016/17	2017/18
Number of Active Loans Outstanding	28	28	27
Value of Active Loans Portfolio (\$000)	\$ 1,194	\$ 1,310	\$ 1,250
City Center Residency - Down Payment/Rehab Cases	2	0	0
City Center Residency - New Rental Subsidy Units	6	0	0
City-Wide Down Payment/Rehab Cases	1	0	0
Community Legacy Down Payment Cases	0	0	8
CDBG Single Family Rehabilitation Projects	15	20	20
Citizens Assisted Through Public Services	821	800	800
Overall Low/Moderate Benefit Ratio (%)	100%	85%	85%
Total Administrative Costs as Percent of Total Expenditures	14%	17%	20%

COMMUNITY DEVELOPMENT BLOCK GRANT - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE SUMMARY

	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
Commercial/Industrial Improvements	\$ 23,300	\$ -	\$ 6,697	\$ -	0.0%
Public Facilities and Improvements	85,826	455,000	520,000	240,000	-47.3%
Public Services	99,300	100,000	105,000	105,000	5.0%
Cost of Properties Held for Resale	271,741	-	-	-	0.0%
Housing Rehab	102,401	562,505	569,844	704,960	25.3%
Administration	148,911	154,553	139,814	152,474	-1.3%
Total Expenditures	\$ 731,479	\$ 1,272,058	\$ 1,341,355	\$ 1,202,434	-5.5%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

CDBG funded Homeownership projects and Neighborhood Park projects will span multiple fiscal years resulting in some expenditures carrying over to FY18.

In FY17, 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 FY18 budget.

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

A cooperative effort with the Parks & Engineering Department lead to the following neighborhood based projects in FY17:

- o Accessibility Ramp Improvements
- o Construction of National Road Park

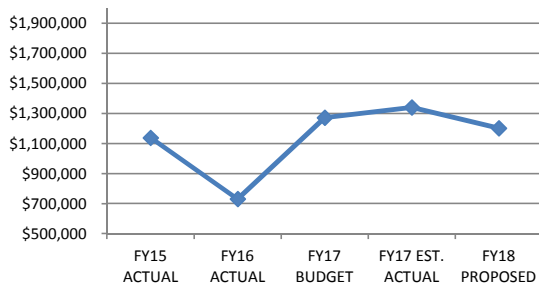
Adopted FY17 to Proposed FY18

The City is anticipating a slight decrease in annual FY18 CDBG entitlement funds from HUD. Likewise, total expenditure amounts when comparing FY17 and FY18 will decrease. Projects that span multiple fiscal years and fluctuations in program income can also impact spending levels in any given fiscal year.

The FY18 budget includes funds for moving forward with several initiatives in the Strategic Plan and the Community's City Center Plan including neighborhood sidewalk improvements, 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.

**Total Expenditures
History**



STAFFING SUMMARY

	FY17			
	FY16	Budget	Est Act	FY18
Full time	2.01	2.00	2.00	2.00
Less: Unfunded	0.0	0.0	0.0	0.0
Staffing Total	2.01	2.00	2.00	2.00

Full time employee count will remain flat for FY18.

COMMUNITY DEVELOPMENT BLOCK GRANT - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2017/2018

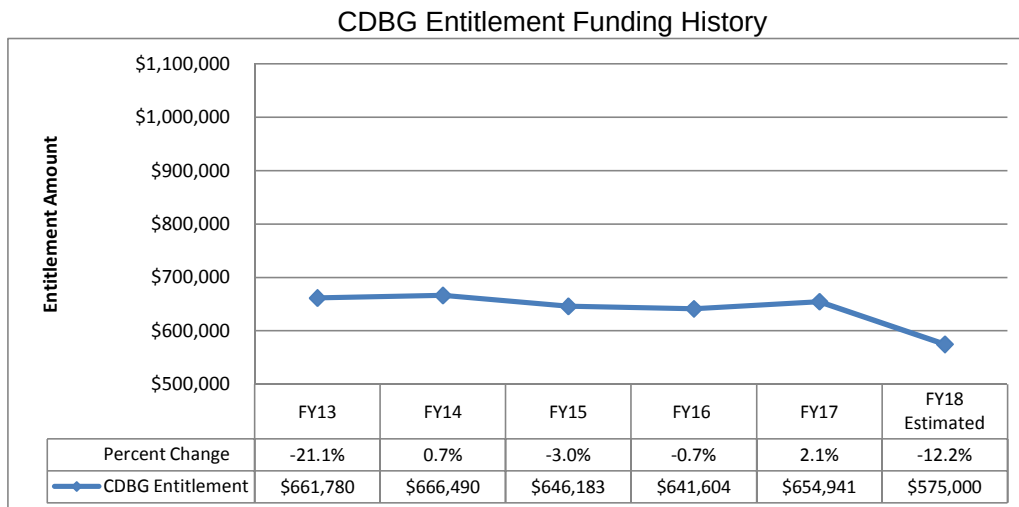
ACCOUNT DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
REVENUES					
CDBG Grant Entitlements	\$ 473,907	\$ 1,104,189	\$ 1,068,623	\$ 1,099,952	-0.4%
State Community Legacy Grant	-	-	22,680	-	0.0%
Program Income	303,911	238,096	274,792	266,405	11.9%
Total Operating Revenues	777,818	1,342,285	1,366,095	1,366,357	1.8%
EXPENDITURES					
Commercial/Industrial Improvements	\$ 23,300	\$ -	\$ 6,697	\$ -	0.0%
Clearance and Demolition	-	-	-	-	0.0%
Public Facilities and Improvements	85,826	455,000	520,000	240,000	-47.3%
Public Services	99,300	100,000	105,000	105,000	5.0%
Cost of Properties Held for Resale	271,741	-	-	-	0.0%
Housing Rehab	102,401	562,505	569,844	704,960	25.3%
Administration	148,911	154,553	139,814	152,474	-1.3%
Total Operating Expenditures	731,479	1,272,058	1,341,355	1,202,434	-5.5%
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES					
	\$ 46,339	\$ 70,227	\$ 24,740	\$ 163,923	133.4%
Beginning Fund Balance	2,717,952	2,764,291	2,764,291	2,789,031	0.9%
Ending Fund Balance	\$ 2,764,291	\$ 2,834,518	\$ 2,789,031	\$ 2,952,954	4.2%

COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
GRANTS					
CDBG GRANT ENTITLEMENTS					
B13 Entitlement	124,754	-	-	-	0.0%
B14 Entitlement	108,425	-	407,174	130,584	100.0%
B15 Entitlement	240,728	449,248	386,366	14,510	-96.8%
B16 Entitlement	-	654,941	275,083	379,858	-42.0%
B17 Entitlement	-	-	-	575,000	100.0%
State Community Legacy Grant	-	-	22,680	-	0.0%
Total Grants	473,907	1,104,189	1,091,303	1,099,952	-0.4%
PROGRAM INCOME					
Sale of Properties	-	125,000	100,000	150,000	20.0%
Principal Repayments on Loans	271,725	80,163	146,992	76,401	-4.7%
Interest Income on Loans	32,186	32,933	27,800	40,004	21.5%
Total Program Income	303,911	238,096	274,792	266,405	11.9%
Total Operating Revenues	\$ 777,818	\$ 1,342,285	\$ 1,366,095	\$ 1,366,357	1.8%

The CDBG Entitlement Funding History graph and chart below illustrate the CDBG Entitlement current year amounts awarded to the City for FY13–FY17, and the CDBG Entitlement amount estimated to be awarded to the City for FY18. 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, the amount of Federal funding awarded to the City for CDBG Entitlement funds has remained relatively steady. The FY14 entitlement was a slight increase from FY13 with reductions in funding in FY15 and FY16. In FY17, the City received a 2.1% increase in the awarded funds over FY16. In FY18, the City expects a 12.2% decrease in funding.



COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
COMMERCIAL/INDUSTRIAL IMPROVEMENTS					
Commercial Rehab-Cellar Doors	23,300	-	6,697	-	0.0%
Total Commercial/Industrial Improvements	23,300	-	6,697	-	0.0%
CLEARANCE & DEMOLITION					
City - Downtown Buildings	-	-	-	-	0.0%
Total Clearance & Demolition	-	-	-	-	0.0%
COST OF PROPERTIES HELD FOR RESALE	271,741	-	-	-	0.0%
PUBLIC FACILITIES & IMPROVEMENTS					
Handicap Ramps	75,000	90,000	170,000	80,000	-11.1%
City Sidewalk Construction	-	-	-	120,000	100.0%
Downtown Surveillance Cameras	-	-	35,000	-	0.0%
Neighborhood Parks	10,826	240,000	240,000	-	-100.0%
Loans	-	125,000	75,000	-	-100.0%
Prospect Ave Cwalk - Traf Beacon	-	-	-	40,000	100.0%
Total Public Facilities & Improvements	85,826	455,000	520,000	240,000	-47.3%
PUBLIC SERVICES					
Public Services	-	100,000	-	-	-100.0%
Community Free Clinic	39,000	-	39,000	39,000	100.0%
Girl's Inc Supper Program	8,300	-	8,300	8,300	100.0%
Children in Need	4,900	-	4,900	4,900	100.0%
Senior Living Alternative Meals	42,500	-	42,500	42,500	100.0%
CAC Financial Literacy	4,600	-	4,600	4,600	100.0%
Together With Families	-	-	5,700	5,700	100.0%
Total Public Services	99,300	100,000	105,000	105,000	5.0%
HOUSING REHAB					
Res Single Fam Emergency Repair	26,751	25,000	25,000	25,000	0.0%
Homeownership Program	16,210	10,000	10,000	10,000	0.0%
Habitat Repair Program	-	18,000	18,000	18,000	0.0%
Commission on Aging	21,595	18,000	18,000	18,000	0.0%
HNDP Downpayment & Settlement	17,500	21,000	21,000	28,000	33.3%
Single Family Loan Program	40,800	75,000	50,000	160,000	113.3%
Contra Expense - Single Family Loan Program	(40,800)	-	-	-	0.0%
Residential Rental Rehabilitation Loan	8,000	100,000	110,600	190,000	90.0%
CDBG Administration (Residential Rental)	-	10,000	-	8,333	-16.7%
CDBG Administration (Home Ownership)	-	10,000	-	8,334	-16.7%
CDBG Administration (Single Family)	-	10,000	-	8,333	-16.7%
Code Admin PT Inspector	11,905	18,564	18,564	30,160	62.5%
Home Ownership Acq. Resale	227,653	246,941	297,680	200,000	-19.0%
Contra Expense - Home Ownership Acq. Resale	(227,653)	-	-	-	0.0%
Residential Rental Rehabilitation	-	-	500	400	100.0%
Residential Single Family Rehabilitation	440	-	500	400	100.0%
Total Housing Rehab	102,401	562,505	569,844	704,960	25.3%

COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
ADMINISTRATION					
Salary and Wages	43,273	100,446	78,990	106,484	6.0%
Allocated Labor - Salaried	-	(30,000)	-	(25,000)	-16.7%
Office Supplies	-	450	300	450	0.0%
Computer Software & Supplies	-	300	1,900	300	0.0%
Dues, Subscriptions & Periodicals	-	500	300	450	-10.0%
Central Maintenance Garage	137	-	-	-	0.0%
Advertising & Printing	3,490	1,250	1,250	1,500	20.0%
Legal Fees	-	3,000	2,250	3,000	0.0%
Auditing Fees	1,856	2,442	2,022	2,048	-16.1%
Consolidated Plan	9,000	-	-	-	0.0%
Public Transportation Expenses	139	100	50	100	0.0%
Lodging & Meals	224	1,000	750	1,000	0.0%
Conference & Seminar Fees	1,425	1,000	750	1,000	0.0%
Postage Expenses	-	225	125	100	-55.6%
Other General Expenses	14,360	-	-	-	0.0%
Photocopy Expenses	-	200	50	200	0.0%
Retirement Deficit Payment	10,323	10,840	10,840	11,382	5.0%
Retirement Contribution - State	12,245	12,182	10,781	9,063	-25.6%
FICA Taxes	4,806	7,048	-	7,992	13.4%
Life Insurance	95	169	-	172	1.8%
Workers Compensation	3,506	2,051	2,051	3,610	76.0%
Buildings & Contents Insurance	1,889	2,039	1,819	1,991	-2.4%
Public Officials	297	330	299	903	173.6%
Health Insurance	18,082	26,730	10,243	12,077	-54.8%
Health Insurance-Retiree	5,436	7,858	9,680	9,970	26.9%
Dental Insurance	569	665	-	395	-40.6%
Dental Insurance-Retiree	-	-	247	247	100.0%
Sick Pay on Termination	12,958	-	2,207	-	0.0%
General Liability Insurance	157	178	135	140	-21.3%
Employee Discounted Parking	864	400	-	-	-100.0%
Interest Exp. - Escrowed Taxes	131	-	-	-	0.0%
Communication Expense	1,878	1,900	1,525	1,900	0.0%
Capital Outlay - Office Furniture	1,771	1,250	1,250	1,000	-20.0%
Total Administration	148,911	154,553	139,814	152,474	-1.3%
Total Expenditures	\$ 731,479	\$ 1,272,058	\$ 1,341,355	\$ 1,202,434	-5.5%

COMMUNITY DEVELOPMENT BLOCK GRANT FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

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	750
TOTAL CAPITAL OUTLAY			\$ 1,000

OTHER SPECIAL REVENUE FUNDS - PROGRAM SUMMARY
FISCAL YEAR 2017/2018

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, 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 FY18, it is anticipated that program income will allow \$75,000 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 recent fiscal years, Upper Floor funds have been utilized to match State Grant funds that replenished the Business Revolving Loan Fund. Since the original purpose of the Upper Floors fund can be carried out through other existing incentive programs, opportunities to match Upper Floor Funds with additional grant funding will be explored.

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.

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 Tax 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.

GRANT FUND

In FY07 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 2017/2018

DEPARTMENT / PROGRAM OVERVIEW

The Economic Redevelopment Fund includes several major initiatives in the budget. The two primary initiatives are the strategic acquisition and resale projects at 170 West Washington Street and 43-53 West Washington Street.

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 were completed in FY16. These improvements will allow the City to more effectively promote the building for redevelopment. State Community Legacy funding was matched with Economic Redevelopment funds to complete the additional exterior work.

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	FY13 & FY14	FY15	FY16	FY17	FY18	Total
Acquisition	\$ 28,140					\$ 28,140
Demolition/Construction/Rehabilitation	\$ 94,706	\$ 81,172	\$ 160,166	\$ 11,517		\$ 347,561

Funding Sources	FY13 & FY14	FY15	FY16	FY17	FY18	Total
Economic Redevelopment	\$ 122,846	\$ 8,024	\$ 58,315	\$ 11,517		\$ 200,701
Community Legacy		\$ 73,148	\$ 76,852			\$ 150,000
Proceeds - Sale of 11-16 Public Square			\$ 25,000			\$ 25,000

43-53 West Washington Street:

Two neglected and deteriorating properties located across the street from the University System of Maryland at Hagerstown were purchased to stimulate investment 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.

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 under contract and the sale is expected to be finalized in 2017. The buyer's proposal includes complete rehabilitation of the 49-53 West Washington Street building, demolition and new construction of a building at 43-47 West Washington Street, and extension of the A & E Trail through the 43-47 West Washington Street property. The project will result in mixed-use development to include commercial space and student housing. Prior to sale of the property, a State Community Legacy Grant of \$100,000 will fund additional redevelopment and renovation activities at 49-53 West Washington Street.

43-53 West Washington Street Funding Sources and Uses

Expenditures	FY13 & FY14	FY15	FY16	FY17	FY18	Total
Acquisition	\$ 320,000					\$ 320,000
Demolition/Construction/Rehabilitation	\$ 164,095	\$ 192,107	\$ 222	\$ 75,000	\$ 25,000	\$ 456,424

Funding Sources	FY13 & FY14	FY15	FY16	FY17	FY18	Total
Economic Redevelopment	\$ 23,019	\$ 11,758	\$ 222			\$ 34,999
Community Legacy	\$ 100,000			\$ 75,000	\$ 25,000	\$ 200,000
CDBG	\$ 361,076	\$ 57,503				\$ 418,579
Proceeds - Sale of 11-16 Public Square		\$ 122,846				\$ 122,846

ECONOMIC REDEVELOPMENT FUND - PROGRAM DESCRIPTION (continued)
FISCAL YEAR 2017/2018

Invest Hagerstown Program:

In order to stimulate redevelopment and investment in Hagerstown, the Mayor and City Council created multiple incentive programs under the Invest Hagerstown initiative. Each incentive program offered substantial City incentives for commercial redevelopment, mixed-use redevelopment, and residential investment. These successful programs were funded with General Fund Reserves and all program funding has been expended or committed to capacity. A funding chart and brief description of these programs are listed below.

The First Third Grant Program provided 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 partnered with the private sector to assist in moving development forward. This program resulted in a combined private and public investment City-wide estimated at \$4,173,000. By the end of FY18, all of the funding will be expended or committed for this program.

The City-Wide Down Payment/Rehab Incentive Program offered up to \$7,500 for homebuyers purchasing a vacant home within the City of Hagerstown. The program strengthened neighborhoods by encouraging homeownership of older structures that had been vacant for an extended period of time. Through calendar year 2016, this impactful program has assisted twenty-four (24) homeowners with transforming a vacant home into an owner-occupied residence. All program funding is now committed or expended. DCED will begin offering a new down payment assistance program in FY18 funded through a State Community Legacy Grant.

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. All program funding has now been expended.

Invest Hagerstown Program Incentives		2013/14	2014/15	2015/16	2016/17	2017/18
Expenditures	Designated	Actual	Actual	Actual	Est. Actual	Committed
Community First Third Grant	\$ 1,200,000	\$ 50,000	\$ 250,000	\$ 330,000	\$ 320,000	\$ 250,000
Downtown Rental Program	\$ 50,000	\$ -	\$ 16,950	\$ 33,484	\$ (434)	\$ -
Downtown Residency Program	\$ 70,000	\$ 12,550	\$ 40,000	\$ 17,450	\$ -	\$ -
City-Wide Residency Program	\$ 180,000	\$ 17,000	\$ 139,997	\$ 8,805	\$ 7,000	\$ 7,198
Total Expenditures per Year	\$ 1,500,000	\$ 79,550	\$ 446,947	\$ 389,739	\$ 326,566	\$ 257,198

ECONOMIC REDEVELOPMENT FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES					
Interest on Investments	\$ 98	\$ -	\$ 160	\$ 160	100.0%
State Community Legacy Grant	227,320	172,680	75,000	210,000	21.6%
Other Revenues	26,284	21,600	21,600	-	-100.0%
Total Revenues	253,702	194,280	96,760	210,160	8.2%
EXPENDITURES					
Administrative Expenditures	5,573	2,250	10,500	2,250	0.0%
Comm First Third Grant: Invest Hagerstown	330,000	400,000	320,000	250,000	-37.5%
City Center Rental:Invest Hagerstown	33,484	17,600	(434)	-	-100.0%
City Center Residency:Invest Hagerstown	17,450	-	-	-	0.0%
City-Wide Residency Prog:Invest Hagerstown	8,805	2,431	7,000	7,198	196.1%
PEP Subsidized Rent Payments	143,317	100,000	100,000	131,500	31.5%
Sign and Facade Grants	6,344	-	5,000	20,000	100.0%
USMH Housing Catalyst #3	103,739	21,500	15,000	10,000	-53.5%
Citywide Down Payment	-	-	-	38,473	100.0%
City Center Down Payment	-	-	-	25,000	100.0%
Current Property Expenditures	22,349	19,337	43,019	8,775	-54.6%
Total Expenditures	671,061	563,118	500,085	493,196	-12.4%
OTHER FINANCING SOURCES (USES)					
Transfers from General Fund	100,000	100,000	100,000	125,000	25.0%
Transfers from GF Fund Bal:Invest Hagerstown	386,736	420,031	326,566	257,198	-38.8%
Transfers from CDBG Fund	-	-	-	-	0.0%
Transfers from Property Management Fund	114,453	-	-	-	0.0%
Transfers from Upper Floors Fund	126,000	-	-	50,838	100.0%
Transfers (to) General Fund	(70,488)	-	-	-	0.0%
Total Other Financing Sources	656,701	520,031	426,566	433,036	-16.7%
Net Change in Fund Balance	239,342	151,193	23,241	150,000	-0.8%
Beginning Fund Balance	1,045,879	1,285,221	1,285,221	1,308,462	1.8%
Ending Fund Balance	\$ 1,285,221	\$ 1,436,414	\$ 1,308,462	\$ 1,458,462	1.5%

BUSINESS REVOLVING LOAN FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES & LOAN REPAYMENTS					
Program Income:					
Interest from Loans	19,688	15,000	23,469	28,186	87.9%
Interest on Investments	101	-	120	120	100.0%
Miscellaneous Revenues	600	-	200	-	0.0%
Total Revenues	20,389	15,000	23,789	28,306	88.7%
EXPENDITURES, NEW LOANS & OTHER WORKING CAPITAL					
Salary, Wages and Benefits	9,126	11,501	6,612	10,821	-5.9%
Contractual Services	1,878	2,596	2,482	2,495	-3.9%
Capital Outlay	-	-	-	-	0.0%
New Loan Expenditures	100,565	100,000	75,000	75,000	-25.0%
Allowance for Uncollectible Loans	14,914	-	-	-	0.0%
Total Expenditures	126,483	114,097	84,094	88,316	-22.6%
OTHER FINANCING SOURCES (USES)					
Transfer from Upper Floors Fund	-	-	-	-	0.0%
Total Other Financing Sources	-	-	-	-	0.0%
Net Change in Fund Balance	(106,094)	(99,097)	(60,305)	(60,010)	-39.4%
Beginning Fund Balance	1,078,814	972,720	972,720	912,415	-6.2%
Ending Fund Balance	\$ 972,720	\$ 873,623	\$ 912,415	\$ 852,405	-2.4%

STAFFING SUMMARY

	FY16 Actual	FY17		FY18 Budget
		Est Act	Budg	
Full time	0.16	0.15	0.15	0.15
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	0.16	0.15	0.15	0.15

UPPER FLOORS REDEVELOPMENT FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16 ACTUAL	2016/17		2017/18 PROPOSED	2017/18 % CHANGE
		BUDGET	EST. ACTUAL		
REVENUES					
Interest on Investments	\$ 97	\$ -	\$ 80	\$ -	0.0%
Total Revenues	97	-	80	-	0.0%
EXPENDITURES					
New Loan (Grant) Expenditures	-	-	-	-	0.0%
Total Expenditures	-	-	-	-	0.0%
OTHER FINANCING SOURCES (USES)					
Transfers (to) Bus Revolving Loan Fund	-	-	-	-	0.0%
Transfers (to) Econ. Redevelopment Fund	(126,000)	-	-	(50,838)	100.0%
Total Other Financing Sources	(126,000)	-	-	(50,838)	100.0%
Net Change in Fund Balance	(125,903)	-	80	(50,838)	100.0%
Beginning Fund Balance	176,664	50,761	50,761	50,841	0.2%
Ending Fund Balance	\$ 50,761	\$ 50,761	\$ 50,841	\$ 3	-100.0%

FOREST CONSERVATION FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	BUDGET	% CHANGE
REVENUES					
Reforestation Fees	\$ 2,554	\$ 12,500	\$ 22,333	\$ 20,000	60.0%
Interest on Investments	3	-	-	-	0.0%
Total Revenues	2,557	12,500	22,333	20,000	60.0%
OTHER FINANCING SOURCES (USES)					
Transfers (to) CIP Fund	(1,371)	-	-	(20,000)	100.0%
Total Other Financing Sources	(1,371)	-	-	(20,000)	100.0%
Net Change in Fund Balance	1,186	12,500	22,333	-	-100.0%
Beginning Fund Balance	1,374	2,560	2,560	24,893	872.4%
Ending Fund Balance	\$ 2,560	\$ 15,060	\$ 24,893	\$ 24,893	65.3%

EMPLOYEE FLEXIBLE SPENDING FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES					
Interest on Investments	\$ 65	\$ 20	\$ 10	\$ 10	-50.0%
Employer FICA Savings	6,345	4,800	5,300	5,300	10.4%
Unreimbursed Employee Deductions	14	1,000	5,800	1,000	0.0%
Total Revenues	6,424	5,820	11,110	6,310	8.4%
EXPENDITURES					
Contractual Services	7,074	7,200	8,700	8,700	20.8%
Other General Expense	833	1,096	982	995	-9.2%
Total Expenditures	7,907	8,296	9,682	9,695	16.9%
OTHER FINANCING SOURCES (USES)					
Transfers (to) General Fund	-	-	-	-	0.0%
Total Other Financing Uses	-	-	-	-	0.0%
Net Change in Fund Balance	(1,483)	(2,476)	1,428	(3,385)	36.7%
Beginning Fund Balance	13,709	12,226	12,226	13,654	11.7%
Ending Fund Balance	\$ 12,226	\$ 9,750	\$ 13,654	\$ 10,269	5.3%

EXCISE TAX FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES					
Interest on Investments	\$ 522	\$ 75	\$ 400	\$ 75	0.0%
Total Revenues	522	75	400	75	0.0%
OTHER FINANCING SOURCES (USES)					
Transfers (to) CIP Fund	(191,403)	(260,000)	(410,493)	-	-100.0%
Total Other Financing Sources	(191,403)	(260,000)	(410,493)	-	-100.0%
Net Change in Fund Balance	(190,881)	(259,925)	(410,093)	75	-100.0%
Beginning Fund Balance	607,025	416,144	416,144	6,051	-98.5%
Ending Fund Balance	\$ 416,144	\$ 156,219	\$ 6,051	\$ 6,126	-96.1%

GRANT FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES:					
Federal Grants	\$ 212,870	\$ 133,558	\$ 166,631	\$ 65,454	-51.0%
State Grants	232,673	232,018	315,349	266,024	14.7%
County Grants	17,500	-	2,500	-	0.0%
Program Income	38	-	-	-	0.0%
Total Revenues	463,081	365,576	484,480	331,478	-9.3%
EXPENDITURES:					
Salary and Wages	129,847	139,160	137,024	126,030	-9.4%
Benefits	15,478	19,464	19,706	21,530	10.6%
Overtime	79,446	77,382	96,384	82,695	6.9%
Personnel Subtotal	224,771	236,006	253,114	230,255	-2.4%
Contractual Services	63,566	33,423	92,710	33,423	0.0%
Commercial Rehab	9,115	-	-	-	0.0%
Operating Expenditures	184,972	78,988	83,661	-	-100.0%
Capital Outlay	19,439	25,326	35,238	27,800	9.8%
Other General Expenses	1,364	-	25,000	40,000	100.0%
Operating Subtotal	278,456	137,737	236,609	101,223	-26.5%
TOTAL EXPENDITURES	503,227	373,743	489,723	331,478	-11.3%
OTHER FINANCING SOURCES (USES)					
Transfer from General Fund	40,597	8,167	8,166	-	-100.0%
Total Other Financing Sources	40,597	8,167	8,166	-	-100.0%
Net Change in Fund Balance	451	-	2,923	-	0.0%
Beginning Fund Balance	163,848	164,299	164,299	167,222	1.8%
Ending Fund Balance	\$ 164,299	\$ 164,299	\$ 167,222	\$ 167,222	1.8%

Activity in this fund is dependent on grants that we receive. The following grants have been included for next year:

		2017/18 PROPOSED
Police Department	FY18 HPD New Body Armor	5,000
	FY17 Bulletproof Vest Partnership Program	22,800
	FY18 Hagerstown PD MHSO Traffic Safety Program	9,375
	FY18 GVRG Cease Fire	60,000
	FY18 Safe Streets	161,024
	FY17 JAG Program	10,154
	FY16 Hagerstown PD MHSO Traffic Safety Program	3,125
	FY17 Lethality Assessment Coordinator	2,864
	FY18 Lethality Assessment Coordinator	17,136
Total Police Department		291,478
Community Development	FY18 Community Legacy Façade Program	25,000
	FY18 Main Street: Pop Up/Permanent Retail	8,000
	FY18 Main Street: Architectural Services/Code	7,000
Total Community Development		40,000
Total Grant Revenues		\$ 331,478

GRANT FUND CAPITAL EXPENSES
FISCAL YEAR 2017/2018

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Future State Body Armor Grant 1610000-5834 Fire Arms, Body Armor	Police Use	Purchase of new body armor and bulletproof vest	5,000
Future Bulletproof Vest Partnership 1610000-5834 Fire Arms, Body Armor	Police Use	Purchase of new body armor and bulletproof vest	22,800
Total Bulletproof Vest Partnership			27,800
TOTAL CAPITAL OUTLAY			\$ 27,800

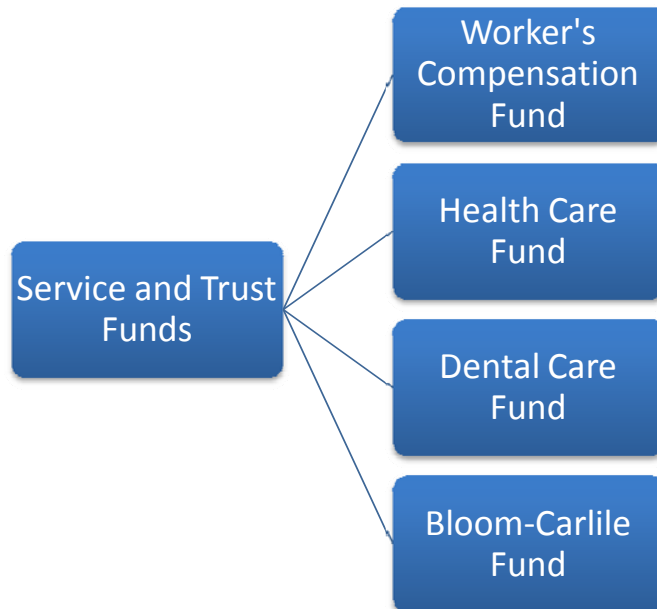
SERVICE AND TRUST FUNDS
SECTION 6

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SERVICE & TRUST FUND - COMBINING STATEMENT
FISCAL YEAR 2017/2018

ACCOUNT DESCRIPTION	WORKERS COMPENSATION	HEALTH CARE	DENTAL CARE	BLOOM- CARLILE	TOTAL
OPERATING REVENUES					
Premium Revenues	\$ 1,129,042	\$ 8,017,168	\$ 427,275	\$ -	\$ 9,573,485
Prescription Rebates	-	75,000	-	-	75,000
Total Operating Revenues	\$ 1,129,042	8,092,168	427,275	-	9,648,485
OPERATING EXPENSES					
Medical Loss Reimbursement, Stop					
Loss Reinsurance, & Excess Insurance	1,052,946	7,202,755	341,087	-	8,596,788
OPEB Trust Contributions	-	650,000	-	-	650,000
Legal Fees, Claims Administrative Expenses & Injury and Damage Awards	144,976	360,985	38,220	-	544,181
Health Savings Acct Contributions	-	41,000	-	-	41,000
Audit Fees	332	332	331	-	995
Community Assistance Expenditures	-	-	-	6,100	6,100
Total Operating Expenses	\$ 1,198,254	8,255,072	379,638	6,100	9,839,064
Operating Income (Loss)	\$ (69,212)	(162,904)	47,637	(6,100)	(190,579)
NON OPERATING REVENUES (EXPENSES)					
Investment Earnings	(125)	5,825	338	75	6,113
Total Other Income (Expense)	\$ (125)	5,825	338	75	6,113
Net Income before Operating Transfers	\$ (69,337)	(157,079)	47,975	(6,025)	(184,466)
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers out - General Fund	-	(545,825)	-	-	(545,825)
Transfers out -Electric Fund	-	(53,079)	-	-	(53,079)
Transfers out- Water Fund	-	(76,308)	-	-	(76,308)
Transfers out -Wastewater Fund	-	(76,306)	-	-	(76,306)
Total Transfers From (To) Funds	-	(751,518)	-	-	(751,518)
Increase (Decrease) in Retained Earnings	\$ (69,337)	\$ (908,597)	\$ 47,975	\$ (6,025)	\$ (935,984)
Beginning Fund Balance	1,181,950	3,350,938	344,038	103,044	4,979,970
Ending Fund Balance	\$ 1,112,613	\$ 2,442,341	\$ 392,013	\$ 97,019	\$ 4,043,986



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 used 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 transitioned 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 as determined by our actuarial consultants, CBIZ. These billings represent funding sources for the Health Care Fund from which all health care related administrative and medical reimbursement costs are paid.

DENTAL CARE FUND OVERVIEW

The Dental Care fund was created in 2006 to manage the City's 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 as determined by our actuarial consultants, CBIZ. These billings represent funding sources for the Dental Care fund from which all dental care related administrative and medical reimbursement costs are paid.

BLOOM-CARLILE TRUST FUND OVERVIEW

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

The Washington County Community Action Council has been administering disbursement of these funds on a no-cost basis for the City since 1983. All funds are disbursed based on an agreed upon operating policy and are reviewed by the Clerk's Office for compliance with the program guidelines.

WORKERS COMPENSATION FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
REVENUES BY TYPE					
Premium Revenues	\$ 1,089,117	\$ 1,108,265	\$ 1,108,258	\$ 1,129,042	1.9%
Interest Income from Investments	(115)	-	(125)	(125)	100.0%
Miscellaneous Revenues	44	-	-	-	0.0%
Total Revenues	\$ 1,089,046	\$ 1,108,265	\$ 1,108,133	\$ 1,128,917	1.9%
EXPENDITURES BY TYPE					
Excess Insurance	-	155,584	166,589	187,000	20.2%
Claims Expense	379,641	848,966	848,967	865,946	2.0%
Administrative Expenses	43,915	61,039	61,039	61,039	0.0%
Audit Fees	366	483	327	332	-31.3%
Legal Fees	4,814	40,503	40,503	40,503	0.0%
Other Professional Services Fees	38,100	43,434	43,434	43,434	0.0%
Total Expenditures & Transfers	\$ 466,836	\$ 1,150,009	\$ 1,160,859	\$ 1,198,254	4.2%
Expenditures, net of Revenues	\$ (622,210)	\$ 41,744	\$ 52,726	\$ 69,337	66.1%
Beginning Fund Balance	612,466	1,234,676	1,234,676	1,181,950	-4.3%
Ending Fund Balance	\$ 1,234,676	\$ 1,192,932	\$ 1,181,950	\$ 1,112,613	-6.7%

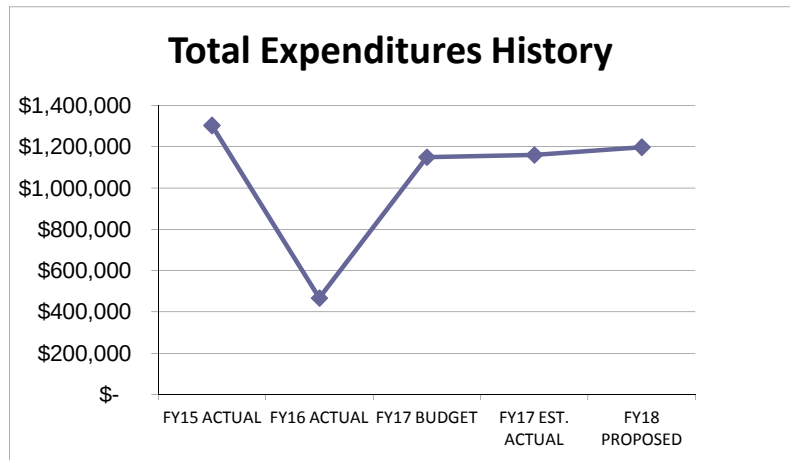
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Total expenditures for FY17 estimated actual are anticipated to be slightly higher than the FY17 budget by about .90% or \$11K. This slight increase is a result of excess workers compensation insurance being over budget. In addition, the revenue is anticipated to remain flat for the adopted budget FY17 compared to the estimated actual FY17 budget. The premium revenues reflect amounts charged to all other City funds and were established with slightly higher rates based on anticipated expenses.

Adopted FY17 to Proposed FY18

Total expenditures for FY18 are projected to increase by 4.2% or \$48K due to higher claims expenses and an anticipated increase in excess workers compensation insurance. In addition, the revenue will only increase slightly by 1.9% or \$20K.



HEALTH CARE FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
REVENUES BY TYPE					
Premium Revenues-City	\$ 6,402,606	\$ 6,865,498	\$ 5,954,901	\$ 6,626,652	-3.5%
Premium Revenues-Employees	1,147,213	1,274,100	1,148,243	1,148,243	-9.9%
Premium Revenues-Retirees	246,126	241,686	242,273	242,273	0.2%
Prescription Rebates	90,118	50,000	75,000	75,000	50.0%
Miscellaneous Revenue	2,684	-	-	-	0.0%
Interest from Investments	5,124	1,300	5,825	5,825	348.1%
Total Revenues	\$ 7,893,871	\$ 8,432,584	\$ 7,426,242	\$ 8,097,993	-4.0%

EXPENDITURES BY TYPE

Medical Loss Reimbursements	5,930,959	7,015,710	5,930,959	6,768,325	-3.5%
Claims Reserve Expense	(119,235)	75,000	75,000	75,000	0.0%
Health Savings Acct Contributions	26,625	25,000	35,000	41,000	64.0%
Administrative Expenses	375,591	398,508	404,842	360,985	-9.4%
Audit Fees	367	482	327	332	-31.1%
Stop Loss Reinsurance Expense	283,893	325,306	313,094	359,430	10.5%
OPEB Trust Contributions	650,000	350,000	650,000	650,000	85.7%
OPEB Reimbursement - City	-	300,000	-	-	-100.0%
Transfers to General Fund	49,153	55,000	55,000	545,825	892.4%
Transfers to Electric Fund	-	-	-	53,079	100.0%
Transfers to Water Fund	-	-	-	76,308	100.0%
Transfers to Wastewater Fund	-	-	-	76,306	100.0%
Total Expenditures & Transfers	\$ 7,197,353	\$ 8,545,006	\$ 7,464,222	\$ 9,006,590	5.4%

Expenditures, net of Revenues	\$ (696,518)	\$ 112,422	\$ 37,980	\$ 908,597	708.2%

Beginning Fund Balance	2,692,400	3,388,918	3,388,918	3,350,938	-1.1%
Ending Fund Balance	\$ 3,388,918	\$ 3,276,496	\$ 3,350,938	\$ 2,442,341	-25.5%

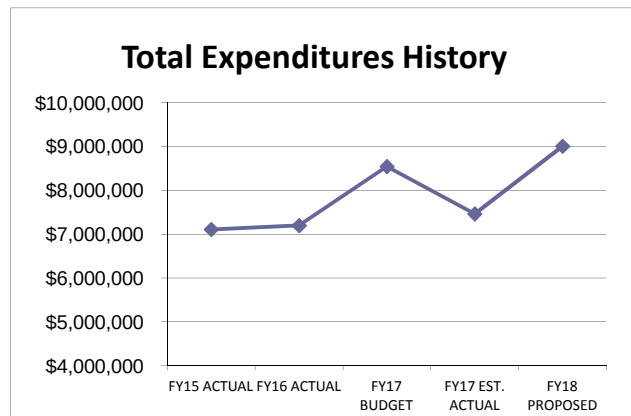
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

As a result of a decrease in medical claim costs and stop loss reinsurance expense, total expenditures are projected to be approximately 12.6% or \$1.1M less than originally included in the budget. In the current year to date, the City has experienced lower actual paid claims than was anticipated when preparing the FY17 budget. Likewise, the associated premium revenues charged and paid by the City is expected to decrease total revenues by 12.4% or \$1M.

Adopted FY17 to Proposed FY18

As a result of a current trends for medical expense claims and administrative expenses, the expenditures for proposed FY18 are projected to be 2.9% or \$234,934 lower than FY17 budget, excluding transfers to other funds. As a result of the projected decrease in medical expenses, the revenues charged across all City funds in FY18 budget will decrease and be reflected in the total revenue change of 4.5% or \$364,116. In FY18, the City will be including a possible one time transfer back to other funds in addition to the \$55K budgeted in FY17. This transfer represents a FY16 actual surplus of \$697K in the Health Insurance Fund.



DENTAL CARE FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16	2016/17		2017/18	2017/18
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES BY TYPE					
Premium Revenues-City	\$ 191,314	\$ 202,521	\$ 193,049	\$ 199,692	-1.4%
Premium Revenues-Employees	156,156	159,944	149,306	149,306	-6.7%
Premium Revenues-Retirees	62,452	61,842	78,277	78,277	26.6%
Interest from Investments	247	50	338	338	576.0%
Total Revenues	\$ 410,169	\$ 424,357	\$ 420,970	\$ 427,613	0.8%
EXPENDITURES BY TYPE					
Medical Claims Expense	286,640	307,565	297,527	336,087	9.3%
Administrative Expenses	26,190	28,076	27,808	38,220	36.1%
Claims Reserve Expense	2,502	5,000	5,000	5,000	0.0%
Audit Fees	367	482	327	331	-31.3%
Total Expenditures & Transfers	\$ 315,699	\$ 341,123	\$ 330,662	\$ 379,638	11.3%
Expenditures, net of Revenues	\$ (94,470)	\$ (83,234)	\$ (90,308)	\$ (47,975)	-42.4%
Beginning Fund Balance	159,260	253,730	253,730	344,038	35.6%
Ending Fund Balance	\$ 253,730	\$ 336,964	\$ 344,038	\$ 392,013	16.3%

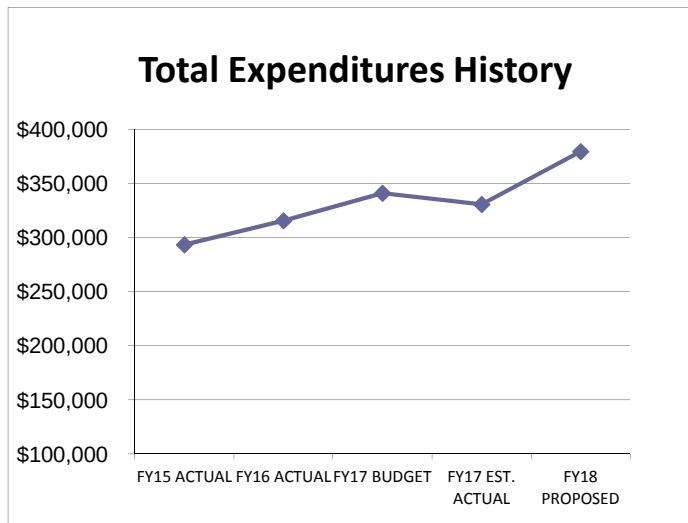
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

Total expenditures for FY17 estimated actual compared to FY17 budget are lower by 3.1% or \$10K as a result of lower actual dental claims paid. Likewise, revenue has decreased 0.8% or \$3K as a direct result of this trend.

Adopted FY17 to Proposed FY18

As a result of current trends in dental claims for FY17 and historical data provided by our consultant CBIZ, the medical claims expense expenditures for proposed FY18 are expected to increase by 9.3% or \$29K. Administrative expenses are expected to increase by \$10K or 36.1% for consulting fees. Additionally, the revenues are expected to increase by 0.8% or \$3K.



BLOOM-CARLILE TRUST FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2017/2018

EXPENDITURE AND REVENUE SUMMARY

	2015/16 ACTUAL	2016/17 BUDGET	2016/17 EST. ACTUAL	2017/18 PROPOSED	2017/18 % CHANGE
REVENUES BY TYPE					
Interest Earned	\$ 67	\$ 25	\$ 75	\$ 75	200.0%
Total Revenues	\$ 67	\$ 25	\$ 75	\$ 75	200.0%
EXPENDITURES BY TYPE					
Utilities	2,431	800	2,500	2,500	212.5%
Shelter	3,590	4,000	3,600	3,600	-10.0%
Total Expenditures & Transfers	\$ 6,021	\$ 4,800	\$ 6,100	\$ 6,100	27.1%
Expenditures, net of Revenues	\$ 5,954	\$ 4,775	\$ 6,025	\$ 6,025	26.2%
Beginning Fund Balance	115,023	109,069	109,069	103,044	-5.5%
Ending Fund Balance	\$ 109,069	\$ 104,294	\$ 103,044	\$ 97,019	-7.0%

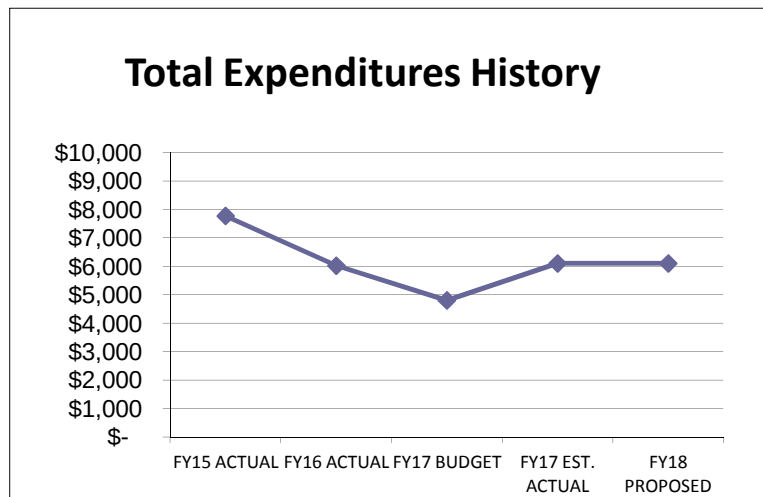
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY17 to Estimated Actual FY17

It is anticipated that we will need to appropriate about \$6,000 from accumulated prior years earnings to cover the shortfall between FY17 interest earnings and FY17 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 FY17 to Proposed FY18

For many years, the budget limited the pledge to the Community Action Council to the next year's anticipated interest earnings. This limitation withheld assistance to the poor and needy of Hagerstown in economic slumps when the need was the greatest. In addition, interest rates had declined over this same period of time which led to even less interest revenue being generate. Our FY18 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 2018/2022
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 FY2017/18 Proposed Budget as a baseline.
- Maintaining a broader view of the impact of the current budget process, fiscal policies, service levels, and Capital Improvement Plans.
- Enabling us to forecast the possible results of our current business plans and decisions to become more proactive in financial management and planning efforts.
- Reviewing and analyzing the impact of expected fiscal and economic trends on the City's financial condition.
- Reviewing the sufficiency of projected revenues in meeting projected expenditures.
- Analyzing the financial impact and affordability of the capital improvement programs.
- Reviewing the timing and amounts of needed debt financing and its fiscal impact.
- Determining the timing and magnitude of required revenue rate adjustments.

The projections are based on information available to staff as of March 1, 2017. 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 have slight growth for FY2017/18 and future years as a result of current market rates and interest rates adjustments made by the Federal Reserve System.
- The Wage & Benefits projections contain potential salary enhancements for FY2017/18. (See Section 1 page 7 for specific wage history trends by employee group). The projections include a combination of salary enhancements annually from FY2017/18 through FY2021/22. Additionally, 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 FY2021/22. The City has four collective bargaining union groups and all four groups have contracts that expire on June 30, 2017.
- The overall average projected increase in employee benefits range from 3.6% to 6.1% 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 FY2017/18 includes a one-time potential distribution of the Health Insurance's surplus from FY2015/16.
- 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% through 4.75% interest rate range over a 20 or 30 year term and includes both City issued bonds and MDE issued bonds/loans.
- In addition to covering 100% of the claims and cost incurred for retired employees, the City makes annual contributions to a separate trust account for Other Post-Employment Benefits (OPEB). The annual amount to be contributed in FY2017/18 and all future projections through FY2021/22 is \$650K.
- 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 was effective and reflected in the City's financial statements since FY2014/15.

GENERAL FUND PROJECTIONS
FISCAL YEAR 2018/2022
ASSUMPTIONS

- In general, total revenue growth (excluding the “NEEDED REVENUE SOURCE” amount) is projected to increase from 1.0% in FY2018/19 to 1.6% in FY2019/20 dependent on property assessed values. Due to several contributing factors, new and / or increased revenue sources are needed beginning in FY2017/18 to help offset estimates for future periods. The primary factors that impact the projections for FY2018/19 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 4.0% 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 2017/18, the property tax rate is proposed to increase by \$0.055 from current FY2016/17 level of \$0.913 per \$100 of assessed value to \$0.968 per \$100 of assessed value. The proposed increase in tax rate is a reflection of declining reassessed property values within the City of 3.05% received in February 2017 from the State Department of Assessments & Taxation (see Section 7 page 6 for details). This represents the third consecutive triennial assessment decrease. In addition, the proposed tax rate is a result of rising employee payroll costs (including benefits like health insurance, dental insurance, pension contributions) and annual debt service requirements. For future years, the projections include slight growth in property tax revenue in FY2018/19 through FY2021/22 based on overall trends experienced after the prior triennial assessment period in December 2013.
- 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 2017/18 and future years.
- From FY2016/17 to FY2017/18 budget, the overall City portion of Income & Other Taxes is expected to decline slightly by 0.7% primarily as a result of reducing Income Tax allocation from the State and reduced State Aid for Police Protection. It is projected for overall annual growth to remain flat at 1.6% increase through from FY2019/20 through FY2021/22. The projections include modest continued growth in income tax, admission and amusement tax, and hotel/motel room tax based on the current economy and trends.
- Most operating grant revenues and related expenditures are separately reflected in the Grants Fund except three federal COPS Hiring Grants (2012, 2013, and 2015) 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. Finally, the 2015 COPS Hiring grant will reimburse a portion of four (4) 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. All of the COPS Hiring Grants have a declining federal reimbursement percentage annually which is reflected in the decreasing amounts in the Grants revenue line item with FY2018/19 being the final year of reimbursement.
- The Safe Speed for Students Program (an automated speed camera program) began in phases in April 2012. This revenue is included in Fines and Forfeitures and is used exclusively to support public safety activities. In FY2017/18 budget, Safe Speed revenue represents 2.9% or \$1.25 million of total operating revenue. Future projections include flat to modest growth trends with future revenue projections of \$1.25 million in 2019/20 and \$1.35 million thereafter.
- Beginning in FY2017/18, there is a new revenue source included for the implementation of Red Light Cameras. To date, the City has entered into an agreement with Howard County Consortium to participate in its established program which was approved on October 18, 2016.
- 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 grants and 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. All four collective bargaining contracts currently expire on June 30, 2016. Additionally, the projections include the continuation of combined salary enhancements annually through FY2021/22. The projection includes savings associated with 14 unfunded vacant positions in FY2017/18 and holds these positions unfunded through FY2021/22.
- The overall average projected changes in employee benefits range from 3.6% to 6.1% 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 5.4% of all general fund expenditures in FY2017/18 budget, or \$2.4 million. As reflected on the debt service schedule on page 12, annual debt service requirements are expected to increase annually from FY2018/19 through FY2021/22 except in FY2020/21 respectively by 21.0%, 11.8%, and 5.1%. 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 8, 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 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

	2014/15	2015/16	2016/17		2017/18	2015/16		2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	ADOPTED BUDGET	PROJ. CHG%	PROJ.	PROJ.	PROJ.	PROJ.
REVENUES											
Property Taxes	\$ 24,478	\$ 25,690	\$ 25,568	\$ 26,007	\$ 26,709	\$ 26,037	S	\$ 27,209	\$ 27,742	\$ 28,575	\$ 29,137
Payments in Lieu of Taxes	2,732	2,773	2,739	2,815	2,814	2,814	S	2,844	2,867	2,890	2,913
Total property taxes	27,210	28,463	28,307	28,822	29,523	28,851		30,053	30,609	31,466	32,051
	7.9%	12.2%	-0.5%	1.8%	4.3%	1.9%		1.8%	1.8%	2.8%	1.9%
Income Tax	2,559	2,428	2,550	2,440	2,445	2,445	2.0%	2,494	2,544	2,595	2,647
Police / Fire Protection	785	757	785	788	745	745	0.5%	749	752	756	760
Admission Tax	214	329	205	328	330	330	0.5%	332	333	335	337
Financial Corporations	34	34	34	34	34	34		34	34	34	34
Room Tax - Tourism Promotion	191	194	184	185	188	188	2.5%	193	198	202	208
Enterprise Zone Tax Credits	70	48	30	30	21	21		30	30	30	30
Total Income & Other Taxes	3,853	3,790	3,788	3,805	3,763	3,763		3,831	3,891	3,953	4,015
	13.8%	0.7%	-0.1%	0.4%	-0.7%	-0.7%		1.8%	1.6%	1.6%	1.6%
Total Tax & Shared Revenues	31,063	32,253	32,095	32,627	33,286	32,614		33,885	34,501	35,418	36,066
	8.6%	10.7%	-0.5%	1.7%	3.7%	1.6%		1.8%	1.8%	2.7%	1.8%
Grants	588	657	503	492	491	511	S	417	298	298	298
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	2,238	2,252	2,256	2,266	2,291	2,291	2.5%	2,348	2,407	2,467	2,529
Other Service Charges	458	510	583	591	549	549	2.0%	560	571	583	594
Residential Rental Licenses & Vacant Structures	849	776	795	699	740	740	2.0%	755	770	785	801
Cable TV Franchise	425	416	425	410	410	410	2.0%	418	427	435	444
Other Licenses & Permits	986	718	863	806	906	906	1.0%	915	924	933	943
Interest	9	26	5	18	18	18	3.0%	19	19	20	20
Safe Speed for School Fines	1,394	1,222	1,655	1,049	1,100	1,100		1,250	1,250	1,350	1,350
Other Fines & Forfeitures	167	217	154	190	179	179	3.0%	184	190	196	201
Red Light Camera Citations	-	-	50	-	121	121		200	250	300	350
Stormwater Management Fees	-	-	-	-	-	200		-	-	-	-
Rental Income	251	183	202	182	208	208		208	218	219	220
Other Revenues	733	490	320	330	794	824	S	306	306	306	306
NEEDED REVENUE SOURCE*	-	-	-	-	-	-		2,706	2,974	2,962	3,319
Total Other Revenues	10,129	9,498	9,842	9,064	9,838	10,088		12,368	12,738	13,041	13,617
Total Revenues	41,192	41,751	41,937	41,691	43,124	42,702		46,253	47,238	48,459	49,683
% Revenue Growth	7.6%	9.4%	0.4%	-0.6%	2.8%	1.8%		7.3%	2.1%	2.6%	2.5%
Appropriated Fund Balance to											
Econ Redevelopment: Invest Hagerstown	-	-	420	-	257	257		-	-	-	-
Appropriated Fund Balance to											
CIP Fund: Capital Expenditures	-	-	-	-	1,052	1,049		-	-	-	-
Total Other Funding Sources	-	-	420	-	1,309	1,306		-	-	-	-
Total Funding Sources	\$ 41,192	\$ 41,751	\$ 42,357	\$ 41,691	\$ 44,433	\$ 44,008		\$ 46,253	\$ 47,238	\$ 48,459	\$ 49,683

*FY18 proposed budget included a potential new revenue source for a Red Light Cameras program. It is now anticipated that this new program will begin in FY19.

**FY19 projections currently estimate additional \$2.7M in changes needed. This \$2.7M reflects funding equipment and CIP transfers with annual operations, combined 1.0% growth in current revenue sources, an overall preliminary estimate of 4.0% 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 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

	2014/15	2015/16	2016/17	2016/17	2017/18	2017/18		2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	ADOPTED BUDGET	PROJ. CHG%	PROJ.	PROJ.	PROJ.	PROJ.
EXPENDITURES											
Salaries and Wages	\$ 18,459	\$ 18,809	\$ 19,081	\$ 18,313	\$ 19,757	\$ 19,657	S	\$ 20,359	\$ 20,865	\$ 21,483	\$ 22,018
Fringe Benefits -											
Active Employees	7,792	7,820	8,087	7,445	8,160	8,160	S	8,675	8,971	9,289	9,602
Retirees	1,404	1,457	1,267	1,529	1,574	1,529	S	1,651	1,732	1,817	1,907
Total Wages & Benefits	27,655	28,086	28,435	27,287	29,491	29,346		30,685	31,569	32,590	33,527
	9.0%	1.6%	1.2%	-4.0%	3.7%	3.2%		4.0%	2.9%	3.2%	2.9%
Contracted Services	4,341	4,306	4,370	4,392	4,488	4,407	S	4,575	4,675	4,778	4,884
Advertising & Printing	248	212	264	271	280	247	2.0%	286	291	297	303
Rentals	102	109	115	114	115	115		110	110	110	110
Maintenance & Repairs	725	807	826	906	958	958		875	875	875	875
Vehicle Expenses	952	848	1,003	886	974	974	2.0%	993	1,013	1,034	1,054
Materials, Supplies & Utilities	2,147	1,911	2,125	2,146	2,124	2,127	3.0%	2,188	2,253	2,321	2,391
Professional Development	147	124	195	194	214	204		170	175	180	185
Communication	335	348	331	357	354	354		340	342	344	346
Wage & Overhead Allocation	(943)	(937)	(1,151)	(733)	(906)	(906)		(943)	(970)	(1,001)	(1,030)
Other General Expenditures	555	661	834	737	855	844		860	865	870	875
Insurance	257	182	299	234	290	290	5.0%	305	320	336	352
Unallocated Gen'l Expenditures	980	570	585	583	590	590		592	592	594	596
Capital Outlay - Non-CIP	179	248	278	305	231	223		233	233	238	238
Debt Service	1,829	2,026	2,166	2,046	2,414	2,414	S	2,920	3,265	3,165	3,325
Operating Transfers to Other Funds	235	374	308	328	345	345	S	412	509	425	425
Capital Transfers to CIP Fund	354	823	952	985	296	130		1,652	1,121	1,304	1,227
Fund Balance Transfers to CIP Fund	547	104	-	-	1,052	1,049		-	-	-	-
Fund Balance Trans for Invest Hag	450	387	420	327	257	257		-	-	-	-
Total Expenditures	41,095	41,189	42,355	41,365	44,422	43,967		46,252	47,238	48,459	49,683
<i>% Expenditures Growth</i>	8.1%	0.2%	2.8%	-2.3%	4.9%	3.8%		4.1%	2.1%	2.6%	2.5%
Surplus / (Deficit)	\$ 97	\$ 562	\$ 2	\$ 326	\$ 11	\$ 41		\$ 0	\$ (0)	\$ (0)	\$ (0)
Real Estate Tax Rates	\$ 0.898	\$ 0.913	\$ 0.913	\$ 0.913	\$ 0.968	\$ 0.941		\$ 0.968	\$ 0.968	\$ 0.968	\$ 0.968
Change in Tax Rates	\$ 0.110	\$ 0.125	\$ -	\$ -	\$ 0.055	\$ 0.028		\$ -	\$ -	\$ -	\$ -
Each penny on the real estate tax rate generates additional revenue of	\$ 247	\$ 253	\$ 252	\$ 257	\$ 249	\$ 249		\$ 254	\$ 259	\$ 268	\$ 273
Personal Property Tax Rates	\$ 2.245	\$ 2.283	\$ 2.283	\$ 2.283	\$ 2.420	\$ 2.353		\$ 2.420	\$ 2.420	\$ 2.420	\$ 2.420
Change in Tax Rates	\$ 0.275	\$ 0.313	\$ -	\$ -	\$ 0.138	\$ 0.070		\$ -	\$ -	\$ -	\$ -
Each penny on the personal property tax rate generates additional revenue of	\$ 10	\$ 11	\$ 12	\$ 12	\$ 12	\$ 12		\$ 12	\$ 12	\$ 12	\$ 12

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2018/2022
PROPERTY TAXES
(IN THOUSANDS)

	2014/15 ACTUAL	2015/16 ACTUAL	2016/17		2017/18 PROPOSED BUDGET	2017/18 ADOPTED BUDGET	PROJ. CHG% *	2018/19 PROJ.	2019/20 PROJ.	2020/21 PROJ.	2021/22 PROJ.
			REVISED BUDGET	EST. ACTUAL							
Real Estate - Full Year Levy	\$ 22,274	\$ 23,107	\$ 23,257	\$ 23,390	\$ 24,045	\$ 23,373		\$ 24,547	\$ 25,031	\$ 25,826	\$ 26,371
% Increase	7.5%	3.7%	0.6%	0.6%	3.4%	0.5%		2.1%	2.0%	3.2%	2.1%
Personal Property - UnInc	54	36	40	45	41	41	0.5%	41	41	42	42
Personal Property - Corp	2,443	2,770	2,710	2,770	2,850	2,850	0.5%	2,864	2,879	2,893	2,907
Homestead Tax Credit	(53)	(91)	(95)	(73)	(95)	(95)		(100)	(100)	(100)	(100)
Enterprise Zone Tax Credit Progr	(140)	(97)	(96)	(61)	(41)	(41)		(75)	(75)	(75)	(75)
Tax Exemption - Real Estate	(253)	(139)	(200)	(117)	(150)	(150)		(130)	(98)	(78)	(78)
Total Current Year's Levy	24,325	25,586	25,616	25,954	26,650	25,978		27,147	27,678	28,508	29,067
Reserve for Uncollect Taxes	(46)	(68)	(125)	(68)	(60)	(60)		(60)	(60)	(60)	(60)
Total Adj - Prior Yrs Levies	(46)	(68)	(125)	(68)	(60)	(60)		(60)	(60)	(60)	(60)
Current Years Levy	230	202	108	150	150	150		153	156	161	165
Total Interest on Delinq Tax	230	202	108	150	150	150		153	156	161	165
Tax Discounts/Allows - C/Yr	(31)	(30)	(31)	(29)	(31)	(31)		(32)	(32)	(33)	(34)
Total Tax Discounts/Allows	(31)	(30)	(31)	(29)	(31)	(31)		(32)	(32)	(33)	(34)
Total Property Taxes	24,478	25,690	25,568	26,007	26,709	26,037		27,209	27,742	28,575	29,137
% Increase	8.1%	5.0%	-0.5%	1.7%	4.5%	1.8%		1.9%	2.0%	3.0%	2.0%
Hag Housing Authority	85	110	87	87	87	87	0.8%	88	88	89	90
Bethel Gardens	11	12	12	21	12	12		20	20	20	20
Liberty Property	81	93	85	152	160	160	0.0%	161	163	164	165
CW Brooks Mid-Rise	8	10	7	8	8	8	0.0%	8	8	8	8
Electric Fund	532	532	532	532	532	532	0.0%	536	541	545	549
Water Fund	660	660	660	660	660	660	0.0%	665	671	676	681
Wastewater Fund	1,298	1,298	1,298	1,298	1,298	1,298	0.0%	1,308	1,319	1,329	1,340
Property Management Fund	57	58	58	57	57	57	0.0%	57	58	58	59
Total Pymts in Lieu of Taxes	2,732	2,773	2,739	2,815	2,814	2,814		2,844	2,867	2,890	2,913
% Increase	0.8%	1.5%	-1.2%	2.8%	2.7%	2.7%		0.0%	0.8%	0.8%	0.8%
Total Property Taxes	\$ 27,210	\$ 28,463	\$ 28,307	\$ 28,822	\$ 29,523	\$ 28,851		\$ 30,053	\$ 30,609	\$ 31,466	\$ 32,051
% Increase	7.3%	4.6%	-0.5%	1.8%	4.3%	1.9%		1.8%	1.8%	2.8%	1.9%

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2018/2022
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	Real Estate and Property Tax Revenue (in thousands)	Property Taxes - % Change from Prior Year
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%	0.680	0.0%	9,821	0.8%
Actual 1998/1999	1,278	1.1%	0.696	2.4%	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%
Actual 2014/2015	2,542	-4.6%	0.898	14.0%	24,325	8.6%
Actual 2015/2016	2,618	3.0%	0.913	1.7%	25,586	5.2%
Estimated 2016/2017	2,658	1.5%	0.913	0.0%	25,954	1.4%
Proposed 2017/2018	2,574	-3.2% **	0.968	6.0%	26,650	2.7%
Adopted 2017/2018	2,576	-3.1%	0.941	3.1%	25,978	0.1%
Projected 2018/2019	2,624	2.0%	0.968	0.0%	27,147	1.9%
Projected 2019/2020	2,678	2.1%	0.968	0.0%	27,679	2.0%
Projected 2020/2021	2,763	3.2%	0.968	0.0%	28,508	3.0%
Projected 2021/2022	2,820	2.1%	0.968	0.0%	29,068	2.0%

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

**The assessable base value per the February 2017 Constant Yield Notice memo reflects an expected real property assessed value of 2,468 which is a decrease of 3.05% over current levels. The City chart above assumes a slightly higher average assessable base value which includes personal property values. In addition, the chart above reflects the average value for all of FY18 and not just the value estimated to be on July 1.

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2018/2022
ASSESSABLE BASE TABLE
(IN THOUSANDS)

	ACTUAL 2014/15	ACTUAL 2015/16	EST. ACTUAL 2016/17	PROPOSED BUDGET 2017/18	ADOPTED BUDGET 2017/18	PROJECTED 2018/19
For Full Year Levy	\$ 22,274	\$ 23,107	\$ 23,390	\$ 24,045	\$ 23,373	\$ 24,547
Enterprise Zone Tax Credit Program	(140)	(97)	(61)	(41)	(41)	(75)
Tax Exemption - Real Estate	(253)	(139)	(117)	(150)	(150)	(130)
Homestead Tax Credit Cap	(53)	(91)	(73)	(95)	(95)	(100)
Net Real Estate Taxes	21,828	22,780	23,139	23,759	23,087	24,242
	8.8%	4.4%	1.6%	2.7%	-0.2%	2.0%
Unincorporated Personal Property	54	36	45	41	41	41
Corporate Personal Property	2,443	2,770	2,770	2,850	2,850	2,864
Total Personal Property	2,497	2,806	2,815	2,891	2,891	2,905
	7.3%	12.4%	0.3%	2.7%	2.7%	0.5%
Current Year's Levy	\$ 24,325	\$ 25,586	\$ 25,954	\$ 26,650	\$ 25,978	\$ 27,147
	8.6%	5.2%	1.4%	2.7%	0.1%	1.9%
Real Estate Tax Rate	\$ 0.898	\$ 0.913	\$ 0.913	\$ 0.968	\$ 0.941	\$ 0.968
Business Property Tax Rate	\$ 2.245	\$ 2.283	\$ 2.283	\$ 2.420	\$ 2.353	\$ 2.420
Assessable Base						
Real Property	\$ 2,430,735	\$ 2,495,071	\$ 2,534,392	\$ 2,454,442	\$ 2,453,454	\$ 2,504,336
	-4.6%	-2.0%	1.6%	-3.2%	-3.2%	2.0%
[(Net Real Estate Taxes / Tax Rate)/10]						
Business Personal Property	111,225	122,935	123,330	119,463	122,891	120,041
	-5.9%	4.0%	0.3%	-3.1%	-0.4%	0.5%
[Total Personal Property / Tax Rate]						
Total Assessable Base	\$ 2,541,960	\$ 2,618,007	\$ 2,657,722	\$ 2,573,905	\$ 2,576,344	\$ 2,624,377
	-4.6%	3.0%	1.5%	-3.2%	-3.1%	2.0%

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2018/2022
GRANT AND OTHER REVENUES
(IN THOUSANDS)

GRANT REVENUES

	2014/15 ACTUAL	2015/16 ACTUAL	2016/17 REVISED BUDGET	EST. ACTUAL	2017/18 PROPOSED BUDGET	PROJ. CHG%	2018/19 PROJ.	2019/20 PROJ.	2020/21 PROJ.	2021/22 PROJ.
Planning Dept. Grants										
Heritage Area Planning Grant	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Various Dept. Grants										
Reimbursement FEMA Grants	-	84	-	-	-		-	-	-	-
All Other Departmental Grants	30	30	14	19	15		-	-	-	-
Police Dept. Grants										
DEA Reimbursed Overtime	94	62	25	28	35		35	35	35	35
COPS Hiring Grants - 2012, 2014, and 2016	276	293	276	257	178		119	-	-	-
School Resource Officers Grant	188	188	188	188	263		263	263	263	263
Total Grant Revenues	\$ 588	\$ 657	\$ 503	\$ 492	\$ 491		\$ 417	\$ 298	\$ 298	\$ 298

OTHER REVENUES

	2014/15 ACTUAL	2015/16 ACTUAL	2016/17 REVISED BUDGET	EST. ACTUAL	2017/18 PROPOSED BUDGET	PROJ. CHG%	2018/19 PROJ.	2019/20 PROJ.	2020/21 PROJ.	2021/22 PROJ.
Sale of Land & Other Property										
Fire & Police Dept Equipment	3	8	2	8	4		4	4	4	4
Other	19	24	3	30	7		7	7	7	7
Total Land Sale/Other	22	32	5	38	11		11	11	11	11
Contributions & Donations	143	142	162	124	124		125	125	125	125
Miscellaneous Revenues	151	185	79	94	83		85	85	85	85
Other Revenues	294	327	241	218	207		210	210	210	210
Transfers from Economic Redevelopment Fund	21	70	-	-	-		-	-	-	-
Transfers from CDBG Fund	21	12	19	19	30		30	30	30	30
Transfers from Health Ins Fund	36	49	55	55	546		55	55	55	55
Transfers from CIP Fund	100	-	-	-	-		-	-	-	-
Transfers from Property Management Fund	240	-	-	-	-		-	-	-	-
Total Transfers from Other Funds	418	131	74	74	576		85	85	85	85
Total Other Revenues	\$ 733	\$ 490	\$ 320	\$ 330	\$ 794		\$ 306	\$ 306	\$ 306	\$ 306

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2018/2022
PERSONAL SERVICES AND FRINGE BENEFITS
(IN THOUSANDS)

SALARIES AND WAGES

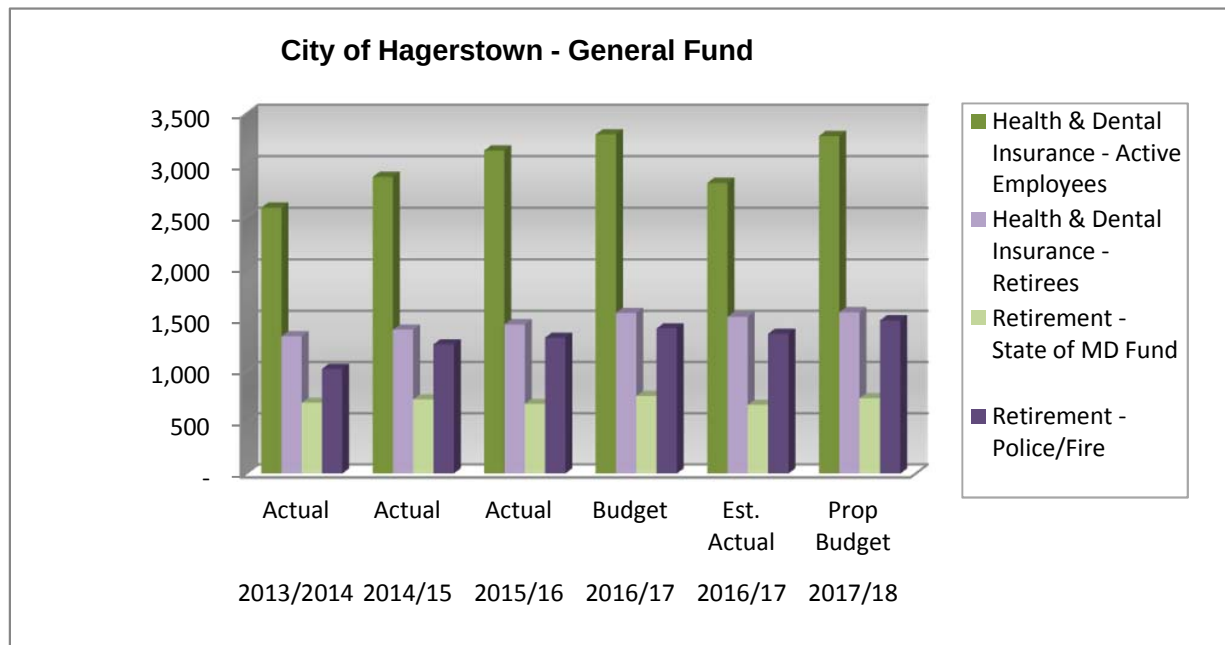
	2014/15	2015/16	2016/17	2016/17	2017/18	2017/18		2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	ADOPTED BUDGET	PROJ. CHG%	PROJ. 3.000%	PROJ. 2.500%	PROJ. 3.000%	PROJ. 2.500%
BASE WAGES											
Regular Wages-Salaried	\$ 8,383	\$ 6,408	\$ 10,825	\$ 4,913	\$ 5,366	\$ 5,366		\$ 5,527	\$ 5,665	\$ 5,835	\$ 5,981
Regular Wages-Hourly	5,330	7,776	7,276	11,562	13,293	13,293		13,692	14,034	14,455	14,816
Sick Leave Pay	450	422	-	-	-	-		-	-	-	-
Holiday Pay	833	801	-	-	-	-		-	-	-	-
Vacation Pay	1,108	1,138	-	-	-	-		-	-	-	-
Compensatory Time Used	210	224	2	-	-	-		-	-	-	-
Personal Leave	190	245	-	-	-	-		-	-	-	-
Temporary & Seasonal	639	653	722	695	764	764	0.50%	768	772	776	779
Vacation Pay on Termination	161	37	83	39	61	61		80	80	80	80
Unfunded Positions Savings	-	-	(634)	-	(634)	(634)		(634)	(634)	(634)	(634)
Additional Vacancy Savings	-	-	(175)	-	(200)	(300)		(200)	(200)	(200)	(200)
Total Base Wages	17,304	17,704	18,099	17,209	18,650	18,550		19,233	19,717	20,312	20,823
% Increase	7.5%	2.3%	2.2%	-4.9%	3.0%	2.5%		3.1%	2.5%	3.0%	2.5%
ADDITIONAL WAGES											
Overtime Pay	1,105	1,071	981	1,101	1,104	1,104	2.00%	1,126	1,149	1,172	1,195
Comp Time Earned	50	34	1	3	3	3		-	-	-	-
Total Additional Wages	1,155	1,105	982	1,104	1,107	1,107		1,126	1,149	1,172	1,195
% Increase	3.5%	-4.3%	-11.1%	12.4%	12.7%	12.7%		1.7%	2.0%	2.0%	2.0%
Total Wages	\$ 18,459	\$ 18,809	\$ 19,081	\$ 18,313	\$ 19,757	\$ 19,657		\$ 20,359	\$ 20,865	\$ 21,483	\$ 22,018
% Increase	7.2%	1.9%	1.4%	-4.0%	3.5%	3.0%		3.0%	2.5%	3.0%	2.5%

FRINGE BENEFITS

	2014/15	2015/16	2016/17	2016/17	2017/18	2017/18		2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	ADOPTED BUDGET	PROJ. CHG%	PROJ. 5.0%	PROJ. 2.0%	PROJ. 3.6%	PROJ. 3.4%
Active Employees											
Holiday/Vacation Buy Back	\$ 18	\$ 19	\$ 17	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Retirement Payouts	104	132	103	32	95	95		150	150	150	150
Retirement - State Fund	724	680	757	670	735	735		773	793	816	837
Retirement - Police/Fire	1,261	1,326	1,416	1,364	1,495	1,495		1,542	1,581	1,628	1,669
Retirement Deficit Payment	160	168	176	176	185	185		194	204	214	225
Retirement - 401(a) Plan	-	2	2	2	2	2		2	2	2	2
F.I.C.A. Taxes (7.65%)	1,368	1,412	1,352	1,394	1,409	1,409		1,557	1,596	1,643	1,684
Health Insurance	2,805	3,059	3,208	2,744	3,194	3,194	5.0%	3,354	3,521	3,697	3,882
Dental Insurance	84	85	93	86	91	91	2.0%	93	95	97	99
Life Insurance	27	28	31	28	31	31		32	33	34	35
Long-Term Disability	1	10	6	6	6	6		8	8	8	8
Workmans Compensation	1,062	742	799	800	781	781		795	812	827	842
Emply Discounted Parking	59	61	54	55	55	55		58	58	58	58
Unemployment Taxes	83	64	36	47	51	51		85	85	80	75
Employee Assistance Prog	9	10	13	12	11	11		13	13	14	14
HPD Housing Allowance	21	16	18	12	13	13		13	15	16	17
Employee Longevity	6	6	6	6	6	6		6	6	6	6
Total	7,792	7,820	8,087	7,445	8,160	8,160		8,675	8,971	9,289	9,602
% Increase	14.1%	0.4%	3.4%	-7.9%	0.9%	0.9%		6.3%	3.4%	3.6%	3.4%
Retirees											
Health Insurance	1,358	1,410	1,519	1,481	1,526	1,481	5.0%	1,602	1,682	1,767	1,855
Hlth Ins-OPEB Reimburse	-	-	(300)	-	-	-		-	-	-	-
Dental Insurance	46	47	48	48	48	48	2.0%	49	50	51	52
Total	1,404	1,457	1,267	1,529	1,574	1,529		1,651	1,732	1,817	1,907
% Increase	4.8%	3.8%	-13.0%	20.7%	24.2%	20.7%		4.9%	4.9%	4.9%	4.9%
Total Fringe Benefits	\$ 9,196	\$ 9,277	\$ 9,354	\$ 8,974	\$ 9,734	\$ 9,689		\$ 10,326	\$ 10,703	\$ 11,107	\$ 11,509
% Increase	12.6%	0.9%	0.8%	-4.1%	4.1%	3.6%		6.1%	3.7%	3.8%	3.6%

GENERAL FUND HISTORICAL TRENDS
FISCAL YEAR 2018/2022
EMPLOYER SHARE OF INSURANCE AND PENSION COSTS
(IN THOUSANDS)

	2013/2014 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Est. Actual	2017/18 Prop Budget
Health & Dental Insurance - Active Employees	2,590	2,889	3,144	3,301	2,830	3,285
Health & Dental Insurance - Retirees	1,340	1,404	1,457	1,567	1,529	1,574
Retirement - State of MD Fund	691	724	680	757	670	735
Retirement - Police/Fire	1,022	1,261	1,326	1,416	1,364	1,495
	5,643	6,278	6,607	7,041	6,393	7,089
	15%	11%	5%	7%	-9%	1%



GENERAL FUND HISTORICAL TRENDS
FISCAL YEAR 2014 THROUGH FISCAL YEAR 2018
PENSIONS COSTS AS PERCENT OF SALARY

	2013/2014 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Est. Actual	2017/18 Prop Budget
Retirement - State of MD Fund Employer	10.00%	9.73%	8.53%	8.53%	8.53%	8.56%
Retirement - State of MD Fund Employee	7.00%	7.00%	7.00%	N/A	7.00%	N/A
Retirement - Police/Fire Employer	12.20%	13.50%	13.71%	14.00%	14.00%	14.00%
Retirement - Police/Fire Employee	7.00%	7.00%	7.00%	N/A	7.00%	N/A

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2018/2022
CONTRACTED SERVICES AND OPERATING TRANSFERS
(IN THOUSANDS)

CONTRACTED SERVICES

	2014/15	2015/16	2016/17		2017/18	PROJ.	2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
Medical Services	\$ 46	\$ 29	\$ 49	\$ 49	\$ 28	2.0%	\$ 29	\$ 30	\$ 31	\$ 32
Grounds Services	165	166	172	213	198	2.0%	202	206	210	214
Miss Utility	2	4	3	4	4	2.0%	4	4	4	4
Contracted Staffing	3	25	9	12	25	2.0%	26	27	28	29
Other Contracted Services	1,618	1,542	1,527	1,526	1,551		1,570	1,601	1,633	1,666
Trash Collection	1,954	1,952	2,017	2,013	2,079	2.5%	2,131	2,184	2,239	2,295
Legal Fees	246	339	249	262	285	2.0%	291	297	303	309
Auditing	23	23	30	24	24	2.0%	24	24	24	24
Consulting	20	-	15	10	15	2.0%	15	15	15	15
Engineering	36	23	35	35	35	2.0%	36	37	38	39
Building Services	14	15	18	17	17	2.0%	17	17	17	17
Wellness Program	47	49	55	55	55		55	55	55	55
Safety Program	3	5	5	6	6	2.0%	6	6	6	6
Other Professional Services	164	134	186	166	166	2.0%	169	172	175	179
Total Contracted Services	\$ 4,341	\$ 4,306	\$ 4,370	\$ 4,392	\$ 4,488		\$ 4,575	\$ 4,675	\$ 4,778	\$ 4,884
% Increase	2.6%	-0.8%	1.5%	0.5%	2.7%		1.9%	2.2%	2.2%	2.2%

OPERATING TRANSFERS TO OTHER CITY FUNDS

	2014/15	2015/16	2016/17		2017/18	PROJ.	2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
Economic Redevelopment Fund	\$ -	\$ 100	\$ 100	\$ 100	\$ 125		\$ 175	\$ 175	\$ 200	\$ 200
Golf Course Fund	226	233	200	220	220		212	309	200	200
Grant Fund	9	41	8	8	-		25	25	25	25
Total Operating Transfers	\$ 235	\$ 374	\$ 308	\$ 328	\$ 345		\$ 412	\$ 509	\$ 425	\$ 425

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2018/2022
ANNUAL DEBT SERVICE REQUIREMENTS
(IN THOUSANDS)

	2014/15	2015/16	2016/17		2017/18	PROJ.	2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	REVISED	EST.	PROPOSED	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
1998/99 Pub Imprv Bonds										
Interest	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Principal (\$1,675,000)	-	-	-	-	-		-	-	-	-
2003/04 Pub Imprv Bonds										
Interest	25	21	17	17	12		8	3	-	-
Principal (\$1,395,000)	100	100	105	105	110		115	120	-	-
Deferred Costs	-	-	1	1	1		1	1	-	-
2004/2005 Public Fac Bonds										
Interest	59	50	41	40	31		21	11	-	-
Principal (\$3,800,000)	271	276	285	285	299		309	318	-	-
2005/06 Pub Facilities Bonds										
Interest	155	137	118	118	98		78	57	35	12
Principal (\$7,490,666)	492	511	530	530	549		571	594	613	639
2008/09 Pub Imprv Bonds										
Interest	60	49	44	40	30		18	6	-	-
Principal (\$3,407,810)	325	339	356	356	375		394	412	-	-
2008/09 Pub Imprv BAB										
Interest	188	188	252	189	189		239	239	228	206
Principal (\$5,074,007)	-	-	-	-	-		-	-	427	443
2012 Tote Loan										
Interest	19	16	14	14	13		8	6	4	1
Principal (\$600,000)	55	58	59	59	61		63	66	68	53
2014 Pub Imprv Bonds										
Interest (2.50% over 15 years)	11	11	10	10	9		9	8	7	6
Principal (\$428,427)	25	26	26	26	27		28	28	29	30
2015A Pub Imprv Bonds										
Interest (3.06% over 20 years)	-	86	86	91	91		88	84	80	75
Principal (\$3,599,066 after reprogram)	-	112	108	119	123		130	135	141	150
Deferred Costs	36	-	-	-	-		-	-	-	-
2015B Pub Imprv Bonds										
Interest (3.89% over 20 years)	-	20	21	21	20		20	19	19	18
Principal (\$650,000)	-	26	25	25	25		26	26	26	28
Deferred Costs	8	-	-	-	-		-	-	-	-
Subtotal Current Debt Service Issues										
Interest & Deferred Costs	561	578	604	541	494		490	434	373	318
Principal	1,268	1,448	1,494	1,505	1,569		1,636	1,699	1,304	1,343
Subtotal Current Debt Service Issues	\$ 1,829	\$ 2,026	\$ 2,098	\$ 2,046	\$ 2,063		\$ 2,126	\$ 2,133	\$ 1,677	\$ 1,661
2017A Pub Imprv Bonds (Future)										
Interest (4.00% over 20 years)	-	-	68	-	92		92	92	92	92
Principal (\$4,293,526)	-	-	-	-	222		222	222	222	222
2017B Pub Imprv Bonds (Future)										
Interest (4.00% over 20 years)	-	-	-	-	11		11	11	11	11
Principal (\$500,000)	-	-	-	-	26		26	26	26	26
2018 Pub Imprv Bonds (Future)										
Interest (4.25% over 20 years)	-	-	-	-	-		135	135	135	135
Principal (\$5,965,600)	-	-	-	-	-		308	308	308	308
2019 Pub Imprv Bonds (Future)										
Interest (4.25% over 20 years)	-	-	-	-	-		-	103	103	103
Principal (\$4,550,000)	-	-	-	-	-		-	235	235	235
2020 Pub Imprv Bonds (Future)										
Interest (4.50% over 25 years)	-	-	-	-	-		-	-	131	131
Principal (\$5,464,800)	-	-	-	-	-		-	-	225	225
2021 Pub Imprv Bonds (Future)										
Interest (4.75% over 20 years)	-	-	-	-	-		-	-	-	58
Principal (\$2,277,800)	-	-	-	-	-		-	-	-	118
2022 Pub Imprv Bonds (Future)										
Interest (4.75% over 20 years)	-	-	-	-	-		-	-	-	-
Principal (\$3,550,000)	-	-	-	-	-		-	-	-	-
Total All Debt Service Issues										
Interest & Deferred Costs	561	578	672	541	597		728	775	845	848
Principal	1,268	1,448	1,494	1,505	1,817		2,192	2,490	2,320	2,477
Total All Debt Service Issues	\$ 1,829	\$ 2,026	\$ 2,166	\$ 2,046	\$ 2,414		\$ 2,920	\$ 3,265	\$ 3,165	\$ 3,325
	-0.2%	10.8%	6.9%	-5.5%	11.4%		21.0%	11.8%	-3.1%	5.1%

**Note: It is anticipated that the 2017 bond issue on the chart above will be completed in June 2017 for approved FY16 and FY17 capital bond projects.*

**GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2018/2022
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
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%	471	6.41%
2012	2,559,162	40	17,460	0.68%	440	6.80%
2013	2,633,731	40	16,013	0.61%	404	5.31%
2014	2,665,127	40	15,168	0.57%	382	4.80%
2015	2,541,960	40	18,093	0.71%	448	4.44%
2016	2,618,007	40	16,622	0.63%	412	4.85%
Estimated 2016/17	2,657,722	40	19,886	0.75%	493	4.91%
Proposed 2017/18	2,573,905	40	24,011	0.93%	595	5.60%
Projected 2018/19	2,624,377	40	26,344	1.00%	653	6.31%
Projected 2019/20	2,678,347	40	29,295	1.09%	726	6.91%
Projected 2020/21	2,763,112	40	29,228	1.06%	724	6.53%
Projected 2021/22	2,819,959	40	30,277	1.07%	750	6.69%
City Debt Policy Guidelines				10.00%	1,000	10.00%

**General Fund Financial Projections
Fiscal Year 2018/2022
General Fund Debt Capacity Limit: Debt per Capita**

Fiscal Year	Total Taxable Assessed Value	Governmental Outstanding Debt	Population	Gov't Debt per Capita	Future Governmental Debt Issuances	Future Repayment Schedule
Future Bond Issuances included in Capital Improvement Program						
2015/16	2,618,007	16,622	40	412	-	-
Estimated 2016/17	2,657,722	19,886	40	493	4,794	1,529
Proposed Bud 2017/18	2,573,905	24,011	40	595	5,966	1,841
Projected 2018/19	2,624,377	26,344	40	653	4,550	2,216
Projected 2019/20	2,678,347	29,295	40	726	5,465	2,515
Projected 2020/21	2,763,112	29,228	40	724	2,278	2,345
Projected 2021/22	2,819,959	30,277	40	750	3,550	2,501
Subtotal Future Issuances					26,602	12,947
City Debt Policy Limit		40,364	40	1,000		
Additional General Fund Debt Issue Capacity						
Over FY 2015/16 level		23,742				
Beyond 5 year proposed projections		10,087				

ENTERPRISE FUNDS PROJECTIONS
FISCAL YEAR 2018/2022
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) are expected to increase for Water, Wastewater, Parking and Golf funds based on actual year to date trends occurring while the operating expenses are decreasing for the Electric and Property Management funds from the FY2016/17 budget to the proposed budget in FY2017/18. The overall operating expense increases range from a low of 0.6% through a high of 9.7% across Water, Wastewater, Parking and Golf funds and the decrease for Electric and Property Management is 5.5% and 3.0% which is specifically notated within each individual fund's assumption section that follows. The increases included for future periods through FY2021/22 are based on trends specific within each fund and are notated in the following pages.
- 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 FY2021/22 and to fixed assets that have reached its useful life period. Specific details on each funds' capital projects are located in the Capital Improvement Program Section 8.
- The interest income rate is projected to grow slightly beginning in FY2017/18 and future periods based on current market interest rates. Specifics on each individual fund are notated in the pages that follow and include a combination of current market conditions and cash balances within each fund.
- The debt service requirements vary by fund and are reflected in Interest 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 interest rates of 4.0% through 4.75% 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 8, 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 2018/2022
ASSUMPTIONS

- Following advertisement of an RFP and negotiations in May through November of 2016, the HLD accepted a wholesale power contract extension with First Energy Solutions at a rate of \$52.70/MWh to begin June 1, 2017 through May 31, 2022. An increase of 2.46% in the wholesale rate will be realized in comparison to the current contract price of \$51.50/MWh. Through the Fuel and Purchase Power Adjustment calculated on a monthly basis for retail customers, a residential customer usage of 1,000 kWh per month may increase a bill from \$65.53 to \$66.55 (\$1.02 increase or 1.54%) and a large industrial customer that uses 100,000 kWh per month may increase a bill from \$7,207.68 to \$7,309.68 (\$102.00 increase or 1.40%).
- The decrease in service charge revenue from FY2016/17 budget compared to FY2017/18 proposed budget is 5.9% or \$1.4M and reflects the new Purchase Power contract which becomes effective on June 1, 2017. With the new contract in place, our projections for revenue from FY2017/18 through FY2021/22 will remain flat with no change as a result of the Purchase Power agreement and Public Service Commission regulations.
- Operating expenses, excluding depreciation, decreased by 5.5% from the FY2016/17 budget compared to the proposed budget for FY2017/18. This decrease reflects an overall reduction in legal and consulting costs consulting to negotiate a new Wholesale Power contract. Additionally, it is anticipated that the annual costs for uncollectible accounts will decrease. Based on historical data, the projections reflect annual increases of 0.5% from FY2018/19 through FY2021/22.
- The purchased power expense for FY2017/18 budget represents approximately 74% of total service revenue charges. Due to the newly negotiated Wholesale Purchase Power contract, the projections for the expenses have increased slightly from FY2016/17 estimated actuals to proposed FY2017/18 budget. Just like the revenue projections for future years, the purchase power expense category remains flat beginning in FY2017/18 through FY2021/22.
- Depreciation expense for proposed FY2017/18 budget is 2.1% lower than current FY2016/17 budget. This decrease is a result of lower than anticipated investments in new capital projects and assets. Beginning in FY2018/19 through FY2021/22, it is anticipated that more capital equipment and infrastructure investments will be made which causes the following annual increases in the depreciation expenses: 0.7%, 1.3%, 1.3%, and 1.2%.
- The investment interest rate is assumed to increase slightly as a result of current economic conditions. Additionally 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 slight growth of total interest earned beginning in FY2018/19 through FY2021/22.
- As reflected in our projections, all capital improvement projects and capital outlay expenditures will be covered by fund balance in the Electric Fund. There are no future debt issues in projections through FY2021/22.
- 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 \$148K in FY2017/18 to a gain of \$45K in FY2018/19.
- 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 FY2016/17 is closed and audited to determine if any transfer is possible.

ELECTRIC FUND PROJECTIONS
FISCAL YEAR 2018/22
INCOME STATEMENT
(IN THOUSANDS)

	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	REVISED BUDGET	ESTIMATED ACTUAL	PROPOSED BUDGET	PROJ. CHG %	PROJ.	PROJ.	PROJ.	PROJ.
Operating Revenues										
Service Charges:										
Residential	\$ 12,288	\$ 11,482	\$ 12,275	\$ 11,697	\$ 11,739	0.0%	\$ 11,739	\$ 11,739	\$ 11,739	\$ 11,739
Commercial	5,016	4,837	5,060	4,823	4,854	0.0%	4,854	4,854	4,854	4,854
Industrial	5,491	4,859	5,571	4,862	4,916	0.0%	4,916	4,916	4,916	4,916
Other Rates	1,027	734	791	778	788	0.0%	788	788	788	788
Total Service Charges	23,822	21,912	23,697	22,160	22,297		22,297	22,297	22,297	22,297
Other Operating Revenues	644	629	594	708	704		704	704	704	704
Total Operating Revenue	24,465	22,540	24,291	22,868	23,001		23,001	23,001	23,001	23,001
Operating Expenses										
Purchased Power	17,947	16,569	17,595	16,454	16,555	0.0%	16,555	16,555	16,555	16,555
Distribution	2,194	2,169	2,359	2,217	2,358	0.5%	2,370	2,382	2,394	2,406
General & Administration	3,149	3,391	3,431	3,159	3,191	0.5%	3,207	3,223	3,239	3,256
Depreciation	844	867	965	920	945		951	964	976	988
Total Operating Expenses	24,134	22,996	24,350	22,750	23,050		23,084	23,124	23,165	23,205
Operating Income (Loss)	331	(456)	(59)	119	(48)		(82)	(123)	(163)	(204)
Non-Operating Revenues (Expenses)										
Interest Earned	126	122	105	112	100		102	104	106	108
Interest Expense	(18)	(24)	(22)	(18)	(15)		(13)	(12)	(10)	(9)
Gain (loss) on Sale of Capital Assets	(5)	(8)	10	10	10		10	10	10	10
Total Non-Operating Revenue (Expense)	103	91	93	104	95		99	102	106	109
Net Income (Loss) Before Operating Transfers	434	(365)	34	223	47		16	(21)	(58)	(94)
Transfers From (To) Other Funds										
Transfers (to) Capital Improvements Fund	(29)	-	(4)	(4)	(2)		(21)	(36)	(31)	(38)
Transfers from Health Insurance Fund	-	-	-	-	53		-	-	-	-
Total Transfers From (To) Funds	(29)	-	(4)	(4)	51		(21)	(36)	(31)	(38)
Capital Contributions										
Non-cash Developer Contributions	49	38	50	50	50		50	50	50	50
Capital Contributions	49	38	50	50	50		50	50	50	50
Increase (Decrease) in Retained Earnings	454	(327)	80	269	148		45	(7)	(39)	(82)
Adjust to a Cash Flow Basis										
Depreciation	844	867	965	920	945		951	964	976	988
Current Principal Payments on Debt	(23)	(46)	(46)	(38)	(40)		(42)	(43)	(45)	(18)
Non-Cash Capital Contributions	(49)	(38)	(50)	(50)	(50)		(50)	(50)	(50)	(50)
Changes in Working Capital	75	821	-	-	-		-	-	-	-
Total Adjustments to Retained Earnings	847	1,604	869	832	855		860	871	881	920
Funds Available for Capital Outlay	1,301	1,277	949	1,101	1,003		905	864	842	838
Capital Outlay	642	998	988	874	988		1,351	1,551	1,691	1,416
Cash After Capital Outlay	\$ 659	\$ 279	\$ (39)	\$ 227	\$ 15		\$ (446)	\$ (687)	\$ (849)	\$ (578)
Additional Funding:										
City Bond Financing	650	-	-	(235)	-		-	-	-	-
Net Surplus (Deficit)	1,309	279	(39)	(8)	15		(446)	(687)	(849)	(578)
Beginning Cash Balance	\$ 5,183	\$ 6,492	\$ 6,771	\$ 6,771	\$ 6,762		\$ 6,778	\$ 6,332	\$ 5,644	\$ 4,796
Ending Cash Balance	\$ 6,492	\$ 6,771	\$ 6,732	\$ 6,762	\$ 6,778		\$ 6,332	\$ 5,644	\$ 4,796	\$ 4,218
Dividend Affordability Formula										
Operating & Maintenance Expenses	\$ 23,290	\$ 22,129	\$ 23,385	\$ 21,830	\$ 22,105		\$ 22,133	\$ 22,160	\$ 22,188	\$ 22,217
Reserved Retained Earnings (2 Months)	\$ 3,882	\$ 3,688	\$ 3,897	\$ 3,638	\$ 3,684		\$ 3,689	\$ 3,693	\$ 3,698	\$ 3,703
Cash in Excess of Reserve after Dividend	\$ 2,610	\$ 3,083	\$ 2,835	\$ 3,124	\$ 3,094		\$ 2,643	\$ 1,951	\$ 1,098	\$ 515

ELECTRIC FUND PROJECTIONS
FISCAL YEAR 2018/22
INCOME STATEMENT
(IN THOUSANDS)

	2014/15 ACTUAL	2015/16 ACTUAL	2016/17		2017/18		PROJ. CHG %	2018/19 PROJ.	2019/20 PROJ.	2020/21 PROJ.	2021/22 PROJ.
			REVISED BUDGET	ESTIMATED ACTUAL	PROPOSED BUDGET						
Schedule A - Capital Outlay											
Capital Outlay											
Vehicles-C0090	\$ 123	\$ 77	\$ 250	\$ 226	\$ 225		\$ 250	\$ 250	\$ 190	\$ 215	
Telemetry Equipment-C0111	9	27	40	10	25		25	20	20	20	
Central Substation-C0118	-	-	-	-	-		-	200	500	200	
Wesel Boulevard-C0220	-	-	-	-	-		50	50	50	50	
System Reconductoring-C0259	37	-	20	-	20		20	20	20	20	
Pedestrian Lights-C0388	-	-	-	-	-		100	100	100	100	
SCADA System-C0441	-	-	25	27	-		-	-	-	-	
Underground Replacement-C0540	-	36	50	28	30		30	20	20	20	
Building & Site Improvements-C0542	133	423	50	85	50		25	25	25	25	
Bulldog Substation- C0544	-	-	-	-	-		-	-	20	20	
Street Light Replacement-C0546	-	-	25	-	25		25	-	-	-	
A&E District Upgrades-C0591	-	-	25	-	25		25	25	25	25	
Test Equipment-C0609	-	3	10	2	18		18	18	18	18	
Substation Breaker Replacement-776	-	-	-	20	50		50	50	50	50	
Mitchell Substation Third Bay-C0778	-	-	-	-	-		60	100	-	-	
Spare Regulators-C0797	14	-	20	15	20		20	20	-	-	
Wildlife Protection-C0802	-	4	10	17	20		20	20	20	20	
Noland Drive Boys and Girls Club-C0818	6	-	-	-	-		-	-	-	-	
Hamilton Hotel-C0819	-	1	-	-	-		-	-	-	-	
Feeder Coordination-C0833	-	20	25	20	25		25	25	25	25	
Bester Elementary School-C0841	29	-	-	-	-		-	-	-	-	
Circuit Upgrades-C0842	-	21	20	-	20		150	150	150	150	
Washington County Senior Center-C0869	20	5	-	-	-		-	-	-	-	
Other - Non-Specific	272	381	418	426	435		459	459	459	459	
Total Capital Outlay	\$ 642	\$ 998	\$ 988	\$ 874	\$ 988		\$ 1,351	\$ 1,551	\$ 1,691	\$ 1,416	

WATER FUND PROJECTIONS
FISCAL YEAR 2018/2022
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 rate schedule is effective from July 1, 2014 through June 30, 2019. The projections reflect these average increases through FY2018/19. Additionally, the projections from FY2019/20 for all future periods include an additional 2% rate increase based on trends. 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 flat capital contributions.
- Total operating expenses (excluding depreciation) increased by 0.6% from the FY2016/17 budget compared to the proposed budget for FY2017/18. Primarily, this increase is a result of a shift in type and amount of chemicals needed now that Phase IV Willson Plant improvements are completed plus maintenance agreements necessary for the Willson Plant. In addition, contracted services are anticipated to increase for work to restore the West End water tanks. Based on historical trends, the projections include increases in future periods as well, and the overall estimated increase for each period from FY2018/19 through FY2021/22 is 2.0%.
- Depreciation expense has increased from FY2016/17 budget to FY2017/18 budget by 8.7%. We anticipate that depreciation will continue to increase in future years as investment in significant capital projects continue throughout the Water Division of the City. This trend will continue to increase at a lower rate over the future three years that follow based upon current anticipated new projects. In the four years from FY2018/19 through FY2021/22 the increase in expense is projected to be 1.8%, 1.5%, 3.2%, and 9.4%.
- The investment interest rate is assumed to grow slightly based on current market conditions plus stable cash balances in the Water Fund.
- 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 FY2016/17 budget to estimated projections for FY2016/17, benefit charges are estimated to remain flat. The projections for FY2017/18 will remain flat with no growth. All remaining projections will remain flat annually through FY2021/22.
- 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 a range in interest rates from 4.0% to 4.75% over 20 and 25 years. The prior 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 \$443K in FY2017/18 to a gain of \$290K in FY2018/19.
- Due to current projections for benefit charges, the cost of service rate study recommends that an allocation of cash be reserved as restricted cash for use in future years. This allocation would cover a portion of annual service charges for future system repairs, renewal, and replacement.
- The ending total cash balance projection will remain flat at \$12.0M in FY2017/18 to FY2021/22 primarily as a result of an increase in MDE Bond Financing and Contribution from Developers on Capital projects in FY2021/22.

WATER FUND PROJECTIONS
FISCAL YEAR 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

	2014/15	2015/16	2016/17	2017/18						
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%	2018/19 PROJ.	2019/20 PROJ.	2020/21 PROJ.	2021/22 PROJ.
Operating Revenues										
Service Charges										
Metered City Water	\$ 2,102	\$ 2,109	\$ 2,187	\$ 2,158	\$ 2,199	2%	\$ 2,243	\$ 2,288	\$ 2,334	\$ 2,380
Metered County Water	8,212	8,347	8,555	8,518	8,689	2%	8,863	9,040	9,221	9,405
Total Service Charges	10,314	10,457	10,742	10,676	10,888		11,106	11,328	11,554	11,786
Other Operating Revenues	803	988	787	829	830		800	800	800	800
Total Operating Revenue	11,116	11,445	11,529	11,505	11,718		11,906	12,128	12,354	12,586
Operating Expenses										
Source of Supply	97	114	56	45	45	2%	46	47	47	48
Pumping & Water Treatment	3,571	3,527	3,584	3,517	3,713	2%	3,787	3,863	3,940	4,019
Transmission & Distribution	1,929	1,392	1,896	1,746	1,873	2%	1,911	1,949	1,988	2,028
Selling, General & Administration	2,645	3,023	2,702	2,627	2,656	2%	2,709	2,763	2,818	2,875
Total Operating Expenses	8,242	8,057	8,238	7,936	8,286		8,452	8,621	8,793	8,969
Cash Operating Income (Loss)	2,874	3,389	3,292	3,569	3,432		3,454	3,507	3,561	3,616
Depreciation	2,517	3,079	3,100	3,200	3,370		3,430	3,482	3,592	3,930
Operating Income (Loss)	357	310	192	369	62		23	25	(31)	(314)
Non-Operating Revenues (Expenses)										
Interest Earned	1	8	1	7	3		3	4	5	6
Premium on Bonds	11	11	11	11	11		11	4	4	4
Interest Expense	(442)	(502)	(581)	(554)	(572)		(578)	(642)	(753)	(755)
Gain on Fixed Asset Disposals	15	10	10	15	15		8	8	8	8
Total Non-Operating Revenue (Expense)	(415)	(473)	(560)	(522)	(544)		(556)	(626)	(736)	(737)
Net Income (Loss) Before Operating Transfers	(58)	(163)	(369)	(153)	(482)		(533)	(601)	(767)	(1,051)
Transfers From (To) Other Funds										
Transfers (to) Capital Improvements Fund	(37)	-	(4)	(4)	(2)		(21)	(36)	(31)	(38)
Transfers from Health Insurance Fund	-	-	-	-	76		-	-	-	-
Total Transfers From (To) Other Funds	(37)	0	(4)	(4)	74		(21)	(36)	(31)	(38)
Capital Contributions										
Benefits Charges	877	518	500	500	500		500	500	500	500
Developer Contributions	-	826	350	350	350		350	350	350	350
Capital Contributions	877	1,344	850	850	850		850	850	850	850
Increase (Decrease) in Retained Earnings	782	1,181	478	694	443		296	213	52	(239)
Adjust to a Cash Flow Basis										
Add Back Depreciation	2,517	3,079	3,100	3,200	3,370		3,430	3,482	3,592	3,930
Changes in Working Capital	(426)	1,042	-	-	-		-	-	-	-
Principal Payments on Long-term Debt	(1,269)	(1,649)	(1,724)	(1,674)	(1,821)		(1,987)	(2,206)	(2,656)	(2,652)
Non-Cash Capital Contributions	-	(826)	(350)	(350)	(350)		(350)	(350)	(350)	(350)
Total Adjustments to Retained Earnings	822	1,647	1,026	1,176	1,199		1,094	926	587	928
Cash Available for Capital Outlay	1,604	2,828	1,504	1,870	1,642		1,390	1,139	638	689
Capital Outlay										
Non-Growth Related	3,301	2,248	3,561	2,863	4,749		4,689	6,212	2,664	2,417
Growth Related	593	998	193	60	588		3,451	6,798	1,046	7,598
Total Capital Outlay	3,894	3,246	3,754	2,923	5,337		8,140	13,010	3,710	10,015
Cash After Capital Outlay	(2,289)	(418)	(2,250)	(1,053)	(3,695)		(6,750)	(11,871)	(3,072)	(9,326)
Additional Funding										
MDE Bond Financing	3,274	557	1,375	655	3,050		5,550	10,930	1,150	6,000
Contributions from Developers	-	-	-	-	-		-	150	550	2,000
City Bond Financing	3,256	-	1,252	1,106	1,225		1,610	1,070	1,075	1,080
Total Additional Funding	6,530	557	2,627	1,761	4,275		7,160	12,150	2,775	9,080
Net Surplus (Deficit)	\$ 4,240	\$ 138	\$ 377	\$ 709	\$ 580		\$ 410	\$ 279	\$ (297)	\$ (246)
Beginning Cash Balance	\$ 6,318	\$ 10,558	\$ 10,697	\$ 10,697	\$ 11,405		\$ 11,985	\$ 12,395	\$ 12,674	\$ 12,377
Ending Cash Balance	\$ 10,558	\$ 10,697	\$ 11,073	\$ 11,405	\$ 11,985		\$ 12,395	\$ 12,674	\$ 12,377	\$ 12,131
Unrestricted Cash Balance - Beginning	\$ 2,879	\$ 6,611	\$ 6,664	\$ 6,664	\$ 7,121		\$ 7,472	\$ 7,688	\$ 7,811	\$ 7,438
Unrestricted Cash Balance - Ending	\$ 6,611	\$ 6,664	\$ 7,040	\$ 7,121	\$ 7,472		\$ 7,688	\$ 7,811	\$ 7,438	\$ 7,216
Restricted Cash Balance - Beginning	\$ 3,439	\$ 3,947	\$ 4,033	\$ 4,033	\$ 4,285		\$ 4,514	\$ 4,707	\$ 4,863	\$ 4,939
Restricted Cash Balance - Ending	\$ 3,947	\$ 4,033	\$ 4,033	\$ 4,285	\$ 4,514		\$ 4,707	\$ 4,863	\$ 4,939	\$ 4,915
Dividend Affordability Formula:										
Operating & Maintenance Expenses	\$ 8,242	\$ 8,057	\$ 8,238	\$ 7,936	\$ 8,286		\$ 8,452	\$ 8,621	\$ 8,793	\$ 8,969
Reserved Retained Earnings (2 Months)	\$ 1,374	\$ 1,343	\$ 1,373	\$ 1,323	\$ 1,381		\$ 1,409	\$ 1,437	\$ 1,466	\$ 1,495
Cash in Excess of Reserve after Dividend	\$ 5,237	\$ 5,321	\$ 5,668	\$ 5,798	\$ 6,091		\$ 6,280	\$ 6,374	\$ 5,972	\$ 5,721

WATER FUND PROJECTIONS
FISCAL YEAR 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

	2014/15	2015/16	2016/17	2017/18						
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%	2018/19 PROJ.	2019/20 PROJ.	2020/21 PROJ.	2021/22 PROJ.
Schedule A - Capital Outlay										
Capital Outlay										
Water Vehicles-C0117	\$ 209	\$ 23	\$ 387	\$ 416	\$ 412		\$ 325	\$ 230	\$ 330	\$ 330
R.C. Willson Plant Improvements-C0166	80	186	225	175	225		235	245	255	265
Willson Transmission Main-C0167	-	-	100	-	500		3,300	6,480	400	5,500
Edgemont Reservoir Improvements-C0168	-	-	507	500	1,900		1,800	1,230	960	690
Zone 3 Standpipe-C0323	-	-	-	-	-		-	-	-	100
Breichner WTP Improvements-C0405	-	-	100	10	100		1,050	3,150	50	50
Administrative/Engineering Equip.-C0648	-	-	10	5	10		10	10	10	10
Pump Station Improvements-C0651	6	56	325	90	615		75	225	625	1,975
Distribution Services-C0653	913	1,709	330	600	330		330	330	330	330
Distribution System Rehabilitation-C0709	365	664	550	350	550		565	585	600	615
R.C. Willson Plant - Phase IV-C0740	2,175	428	-	2	-		-	-	-	-
Water System SCADA Improvements-C0820	145	91	175	75	150		450	525	150	150
R.C. Willson Traveling Screen Replacement-C0863	-	87	1,045	700	545		-	-	-	-
Total Capital Outlay	3,894	3,246	3,754	2,923	5,337		8,140	13,010	3,710	10,015
Schedule B - Capital Outlay Detail										
Capital Outlay										
Non-Growth Related										
Cash Funded										
Water Vehicles-C0117	\$ 209	\$ 23	\$ 387	\$ 416	\$ 412		\$ 325	\$ 230	\$ 330	\$ 330
R.C. Willson Plant Improvements-C0166	23	23	23	38	30		30	30	30	30
Edgemont Reservoir Improvements-C0168	-	-	150	143	150		150	150	150	150
Breichner WTP Improvements-C0405	-	-	50	10	-		-	-	-	-
Administrative/Engineering Equip.-C0648	-	-	8	4	8		8	8	8	8
Pump Station Improvements-C0651	-	56	100	90	75		75	75	75	75
Distribution Services-C0653	-	-	330	600	330		330	330	330	330
Distribution System Rehabilitation-C0709	-	229	-	-	-		-	-	-	-
R.C. Willson Plant - Phase IV-C0740	92	-	-	1	-		-	-	-	-
Water System SCADA Improvements-C0820	116	-	20	-	-		40	20	-	-
R.C. Willson Traveling Screen Rep -C0863	-	87	45	45	45		-	-	-	-
Total Cash Funding	440	419	1,113	1,348	1,050		958	843	923	923
Grants in Aid of Construction										
R.C. Willson Plant - Phase IV-C0740	-	-	-	-	-		-	-	-	-
Total Grants in Aid of Construction	0	0	0	0	0		0	0	0	0
MDE Bond Funded										
Edgemont Reservoir Improvements-C0168	-	-	-	-	1,500		1,500	1,000	750	500
Breichner WTP Improvements-C0405	-	-	50	-	50		500	3,100	-	-
Pump Station Improvements-C0651	-	-	225	-	500		-	-	-	-
R.C. Willson Plant - Phase IV-C0740	1,539	321	-	-	-		-	-	-	-
Water System SCADA Improvements-C0820	-	73	-	-	-		200	280	-	-
R.C. Willson Traveling Screen Rep-C0863	-	-	1,000	655	500		-	-	-	-
Total MDE Bond Funding	1,539	394	1,275	655	2,550		2,200	4,380	750	500
Benefit Charge Advance(MDE Bond Funding)										
Water System SCADA Improvements-C0820	-	-	-	-	-		-	-	-	-
Total Benefit Charge Advance(MDE Funding)	0	0	0	0	0		0	0	0	0
City Bond Funded (Benefit Charge Advance)										
R.C. Willson Plant Improvements-C0166	38	117	146	93	139		146	154	161	169
Edgemont Reservoir Improvements-C0168	-	-	357	357	250		150	80	60	40
Breichner WTP Improvements-C0405	-	-	-	-	50		550	50	50	50
Pump Station Improvements-C0651	6	-	-	-	40		-	-	-	-
Distribution Services-C0653	913	884	-	-	-		-	-	-	-
Distribution System Rehabilitation-C0709	365	435	550	350	550		565	585	600	615
Water System SCADA Improvements-C0820	-	-	120	60	120		120	120	120	120
Total City Bond Funding	1,322	1,436	1,173	860	1,149		1,531	989	991	994
Total Non-Growth Related Capital Outlay	\$ 3,301	\$ 2,248	\$ 3,561	\$ 2,863	\$ 4,749		\$ 4,689	\$ 6,212	\$ 2,664	\$ 2,417

WATER FUND PROJECTIONS
FISCAL YEAR 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

	2014/15	2015/16	2016/17	2017/18						
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%	2018/19 PROJ.	2019/20 PROJ.	2020/21 PROJ.	2021/22 PROJ.
Growth Related										
Grants in Aid of Construction										
R.C. Willson Plant - Phase IV-C0740	-	-	-	-	-		-	-	-	-
Total Grants in Aid of Construction	0	0	0	0	0		0	0	0	0
Contributions by Developers										
Distribution Services-C0653	-	826	-	-	-		-	-	-	-
Zone 3 Standpipe-C0323	-	-	-	-	-		-	-	-	100
New Pump Stations -C0651	-	-	-	-	-		-	150	550	1,900
Total Contributions by Developers	0	826	0	0	0		0	150	550	2,000
Benefit Charges/Restricted Cash Funded										
R.C. Willson Plant Improvements-C0166	8	8	8	13	10		10	10	10	10
Administrative/Engineering Equip.-C0648	-	-	2	1	2		2	2	2	2
R.C. Willson Plant - Phase IV-C0740	31	-	-	-	-		-	-	-	-
Water System SCADA Improvements-C0820	29	-	5	-	-		10	5	-	-
Total Benefit Charge Funded	67	8	15	14	12		22	17	12	12
MDE Bond Funded										
Willson Transmission Main-C0167	-	-	100	-	500		3,300	6,480	400	5,500
R.C. Willson Plant - Phase IV-C0740	513	107	-	-	-		-	-	-	-
Water System SCADA Improvements-C0820	-	18	-	-	-		50	70	-	-
Total MDE Bond Funding	513	125	100	-	500		3,350	6,550	400	5,500
MDE Bond Funded Benefit Charge Advance										
Water System SCADA Improvements-C0820	-	-	-	-	-		-	-	-	-
Total MDE Bond Benefit Charge Advance	0	0	0	0	0		0	0	0	0
City Bond Funded (Benefit Charge Advance)										
R.C. Willson Plant Improvements-C0166	13	39	49	31	46		49	51	54	56
Water System SCADA Improvements-C0820	-	-	30	15	30		30	30	30	30
Total City Bond Funding	13	39	79	46	76		79	81	84	86
Total Growth Related Capital Outlay	593	998	193	60	588		3,451	6,798	1,046	7,598
Total Capital Outlay	\$ 3,894	\$ 3,246	\$ 3,754	\$ 2,923	\$ 5,337		\$ 8,140	\$ 13,010	\$ 3,710	\$ 10,015

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2018/2022
ASSUMPTIONS

- Service Charge Revenue reflects the five-year rate schedule adopted on March 27, 2014. The five-year rate schedule was based on a cost of service study; and, the rate schedule is effective from July 1, 2014 through June 30, 2019. The projections reflect all the following rate adjustments: FY2016/17 - 4% rate increase; and both FY2017/18 and FY2018/19 – 2% rate increase. Additionally, the projections from FY2019/20 for all future periods 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) increased by 1.0% from the FY2016/17 budget compared to the proposed budget for FY2017/18. Primarily, this increase is a result of a shift in type and amount of chemicals needed at the Wastewater Treatment plant, annual increase in the pelletizing contract with Synagro, and other maintenance agreements. As a result of historical trends, the projections include increases in future periods. The overall estimated increase for each period from FY2018/19 through FY2021/22 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 FY2017/18 budget will increase by 1.9% over the current FY2016/17 budget. In addition, we anticipate that depreciation will increase in future years as we invest in various capital projects throughout the City. In the four years from FY2018/19 through FY2021/22 the increase in expense will be 2.8%, 2.9%, 1.8%, and 0.9%.
- The investment interest rate is assumed to grow slightly over proposed FY2017/18 budget amounts and then remain flat in future periods as a result of current market conditions and utilizing some existing cash balances in FY2018/19 and 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 FY2016/17 budget to the proposed FY2017/18 budget, benefit charges are estimated to remain flat at \$500K. Likewise, all of the projections from FY2018/19 through FY2021/22 are anticipated to remain as same rate of \$500K annually.
- Beginning in FY2016/17, 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 ranging from 4.0% to 4.75% and terms of 20 and 25 years.
- Based on the various estimations mentioned above for both revenues and expenses, our net increase (decrease) in retained earnings is estimated to decrease from an anticipated gain of \$477K in FY2017/18 to a gain of \$100K in FY2021/22.
- The ending total cash balance projections reflect growth from \$7.2M in FY2017/18 to \$7.9M in FY2021/22 primarily as a result of the increase in service charges and maintaining operating and capital expenditures to amounts lower than anticipated revenue growth.

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

			2016/17		2017/18						
	2014/15	2015/2016	REVISED	EST.	PROPOSED	PROJ.	2018/19	2019/20	2020/21	2021/22	
	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.	
Operating Revenues											
Service Charges											
Metered City Sewer	\$ 6,423	\$ 6,550	\$ 6,830	\$ 6,763	\$ 6,902	2%	\$ 7,040	\$ 7,181	\$ 7,324	\$ 7,471	
Metered County Sewer	2,994	3,042	3,222	3,173	3,236	2%	3,301	3,367	3,434	3,503	
Metered Joint Sewer	2,235	2,338	2,415	2,422	2,470	2%	2,519	2,570	2,621	2,674	
Low -Pressure System Charge	105	105	104	105	105	0%	105	105	105	105	
Total Service Charges	11,756	12,035	12,571	12,463	12,713		12,965	13,222	13,485	13,752	
Other Operating Revenues	471	366	292	274	288		275	275	275	275	
Total Operating Revenue	12,226	12,401	12,863	12,737	13,001		13,240	13,497	13,760	14,027	
Operating Expenses											
Plant Expenses	4,700	4,781	4,819	4,725	4,865	2%	4,962	5,062	5,163	5,266	
Laboratory Expenses	278	279	280	266	301	2%	307	313	319	326	
Collection Systems	1,267	1,409	1,487	1,421	1,519	2%	1,549	1,580	1,612	1,644	
Selling, General & Administration	3,086	3,493	3,282	3,225	3,278	2%	3,344	3,411	3,479	3,549	
Total Operating Expenses	9,331	9,961	9,868	9,637	9,963		10,162	10,365	10,573	10,784	
Cash Operating Income (Loss)	2,895	2,440	2,995	3,100	3,038		3,078	3,132	3,187	3,243	
Depreciation	2,981	2,965	3,120	3,120	3,180		3,269	3,362	3,423	3,454	
Operating Income (Loss)	(86)	(525)	(125)	(20)	(142)		(191)	(230)	(236)	(211)	
Non-Operating Revenues (Expenses)											
Interest Earned	1	8	2	7	2		5	5	5	5	
Premium on Bonds	8	8	8	8	8		8	3	3	3	
Interest Expense	(382)	(382)	(420)	(403)	(405)		(408)	(425)	(415)	(399)	
Gain (Loss) on Sale of Capital Assets	15	-	-	-	-		-	-	-	-	
Total Non-Operating Revenues (Expenses)	(358)	(366)	(410)	(388)	(395)		(395)	(416)	(407)	(391)	
Net Income (Loss) Before Operating Transfers	(444)	(891)	(536)	(407)	(537)		(586)	(646)	(643)	(602)	
Transfers From (To) Other Funds											
Transfers (to) Capital Improvements Fund	(29)	-	(4)	(4)	(2)		(21)	(36)	(31)	(38)	
Transfer from Health Insurance Fund	-	-	-	-	76		-	-	-	-	
Total Transfers From (To) Funds	(29)	-	(4)	(4)	74		(21)	(36)	(31)	(38)	
Capital Contributions											
Benefits Charges	920	766	500	500	500		500	500	500	500	
Grants - Operations	240	240	240	240	240		240	240	240	240	
Grants- Capital	-	-	-	100	200		-	-	-	-	
Contributions by Developers	-	282	-	-	-		1,000	300	300	-	
Total Capital Contributions	1,160	1,287	740	840	940		1,740	1,040	1,040	740	
Increase (Decrease) in Retained Earnings	687	396	201	429	477		1,133	358	366	100	
Adjust Retained Earnings to a Cash Flow Basis											
Add Back Depreciation	2,981	2,965	3,120	3,120	3,180		3,269	3,362	3,423	3,454	
Changes in Working Capital	8	(151)	-	-	-		-	-	-	-	
Principal Payment on Current Long-Term Debt	(1,583)	(1,681)	(1,704)	(1,704)	(1,802)		(1,902)	(2,035)	(1,710)	(1,752)	
Non-Cash Capital Contributions	-	(282)	-	-	-		(1,000)	(300)	(300)	-	
Total Adjustments to Retained Earnings	1,406	851	1,416	1,416	1,378		367	1,027	1,413	1,703	
Cash Available for Capital Outlay	2,093	1,247	1,616	1,845	1,855		1,500	1,385	1,779	1,803	
Capital Outlay											
Non-Growth Related	984	649	2,396	1,462	2,207		2,126	2,496	821	791	
Growth Related	310	299	878	597	820		1,938	913	613	313	
Total Capital Outlay	1,294	948	3,274	2,059	3,027		4,064	3,409	1,434	1,104	
Cash After Capital Outlay	799	299	(1,658)	(214)	(1,172)		(2,564)	(2,024)	345	699	
Additional Funding											
City Bond Financing	1,940	-	1,747	1,300	1,312		1,972	1,612	312	312	
Total Additional Funding	1,940	-	1,747	1,300	1,312		1,972	1,612	312	312	
Net Surplus (Deficit)	\$ 2,739	\$ 299	\$ 89	\$ 1,086	\$ 140		\$ (592)	\$ (412)	\$ 657	\$ 1,011	
Total Cash Balance - Beginning	\$ 2,954	\$ 5,693	\$ 5,992	\$ 5,992	\$ 7,078		\$ 7,218	\$ 6,626	\$ 6,214	\$ 6,871	
Total Cash Balance - Ending	\$ 5,693	\$ 5,992	\$ 6,081	\$ 7,078	\$ 7,218		\$ 6,626	\$ 6,214	\$ 6,871	\$ 7,882	
Unrestricted Cash Balance - Beginning	\$ 2,954	\$ 5,243	\$ 5,542	\$ 5,542	\$ 6,485		\$ 6,556	\$ 5,868	\$ 5,292	\$ 5,769	
Unrestricted Cash Balance - Ending	\$ 5,243	\$ 5,542	\$ 5,535	\$ 6,485	\$ 6,556		\$ 5,868	\$ 5,292	\$ 5,769	\$ 6,600	
Restricted Cash Balance - Beginning	\$ -	\$ 450	\$ 450	\$ 450	\$ 592		\$ 662	\$ 758	\$ 922	\$ 1,102	
Restricted Cash Balance - Ending	\$ 450	\$ 450	\$ 546	\$ 592	\$ 662		\$ 758	\$ 922	\$ 1,102	\$ 1,282	
Dividend Affordability Formula:											
Operating & Maintenance Expenses	\$ 9,331	\$ 9,961	\$ 9,868	\$ 9,637	\$ 9,963		\$ 10,162	\$ 10,365	\$ 10,573	\$ 10,784	
Reserved Retained Earnings (2 Months)	\$ 1,555	\$ 1,660	\$ 1,645	\$ 1,606	\$ 1,660		\$ 1,694	\$ 1,728	\$ 1,762	\$ 1,797	
Cash in Excess of Reserve after Dividend	\$ 3,688	\$ 3,881	\$ 3,890	\$ 4,879	\$ 4,896		\$ 4,174	\$ 3,564	\$ 4,006	\$ 4,803	

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

			2016/17		2017/18							
	2014/15 ACTUAL	2015/2016 ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%	2018/19 PROJ.	2019/20 PROJ.	2020/21 PROJ.	2021/22 PROJ.		
Schedule A - Capital Outlay												
Capital Outlay												
Sewer Vehicles-C0004	\$ 43	\$ 85	\$ 255	\$ 162	\$ 380		\$ 270	\$ 750	\$ 75	\$ 45		
Manhole Raising-C0267	32	26	36	36	69		36	36	36	36		
Pump Station Improvements-C0299	72	-	121	121	121		121	121	121	121		
Collection System Rehabilitation-C0327	144	35	430	300	400		1,600	400	400	400		
East End Pump Station-C0565	-	-	-	-	-		375	300	300			
WWTP Equipment-C0584	111	-	275	20	50		50	50	50	50		
Buildings & Structures-C0585	24	95	100	35	90		25	25	25	25		
WWTP - Phase III - Disinfection-C0657	-	-	10	5	50		10	10	10	10		
WWTP/Phase V/Solids Processing-C0711	-	-	50	50	200		50	50	50	50		
Sludge Storage Phase I Improvement-C0712	733	359	1,000	1,000	1,000		1,000	1,000	-	-		
Collection System Equipment-C0713	17	-	50	50	80		80	80	80	80		
Laboratory Equipment-C0745	-	-	10	5	10		10	10	10	10		
Grinder Pump Replacement-C0767	118	65	162	75	162		162	162	162	162		
SSES City Wide-C0800	-	-	600	200	400		100	100	100	100		
Eliminate Pump Station #12-C0832	-	-	160	-	-		160	300	-	-		
New Laterals-C0834	-	282	15	-	15		15	15	15	15		
Final Clarifiers 4 & Weir Covers 6-C0845	-	-	-	-	-		-	-	-	-		
Total Capital Outlay	\$ 1,294	\$ 948	\$ 3,274	\$ 2,059	\$ 3,027		\$ 4,064	\$ 3,409	\$ 1,434	\$ 1,104		
Schedule B - Capital Outlay Detail												
Capital Outlay Non-Growth Related												
Cash Funded												
Sewer Vehicles-C0004	-	-	255	162	380		270	750	75	45		
Manhole Raising-C0267	32	26	36	36	69		36	36	36	36		
Pump Station Improvements-C0299	54	-	91	91	91		91	91	91	91		
Collection System Rehabilitation-C0327	-	18	115	50	100		100	100	100	100		
WWTP Equipment-C0584	-	-	-	20	50		50	50	50	50		
Buildings & Structures-C0585	24	95	100	35	90		25	25	25	25		
WWTP Phase III Disinfection-C0657	-	-	7	4	35		7	7	7	7		
WWTP/Phase V/Solids Processing-C0711	-	-	35	35	140		35	35	35	35		
Collection System Equipment-C0713	-	-	50	25	80		80	80	80	80		
Laboratory Equipment-C0745	-	-	10	5	10		10	10	10	10		
Grinder Pump Replacement-C0767	6	-	50	-	50		50	50	50	50		
SSES City Wide-C0800	-	-	150	50	100		50	50	50	50		
Total Cash Funding	115	139	899	512	1,195		804	1,284	609	579		
Grants in Aid of Construction												
SSES City Wide-C0800	-	-	150	50	100		-	-	-	-		
Total Grant in Aid of Construction	-	-	150	50	100		-	-	-	-		
Contributions by Developers												
Total Developer Contributions	-	-	-	-	-		-	-	-	-		
MDE Bond Funded												
Total MDE Bond Funding	-	-	-	-	-		-	-	-	-		
City Bond Funded (Benefit Charge Advance)												
Sewer Vehicles-C0004	43	85	-	-	-		-	-	-	-		
Collection System Rehabilitation-C0327	72	-	100	100	100		350	100	100	100		
WWTP Equipment-C0584	111	-	275	-	-		-	-	-	-		
Sludge Storage Phase I Improvement-C0712	513	359	700	700	700		700	700	-	-		
Collection System Equipment-C0713	17	-	-	25	-		-	-	-	-		
Grinder Pump Replacement-C0767	112	65	112	75	112		112	112	112	112		
Eliminate Pump Station #12-C0832	-	-	160	-	-		160	300	-	-		
Total City Bond Funding	868	509	1,347	900	912		1,322	1,212	212	212		
Total Non-Growth Related Capital Outlay	\$ 984	\$ 649	\$ 2,396	\$ 1,462	\$ 2,207		\$ 2,126	\$ 2,496	\$ 821	\$ 791		

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

			2016/17		2017/18							
	2014/15	2015/2016	REVISED	EST.	PROPOSED	PROJ.	2018/19	2019/20	2020/21	2021/22		
	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.		
Growth Related												
Grants in Aid of Construction												
SSes City Wide-C0800	\$ -	\$ -	\$ 150	\$ 50	\$ 100		\$ -	\$ -	\$ -	\$ -		
Total Grants in Aid of Construction	-	-	150	50	100		-	-	-	-		
Contributions by Developers												
Collection System Rehabilitation-C0327	-	-	-	-	-		700	-	-	-		
East End Pump Station-C0565	-	-	-	-	-		300	300	300	-		
New Laterals-C0834	-	282	-	-	-		-	-	-	-		
Total Developer Contributions	-	282	-	-	-		1,000	300	300	-		
Benefit Charges/Restricted Cash Funded												
Pump Station Improvements-C0299	18	-	30	30	30		30	30	30	30		
Collection System Rehabilitation-C0327	-	18	115	50	100		100	100	100	100		
East End Pump Station-C0565	-	-	-	-	-		75	-	-	-		
WWTP - Phase III - Disinfection-C0657	-	-	3	2	15		3	3	3	3		
WWTP/Phase V/Solids Processing-C0711	-	-	15	15	60		15	15	15	15		
SSes City Wide-C0800	-	-	150	50	100		50	50	50	50		
New Laterals-C0834	-	-	15	-	15		15	15	15	15		
Total Benefit Charge Funding	18	18	328	147	320		288	213	213	213		
MDE Bond Funded												
Total MDE Bond Funding	-	-	-	-	-		-	-	-	-		
City Bond Funded												
Collection System Rehabilitation-C0327	72	-	100	100	100		350	100	100	100		
Sludge Storage Phase I Improvement-C0712	220	-	300	300	300		300	300	-	-		
Total City Bond Funding	292	-	400	400	400		650	400	100	100		
Total Growth Related Capital Outlay	310	299	878	597	820		1,938	913	613	313		
Total Capital Outlay	\$ 1,294	\$ 948	\$ 3,274	\$ 2,059	\$ 3,027		\$ 4,064	\$ 3,409	\$ 1,434	\$ 1,104		

PARKING FUND PROJECTIONS
FISCAL YEAR 2018/2022
ASSUMPTIONS

- Parking rates were last 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 Saturdays. Sunday is free parking at both decks (University District Parking Deck and Arts & Entertainment District Parking Deck). 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 FY19 through FY22.
- 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 FY21. The revenue calculation is based on 50% utilization of 180 available spaces in the new deck for a portion of the year in FY21. 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 FY21 which will begin to deplete the Parking Fund cash balances in FY22.
- Total operating expenses (excluding depreciation) increased by 9.7% from the FY17 budget compared to the budget proposed for FY18. Primarily, this increase is reflected in wages and benefits as a result of part-time salary increase. Although based on historical trends, the projections will include increases in future periods. The overall increase for each fiscal year from FY19 to FY20 is estimated to be 2.5% annually. With the inclusion of a third parking deck, the increase in FY21 and FY22 are estimated to be 16.8% and 15.0% respectively.
- Depreciation expense is expected to increase from FY17 to FY18 budget by 12.0% as a result of updating and replacing the parking decks' gate equipment. With modest infrastructure upgrades planned in FY19, depreciation expense is anticipated to grow by another 1.4%. Further, we anticipate that depreciation will increase significantly in FY20 (16.6%) and FY21 (66.1%) based upon projected completion of a the third parking deck (#56-C0173 in CIP Section 8). Last, depreciation expense is estimated to increase by 2.8% in FY22 based upon new capital additions.
- The investment interest rate is assumed to remain fairly flat with only minimal growth calculated due to the current economic market conditions and future cash balance projections.
- The future bond interest rates for the new parking deck are estimated at a rate of 4.75% over 25 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 \$125K in FY17 to a loss of \$446K in FY22 due to significant increases in depreciation and debt service expenses for a third parking deck.

PARKING FUND PROJECTIONS
FISCAL YEAR 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%	PROJ.	PROJ.	PROJ.	PROJ.
Operating Revenues										
Parking Deck Revenues										
University District Parking Deck										
Parking Deck Permits	206	211	200	200	210	1.5%	213	216	220	223
Parking Deck Fees	67	72	57	62	62	1.5%	63	64	65	66
Downtown Promotions	8	8	7	7	7	0.0%	7	7	7	7
General Free Parking	(53)	(31)	(49)	(25)	(25)	1.5%	(25)	(26)	(26)	(27)
Parking Deck Coupons	3	2	2	2	2	1.5%	2	2	2	2
Arts & Entertainment Parking Deck										
Parking Deck Permits	136	183	150	150	150	1.5%	152	155	157	159
Parking Deck Fees	62	57	50	50	50	1.5%	51	52	52	53
Downtown Promotions	-	1	-	-	-	1.5%	-	0	-	0
PEP Parking Discount	(3)	(3)	(4)	(4)	(4)	1.5%	(4)	(4)	(4)	(5)
Parking Deck III										
Parking Deck Fees	-	-	-	-	-		-	-	68	135
Total Parking Deck Revenue	427	499	413	442	452		458	465	540	614
Parking Meter & Lot Revenues										
Street Meters	116	110	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	37	29	35	35	35	1.5%	35	36	36	37
Church Street Lot	44	49	49	50	50	1.5%	51	52	52	53
Rochester Lot	14	7	8	8	8	1.5%	8	8	8	8
Central Lot	90	82	85	85	85	1.5%	86	88	89	90
Antietam St. Lot	26	27	25	25	25	1.5%	25	26	26	27
Departmental Charges	44	33	35	35	35	1.5%	36	36	37	37
Total Parking Meter & Lot Revenue	368	335	344	344	344		350	355	360	366
Parking Enforcement	181	118	98	119	121	1.5%	122	124	126	128
Other Operating Revenues										
Other Revenues	1	1	2	2	2		2	2	2	2
Total Other Operating Revenue	1	1	2	2	2		2	2	2	2
Total Operating Revenue	976	954	857	907	919		932	946	1,028	1,109
Operating Expenses										
University District Parking Deck	121	133	131	124	140	2.5%	144	147	151	155
Arts & Entertainment Parking Deck	154	175	155	171	159	2.5%	163	167	172	176
Parking Deck III	-	-	-	-	-	2.5%	-	-	81	165
Parking Lots	137	132	154	153	168	2.5%	172	177	181	186
Parking Enforcement Expenses	40	37	49	44	69	2.5%	71	73	75	77
Total Operating Expense	452	477	489	492	537		550	564	659	758
Cash Operating Income (Loss)	523	476	368	415	382		382	382	369	351
Depreciation	215	232	256	250	287		291	339	563	579
Operating Income (Loss)	308	245	112	165	95		91	43	(194)	(228)
Non-Operating Revenue (Expense)										
Interest Earned	0	1	1	1	1		1	2	2	1
Premium on Bonds	2	2	2	2	2		2	0	0	0
Interest Expense	(56)	(48)	(41)	(41)	(32)		(32)	(22)	(53)	(218)
Total Non-Operating Revenue (Expense)	(54)	(45)	(39)	(38)	(29)		(30)	(20)	(51)	(217)
Net Income (Loss) Before Operating Transfers	255	200	73	127	66		61	22	(246)	(445)
Transfers From (To) Other Funds										
Transfers to CIP Fund	-	-	(2)	(2)	(1)		(1)	(1)	(1)	(1)
Total Transfers From (To) Other Funds	-	-	(2)	(2)	(1)		(1)	(1)	(1)	(1)
Increase (Decrease) in Retained Earnings	255	200	71	125	65		61	22	(246)	(446)

PARKING FUND PROJECTIONS
FISCAL YEAR 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

			2016/17		2017/18							
	2014/15	2015/16	REVISED	EST.	PROPOSED	PROJ.	2018/19	2019/20	2020/21	2021/22		
	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.		
Adjust to a Cash Flow Basis												
Add Back Depreciation	\$ 215	\$ 232	\$ 256	\$ 250	\$ 287		\$ 291	\$ 339	\$ 563	\$ 579		
Changes in Working Capital	(35)	(12)	-	-	-		-	-	-	-		
Prin. Pay on Current Long-Term Debt.	(156)	(163)	(170)	(170)	(182)		(213)	(225)	(131)	(407)		
Total Adjustments to Retained Earnings	24	57	87	80	105		78	114	432	172		
Cash Available for Capital Outlay	279	257	158	206	170		139	136	186	(274)		
Capital Outlay												
Parking Facilities 3rd Parking Deck - C0173	-	-	-	-	-		-	1,367	6,634	-		
Upgrades to Parking Decks - C0749	3	(9)	30	20	470		30	30	30	350		
Vehicles/Equipment - C0829	22	21	35	-	-		-	-	-	30		
Parking Way Finding Signs - C0848	7	-	-	-	-		-	-	-	-		
Parking System Improvements - C0867	-	-	25	-	25		-	-	-	-		
Parking Lot Improvements - C0857	20	67	45	45	30		30	10	15	-		
Total Capital Outlay	52	80	135	65	525		60	1,407	6,679	380		
Cash After Capital Outlay	227	178	23	141	(355)		79	(1,271)	(6,493)	(654)		
Additional Funding												
Bond Financing	-	-	-	-	450		-	1,367	6,634	-		
Total Additional Funding	-	-	-	-	450		-	1,367	6,634	-		
Net Surplus (Deficit)	\$ 227	\$ 178	\$ 23	\$ 141	\$ 95		\$ 79	\$ 96	\$ 141	\$ (654)		
Beginning Cash Balance	\$ 464	\$ 691	\$ 869	\$ 869	\$ 1,010		\$ 1,105	\$ 1,184	\$ 1,280	\$ 1,421		
Ending Cash Balance	\$ 691	\$ 869	\$ 892	\$ 1,010	\$ 1,105		\$ 1,184	\$ 1,280	\$ 1,421	\$ 767		

GOLF COURSE FUND PROJECTIONS
FISCAL YEAR 2018/2022
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 FY2021/22. However, higher revenues are expected as a result of increased promotions and advertising efforts while decreasing the amount of special rate programs. The operating revenue proposed in the FY2017/18 budget anticipates a 9.4% increase compared to estimated actuals for FY2016/17. Increases are anticipated annually in FY2018/19 through FY2021/22. It is expected that revenues will increase by 2.3%, 1.3%, 1.3% and 1.7% respectively.
- Total operating expense (excluding depreciation) increased by 4.2% from current FY2016/17 budget to proposed FY2017/18 budget. Salaries and wages increased by 4.5% from FY2016/17 budget to proposed FY2017/18 budget. Beginning in FY2018/19 through FY2021/22, the increase in total expenses range annually from 2.8%, 3.2%, 2.9%, and 3.3% respectively. The increase reflects an annual salary enhancement of 3.1% for FY2018/19 and 3.4%, 3.3% and 3.2% thereafter 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 11.1% or \$5,000 from FY2016/17 to FY2017/18 budget. This increase is due to the purchase of additional vehicles for the golf course. In FY2018/19, depreciation is anticipated to increase 3.5%, with FY19/20 seeing an increase by 11.8% from planned golf course improvements, and then remaining flat for FY20/21 and FY21/22.
- 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, there will be no interest earned in FY2017/18 through FY2021/22.
- The Golf Course currently has no debt service and is not estimated to incur any through FY2021/22.
- Currently, the Golf Course receives a subsidy from the General Fund. It will be necessary to continue this subsidy through FY2021/22 based on the projections and trends. The proposed budget for FY2017/18 is \$20K more than current FY2016/17 budget indicating a dependence on the General Fund subsidy in that year. FY2018/19 anticipates a decrease in the subsidy by \$8K. In FY19/20 the subsidy increases by \$97K over FY18/19 to help fund the planned golf course improvements. In FY 2020/21 and FY21/22, the subsidy will go back to \$200K.
- Based on the assumptions outlined above for both revenues and increasing expenses and the subsidy received by the General Fund, our net increase (decrease) in retained earnings is estimated to remain at zero in the FY2017/18 budget.

GOLF COURSE FUND PROJECTIONS
FISCAL YEAR 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

			2016/17		2017/18					
	2014/15	2015/16	REVISED	EST.	PROPOSED	PROJ.	2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
Operating Revenues										
Green Fees	\$ 81	\$ 71	\$ 80	\$ 76	\$ 81		\$ 84	\$ 87	\$ 89	\$ 92
Cart Rentals	35	28	35	30	34		35	35	35	35
Tournaments & Specials	75	79	78	78	85		85	85	85	85
Other Revenues	18	26	29	19	21		23	23	24	25
Total Operating Revenues	210	205	222	203	222		227	230	233	237
Operating Expenses										
Salaries & Wages	164	178	156	157	163		167	171	176	181
Wage & O/H Allocation	(26)	(24)	(20)	(25)	(25)		(26)	(26)	(27)	(28)
Fringe Benefits	86	95	83	78	91		95	99	103	107
Materials, Supplies, & Utilities	62	65	60	72	65	3.0%	67	69	71	73
Maintenance & Repairs	7	2	3	3	3	2.0%	3	3	3	3
Vehicle Operating Expenses	15	13	16	18	16	1.5%	16	17	17	18
Advertising & Printing	9	15	12	12	11		8	8	8	8
Machinery & Equipment Rentals	13	14	13	14	16		20	21	21	22
Contracted Services	33	45	39	37	39	2.5%	40	41	42	44
Other General Expenses	17	17	12	9	10		10	11	11	12
Insurance	15	-	3	2	3		3	3	3	3
Communication Expenses	1	1	1	1	1		1	1	1	1
Depreciation	35	36	45	44	50		52	58	58	58
Total Operating Expenses	432	458	422	422	443		456	475	487	501
Operating Income (Loss)	(222)	(253)	(200)	(219)	(221)		(229)	(245)	(254)	(264)
Non-Operating Revenues (Expense)										
Gain (Loss) on Capital Assets	(4)	-	-	-	-		-	-	-	-
Total Non-Operating Revenue (Expense)	(4)	-	-	-	-		-	-	-	-
Transfers From (To) Other Funds										
Transfers from General Fund	226	233	200	220	220		212	309	200	200
Total Transfers From (To) Other Funds	226	233	200	220	220		212	309	200	200
Capital Contributions										
Grants in Aid of Construction	-	20	-	-	-					
Total Capital Contributions	-	20	-	-	-		-	-	-	-
Increase (Decrease) in Retained Earnings	-	-	-	1	(1)		(17)	64	(54)	(64)
Adjust to Cash Flow Basis										
Add Back Depreciation	35	36	45	44	50		52	58	58	58
Changes in Working Capital	20	(5)	-	-	-		-	-	-	-
Total Adjustment to Retained Earnings	55	31	45	44	50		52	58	58	58
Cash Available for Capital Outlay	55	31	45	45	49		35	122	4	(6)
Capital Outlay										
Vehicle/Equipment Replace - C0395	-	40	35	35	37		35	22	-	-
Golf Course Bridge Replace - C0669	26	-	-	-	-		-	-	-	-
Golf Course Net - C0670	17	12	-	-	-		-	-	-	-
Golf Course Improvements - C0825	-	-	-	-	-		-	100	-	-
Total Capital Outlay	43	52	35	35	37		35	122	-	-
Net Surplus (Deficit)	\$ 12	\$ (21)	\$ 10	\$ 9	\$ 13		\$ 0	\$ (0)	\$ 4	\$ (6)
Beginning Cash	\$ 12	\$ 24	\$ 3	\$ 3	\$ 12		\$ 25	\$ 25	\$ 25	\$ 29
Ending Cash	\$ 24	\$ 3	\$ 13	\$ 12	\$ 25		\$ 25	\$ 25	\$ 29	\$ 23
Self Supporting Level	48.6%	44.8%	52.6%	48.1%	50.1%		49.8%	48.4%	47.8%	47.3%

PROPERTY MANAGEMENT FUND PROJECTIONS
FISCAL YEAR 2018/2022
ASSUMPTIONS

- Overall, rental revenue projections are estimated to increase by 4.4% or \$14K from FY2016/17 budget to FY2017/18 budget. The FY2017/18 budget includes a renewed lease with NIST (14 N. Potomac); moving and charging City of Hagerstown Parking Administrative Offices (25 E. Franklin Street); and increased annual occupancy of the four artist loft apartments (38 N. Potomac Street). 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, and Hagerstown Neighborhood Development Partnership Home Store). Additionally, the current lease with the Spickler's Market (17 E Franklin Street) expires January 2020 and MOSH (14 N Potomac Street Suite B-3) expired in 2016 so no future rent is included in the projections beyond these dates.
- Total operating expenses (excluding depreciation) are expected to decrease by 3.0% from FY2017/18 budget compared to the FY2016/17 budget. This decrease is mainly a result of a less salary allocations for projects needing City staff time throughout all the properties and lower utility costs in several of the properties. Based on historical trends, the projections include increases beginning in FY2018/19. The overall estimated increase for each consecutive year from FY2018/19 to FY2021/22 is 2.0%.
- Depreciation expense is expected to increase 4.5% flat from the FY2016/17 budget to the proposed FY2017/15 budget. Additionally, it is estimated that depreciation will continue to increase by 3.7% in FY2018/19; 1.3% in FY2019/20; and minimal increases of 0.6% in FY2020/21 and FY2021/22.
- The investment interest amount is assumed to remain flat with no overall growth calculated despite current market rate changes as a result of anticipated cash balances within this fund. Currently, there is a long-term lease in place with Antietam Fire Company which accrues interest and is also reflected in this line item.
- After a 2015A Public Bond reprogramming (reduction of \$80K) and a pending new 2017B Public Bond issue (addition of \$120K), annual debt service requirements are expected to increase from \$2K in FY2016/17 estimated actuals to \$10K in FY2017/18 budget. Additionally, FY2017/18 includes another future bond issue of \$225K at 4.25% over 20 year term with debt service repayments to start in FY2018/19.
- 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 <\$485K> in FY2016/17 to a loss of <\$244K> in FY2017/18.
- The ending total cash balance is projected to be a negative balance of <\$15K> beginning in FY2016/17. 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 2018/2022
INCOME STATEMENT
(IN THOUSANDS)

	2014/15	2015/16	2016/17		2017/18	PROJ.	2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
Operating Revenues										
Rent - 2-6 N Potomac Street, 1st Floor	\$ 148	\$ 175	\$ 162	\$ 162	\$ 162		\$ 167	\$ 167	\$ 167	\$ 167
Rent - 14 N Potomac Street, Suite 200A/B	34	34	20	35	34		34	35	35	28
Rent - 14 N Potomac Street, Suite B-2	27	18	-	-	-		-	-	-	-
Rent - 12 Public Square	(2)	-	-	-	-		-	-	-	-
Rent - 6 N Potomac Street	19	19	19	19	19		19	19	20	20
Rent - 14 N Potomac Street, Suite B-3	25	32	29	29	15		-	-	-	-
Rent - 17 E Franklin Street	8	9	9	9	9		10	6	-	-
Rent - 25 E Franklin Street	-	-	-	2	7		7	8	8	8
Rent - 14 N Potomac Street, Suite 200B Room 59	3	2	2	2	2		2	2	2	2
Rent - 60 W Washington Street, Suite 102	(1)	-	-	-	-		-	-	-	-
Rent - 790-800 Potomac Avenue	14	17	13	13	13		13	13	13	13
Rent - 40 N Potomac Street	(15)	19	20	20	20		21	22	22	22
Rent - 60 W Washington Street, Rear	30	30	30	30	32		32	32	32	32
Rent - 38 N Potomac Street	23	19	11	20	17		20	20	20	20
Membership Dues - 60 W Washington Street	-	-	4	2	6		6	6	6	6
Miscellaneous Revenues	44	1	-	-	-		-	-	-	-
Total Operating Revenues	355	374	321	344	336		332	329	324	317
Operating Expenses										
Rental Properties Operational Expense	390	400	467	481	453		462	471	481	491
Depreciation	127	127	132	130	138		143	145	146	147
Total Operating Expenses	517	527	599	611	591		605	617	627	637
Operating Income (Loss)	(162)	(153)	(279)	(267)	(255)		(274)	(288)	(303)	(320)
Non-Operating Revenues (Expenses)										
Interest Earned	17	14	10	14	14		14	14	14	14
Interest Expense	(2)	(3)	(3)	(1)	(3)		(8)	(8)	(8)	(8)
Loss on Disposal of Capital Assets	(102)	(30)	-	-	-		-	-	-	-
Total Non-Operating Revenues (Expenses)	(86)	(18)	7	13	11		6	6	6	6
Net Income (Loss) Before Operating Transfers	(248)	(171)	(271)	(254)	(244)		(268)	(282)	(297)	(314)
Transfers From (To) Other Funds										
Capital Transfers from Other Funds	47	-	-	-	-		-	-	-	-
Operating Transfers (to) Other Funds	(363)	(114)	-	-	-		-	-	-	-
Capital Transfers (to) Other Funds	-	-	(280)	(280)	-		-	-	-	-
Total Transfers From (To) Other Funds	(316)	(114)	(280)	(280)	-		-	-	-	-
Capital Contributions										
Grants in Aid of Construction	51	69	-	49	-		-	-	-	-
Total Capital Contributions	51	69	-	49	-		-	-	-	-
Increase (Decrease) in Retained Earnings	\$ (513)	\$ (216)	\$ (551)	\$ (485)	\$ (244)		\$ (268)	\$ (282)	\$ (297)	\$ (314)
Adjust to a Cash Flow Basis										
Add Back Depreciation	127	127	132	130	138		143	145	146	147
Changes in Working Capital	104	15	-	-	-		-	-	-	-
Bond Proceeds	100	-	-	40	225		-	-	-	-
Principal Payments on Long-term Debt	-	(3)	(3)	(1)	(7)		(19)	(19)	(19)	(19)
Total Adjustments to Retained Earnings	331	139	129	170	356		124	126	127	128
Cash Available for Capital Outlay	(182)	(77)	(423)	(315)	112		(144)	(156)	(170)	(187)
Capital Outlay										
Roslyn Building - C0779	-	-	100	-	225		10	-	-	-
Elizabeth Hager Center - C0803	-	-	45	142	45		40	40	20	20
Hagerstown Small Business Center - C0828	52	68	5	49	10		90	10	-	-
36-40 N Potomac Street - C0836	68	11	12	-	27		15	7	7	7
Antietam Street	102	-	-	-	-		-	-	-	-
Total Capital Outlay	221	79	162	191	312		155	57	27	27
Net Surplus (Deficit)	\$ (403)	\$ (156)	\$ (585)	\$ (505)	\$ (200)		\$ (299)	\$ (213)	\$ (197)	\$ (214)
Beginning Cash Balance	\$ 1,050	\$ 647	\$ 491	\$ 491	\$ (15)		\$ (215)	\$ (514)	\$ (727)	\$ (925)
Ending Cash Balance	\$ 647	\$ 491	\$ (94)	\$ (15)	\$ (215)		\$ (514)	\$ (727)	\$ (925)	\$ (1,138)

HEALTH CARE FUND PROJECTIONS
FISCAL YEAR 2018/2022
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. 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. 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). An annual stipend of up to \$4,800 per person is allocated to pay toward these plans and there are current discussions to potentially decrease this to \$4,200 effective July 1, 2017. 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 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 2016/17, the City projects cash balances of \$3.9 million which will provide future funding for any required Claims Reserve. Additionally, our fund balance reserve is estimated to increase slightly over FY 2016/17 budget to \$3.35 million.

Proposed Fiscal Year 2017/18 Budget

We project a deficit in Fiscal Year 2017/18. There is a potential one-time transfer from the Health Insurance Fund to distribute the actual FY2015/16 surplus of \$697K to the General Fund (70.5%), Electric Fund (7.6%), Water Fund (11.0%), and Wastewater Fund (11.0%). This is recommended for FY2017/18 based on three criteria within the Health Insurance fund balance as of June 30, 2016: it is over \$3.0 million balance; it is approximately 47% of total annual operating expenses; and it represents 5.7 months of annual operating costs. At the end of Fiscal Year 2017/18, we estimate a fund balance reserve of \$2.4 million and cash of approximately \$3.0 million.

Four Year Forecast Beyond Proposed Fiscal Year 2017/18 Budget

As a result of our recent claims expense trends and 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. Accounting rules (GASB43) changed how the City accounted for the cost of its post employment benefits. Instead of recognizing these expenses when paid, the City has to recognize the expenses as it is earned. The City annually contracts with an actuarial firm, CBIZ Benefits & Insurance Services, Inc., to perform all necessary calculations. The annual contribution from the City to fund an OPEB trust account is reflected as a separate line item in our financial projections. The City included \$650,000 in Fiscal Year 2016/17 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 for all future periods.

HEALTH CARE FUND PROJECTIONS
FISCAL YEAR 2018/2022
PROPOSED EXPENSES & REVENUES
(IN THOUSANDS)

			2016/17		2017/18					
	2014/15	2015/16	REVISED	EST.	PROPOSED	PROJ.	2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
							5.00%	5.00%	5.00%	5.00%
Premium Revenues										
Premium Revenues - City	\$ 5,981	\$ 6,403	\$ 6,865	\$ 5,955	\$ 6,627		\$ 6,958	\$ 7,306	\$ 7,672	\$ 8,055
Premium Revenues - Employees	1,091	1,147	1,274	1,148	1,148		1,171	1,230	1,291	1,356
Premium Revenues - Retirees	246	246	242	242	242		254	267	280	294
Total Premium Revenue	7,318	7,796	8,381	7,345	8,017		8,383	8,803	9,243	9,705
Interest From Investments	1	5	1	6	6	1.5%	6	6	6	6
Prescription Rebates	81	90	49	75	75	2.0%	77	78	80	81
Stop Loss Reimbursement	-	-	-	-	-		5	10	15	20
Miscellaneous Revenue	-	3	-	-	-		-	-	-	-
Total Revenue	7,400	7,894	8,432	7,426	8,098		8,471	8,897	9,344	9,812
Administrative & Audit Expenses	397	376	399	405	361	3.0%	372	383	394	406
Stop Loss Reinsurance Expenses	228	284	325	313	360	3.0%	371	382	393	405
Medical Expense Reimbursement	6,053	5,931	7,016	5,931	6,769	5.0%	7,107	7,463	7,836	8,228
Health Savings Account Contributions	23	26	25	35	41		44	46	49	51
Claims Reserve Expense	(278)	(119)	75	75	75	2.0%	77	78	80	81
OPEB Trust Contributions	650	650	350	650	650		650	650	650	650
OPEB Reimbursement - City	-	-	300	-	-		-	-	-	-
Transfer to General Fund	36	49	55	55	546		55	55	55	55
Transfer to Electric Fund	-	-	-	-	53		-	-	-	-
Transfer to Water Fund	-	-	-	-	76		-	-	-	-
Transfer to Wastewater Fund	-	-	-	-	76		-	-	-	-
Total Expenses	7,109	7,197	8,545	7,464	9,007		8,675	9,057	9,457	9,876
Operating Income (Loss)	291	697	(113)	(38)	(909)		(204)	(160)	(113)	(64)
Increase (Decrease) in Retained Earnings	\$ 291	\$ 697	\$ (113)	\$ (38)	\$ (909)		\$ (204)	\$ (160)	\$ (113)	\$ (64)
Beginning Fund Balance	2,401	2,692	3,389	3,389	3,352		2,443	2,239	2,079	1,966
Ending Fund Balance	2,692	3,389	3,277	3,352	2,443		2,239	2,079	1,966	1,902
Ending Cash Balance*	\$ 3,484	\$ 3,935	\$ 3,822	\$ 3,897	\$ 2,988		\$ 2,784	\$ 2,624	\$ 2,511	\$ 2,447

*Ending Cash balance includes \$159,000 currently on deposit with United Healthcare.

DENTAL INSURANCE FUND
FISCAL YEAR 2018/2022
PROPOSED EXPENSES & REVENUES
(IN THOUSANDS)

	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	CHG%	PROJ.	PROJ.	PROJ.	PROJ.
							0.00%	0.00%	0.00%	0.00%
Premium Revenues										
Premium Revenues - City	\$ 188	\$ 191	\$ 203	\$ 193	\$ 200		\$ 200	\$ 200	\$ 200	\$ 200
Premium Revenues - Employees	151	156	160	149	150		150	150	150	150
Premium Revenues - Retirees	63	63	61	79	78		78	78	78	78
Total Premium Revenue	402	410	424	421	428		428	428	428	428
Interest From Investments	-	-	-	-	-		-	-	-	-
Total Revenue	402	410	424	421	428		428	428	428	428
Administrative & Audit Expenses	24	26	28	28	39	3.0%	40	41	43	44
Medical Expense Reimbursement	307	287	308	298	336	2.0%	343	350	357	364
Claims Reserve Expense	(38)	2	5	5	5		5	5	5	5
Total Expenses	293	315	341	331	380		388	396	404	413
Increase (Decrease) in Retained Earnings	\$ 109	\$ 95	\$ 83	\$ 90	\$ 48		\$ 40	\$ 32	\$ 24	\$ 15
Beginning Fund Balance	50	159	254	254	344		392	432	464	488
Ending Fund Balance	159	254	337	344	392		432	464	488	503
Ending Cash Balance*	\$ 160	\$ 282	\$ 365	\$ 372	\$ 420		\$ 460	\$ 492	\$ 516	\$ 531

*Ending Cash balance includes \$31,300 currently on deposit with United Concordia.

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CAPITAL IMPROVEMENT PROGRAM

SECTION 8

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Acknowledgements

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CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2017/18

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 FY17 and FY18 is summarized below:

Fund	FY17		FY18	
	Revised Budget	Estimated Actual	Proposed Budget	Adopted Budget
General / CIP Fund	\$ 13,658,941	\$ 10,589,698	\$ 12,273,575	\$ 12,105,429
Electric Fund *	570,000	448,543	552,500	552,500
Water Fund	3,754,000	2,923,104	5,337,000	5,337,000
Wastewater Fund	3,274,000	2,058,698	3,027,000	3,027,000
Parking Fund	135,000	65,000	525,000	525,000
Golf Fund	35,000	35,000	37,000	37,000
Property Management Fund	162,000	190,733	312,000	312,000
TOTALS	\$ 21,588,941	\$ 16,310,776	\$ 22,064,075	\$ 21,895,929

* Excludes capital expenditures not included in specific projects of \$417,500, \$425,700 and \$435,000 respectively.

MAJOR FY18 PROGRAM OBJECTIVES

- Further the City's goals and objectives as outlined in the City's Comprehensive and Strategic Plans, the Community's City Center Plan as summarized on the City's website, and the Mayor & Council Goals & Priorities included in Section 1 of the budget book.
- Maximize opportunities for community development and infrastructure replacement while staying within debt affordability guidelines, available resources and complying with the City's debt management policy.
- Increase opportunities to obtain funding from outside sources such as the Federal, State and County Governments and other private parties.
- Assist in planning, budgeting and coordinating the operational and capital efforts of all City Departments.
- Provide guidance for making decisions about requests for routine or emergency capital expenditures.
- Attract private investment by planning for future amenities and infrastructure improvements to support public capital commitments.
- Maintain or improve the City's bond rating through effective financial planning and management.

THE CITY'S STRATEGIC PLAN

In December 2014, the Mayor and City Council approved their Goals & Priorities for calendar years 2015 through 2016 which build upon the City's Vision and Mission Statements that were revised in October 2013. (Mayor & Council Goals & Priorities – 2015 through 2016 is located in Section 1 Overview). New Mayor & Council were elected at the end of November 2016 and are working on the development of updated goals & priorities. At the time of printing of this budget book, updated goals & priorities are not yet finalized and the City continues to make

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY

FISCAL YEAR 2017/18

progress on previously identified items and the Community's City Center Plan. By strategically utilizing a combination of financial management policies, land use, and forecasting, the City will ensure stability by maximizing its use of resources. To assist policy makers, the CIP's five year forecast included in this section reflects the financial impact of their decisions. The Strategic Plan outlines the City's 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, \$1.7 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; to assist in the expansion of the Farmer's Market; to fund a Downtown Redevelopment initiative; 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 \$15.2 million for new technologies that provide and promote a more customer-oriented parking experience and for new sidewalks, alley reconstructions, Longmeadow Park improvements, storm water management upgrades, Roslyn Building renovations, pavement preservation and maintenance, Public Works storage yard expansion, City Hall improvements, 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, \$286K 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. In addition to the City's operating funding support of neighborhood programs, the capital budget plan includes \$195K for public art, downtown beautification programs and tree installation, and accessibility ramps.

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, continue to enhance visitor attractions at Potterfield Pool, 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 \$20K 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, \$4.5 million has been designated to purchase a fire engine, replace existing Fire Training Tower building, relocate the fire station, replace police vehicles and upgrade police radios and crime lab equipment.

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2017/18

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 \$139K 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 FY18 through FY22. 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 FY18 at \$22.1 million is 2.3% higher than the \$21.6 million in the FY17 revised budget. The FY18 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:

- The City has a history of deferring vehicles over the past seven years in an effort to lower costs and remain within limited resources impacted negatively by the economy. While the FY18 budget includes vehicle and equipment replacements for aging equipment, it is important to note that there are no new additions to our existing vehicle fleet but only vehicle replacements. Overall, the FY18 budget includes \$2.6M for vehicle replacements. Of this amount, \$1.0M is funded by Enterprise Funds and includes the replacement of a wastewater vacuum truck, backhoes, dump trucks, and other miscellaneous vehicles. \$1.6M will be funded by various sources within the General Fund. This includes the replacement of 7 police cruisers (\$322K), the replacement of 1 pick-up (\$30K), replacement of 1 John Deere gator (\$8K), and 3 other vehicles (\$70K). Additionally, future bond funds will be needed for the replacement of a reserve engine (\$645K) for the Fire department, a dump truck (\$160K) and street sweeper (\$300K) for the Public Works department, and a loader (\$60K) for Parks & Recreation department. The City will strive to continue to implement a systematic vehicle replacement plan to eliminate costly repairs and to improve efficiency of operations.
- Relying on state highway user revenue (HUR), the City included \$1.2M in the FY18 budget for its pavement preservations program for city streets. The City utilizes a variety of methods to maintain streets including overlay, crack-sealing, slurry-sealing, pavement markers, and milling. While the FY18 budget includes a total of \$1.2M, the City will only spend what is provided by the state for funding.
- The City has included \$1.44 million in our FY18 budget for a Downtown Redevelopment project(s) to help spur economic redevelopment. This project total was \$1.5 million. In FY17, the City committed \$0.5 million to The Maryland Theatre toward design fees for its expansion project. It is anticipated that \$0.44 million committed to The Maryland Theatre will actually be spent in FY18. While there are no specifically approved commitments for the remaining \$1.0 million in the FY18 budget, this funding could be utilized toward a portion of the Urban Improvement project or other revitalization of the urban core of the City of Hagerstown. This project and funding has been included in the budget to help address Mayor and Council priority projects which are outlined with the Community's Center City Plan.
- Based on 2015 Insurance Services Office (ISO) rating suggestions, the City has included \$1.6 million to explore the opportunity to relocate or combine some downtown fire stations. The funding source for this project would be a future bond issue.

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2017/18

- Several other large projects within the FY18 budget are: reconstruction of alleys throughout the city; possible Storm Water Management projects to meet future state/federal regulations; installation of new sidewalks with a portion to be provided by Safe Routes to School Grant; restoration of 900 feet long stream in Longmeadow Park along Hamilton Run; replacement of 162 mobile and portable radios in the Police department; replacement of Parking gate equipment at both parking decks; and roof plus window replacements for the Roslyn Building.
- Phase 1B of the Synagro Facility Upgrade Improvements project is expected to begin in FY18. This is a continuation of upgrades to the Wastewater's treatment plant's sludge pelletizing facility and equipment. These upgrades will provide complete management of the end-use of the City's bio-solids. The FY18 budget is the third year of a five year agreement with Synagro which provides \$1 million annually through FY20 to achieve these improvements.
- To improve system and increase reliability, \$1.9 million has been included in the FY18 budget to ensure compliance with MDE Dam Safety Division requirements in the Edgemont Reservoir improvement project. The primary funding source is anticipated to be a MDE low-interest bond issue. The planned improvements will include the installation of a grout curtain, replacement of the ogee and a portion of the emergency spillway, and the installation of additional toe drains.

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 2018/22
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
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
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
Computer Equipment and Software	45-C0006	Planned Improvement
Consolidation of Public Safety Assets	45-C0687	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
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	Planned Improvement
Fairgrounds Park Improvements	45-C0626	Planned Improvement
Feeder Coordination	50-C0833	Planned Improvement
Fire Computer Equip/Public Safety Radios	45-C0849	Public Safety
Fire Department Breathing Apparatus Equip	45-C0663	Planned Improvement
Fire Department Training Center	45-C0241	Planned Improvement
Fire Department Vehicle Replacement	45-C0010	Planned Improvement
Fire Equipment	45-C0871	Planned Improvement
Fire Facilities City Owned Buildings	45-C0870	Planned Improvement
Fire Station Relocation	45-C0730	Planned Improvement
Fuel Station Improvements	45-C0352	Planned Improvement
Geographic Information System	45-C0451	Planned Improvement
Golf Course - Vehicles/Equipment	57-C0395	Cost Avoidance
Golf Course Improvements	57-C0825	Improve Service

CAPITAL IMPROVEMENTS PROGRAM - ALL FUNDS
FISCAL YEARS 2018/22
LIST OF PROJECTS ALPHABETICAL BY PROJECT NAME

PROJECT NAME	PROJECT NUMBER	PROJECT PRIORITY
Green Streets	45-C0639	Probable Grant
Grinder Pump Replacement Program	54-C0767	Planned Improvement
Hagerstown Cultural Trail	45-C0140	Planned Improvement
Hagerstown Ice Rink	45-C0843	Planned Improvement
Hagerstown Small Business Center	58-C0828	Planned Improvement
Installation of Street Trees	45-C0594	Planned Improvement
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
Market House Improvements	45-C0099	Planned Improvement
Marsh Run Walls Rehabilitation	45-C0853	Cost Avoidance
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
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 Restroom Upgrades	45-C0874	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
Planning & Code Admin Vehicles	45-C0678	Cost Avoidance
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
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

CAPITAL IMPROVEMENTS PROGRAM - ALL FUNDS
FISCAL YEARS 2018/22
LIST OF PROJECTS ALPHABETICAL BY PROJECT NAME

PROJECT NAME	PROJECT NUMBER	PROJECT PRIORITY
R. Paul Smith Boulevard	45-C0733	Planned Improvement
RC Willson - Traveling Screen Replacement	52-C0863	Planned Improvement
Roslyn Building Renovation	58-C0779	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	Planned Improvement
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
Substation Breaker Replacement	50-C0776	Planned Improvement
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 Beacons	45-C0872	Public Safety
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
Wesel Boulevard Reconstruction	45-C0873	Planned Improvement
Wildlife Protection	50-C0802	Planned Improvement
Willson Transmission Mains	52-C0167	Planned Improvement
Willson Treatment Plant	52-C0166	Planned Improvement
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 2018/22**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
COMMUNITY & ECONOMIC DEVELOPMENT									
717	5699	2003	CHEVY CAVALIER	25,000					25,000
COMMUNITY & ECONOMIC DEVELOPMENT TOTAL				25,000	-	-	-	-	25,000
PLANNING & CODE ADMINISTRATION									
401	5816	2006	CHEVY TRUCK		25,000				25,000
712	5779	2005	JEEP LIBERTY					25,000	25,000
713	5857	2007	FORD FOCUS				25,000		25,000
715	5697	2003	CHEVY CAVALIER	25,000					25,000
718	5815	2006	CHEVY COLORADO			25,000			25,000
750	5822	2006	CHEVY COLORADO		25,000				25,000
752	5786	2005	CHEVY COLORADO				25,000		25,000
755	5751	2004	CHEVY COLORADO			25,000			25,000
850	5804	2006	JEEP LIBERTY					25,000	25,000
PLANNING & CODE ADMINISTRATION				25,000	50,000	50,000	50,000	50,000	225,000
ENGINEERING DEPARTMENT									
701	5892	2008	CHEVY COLORADO P/U		20,000				20,000
702	5814	2006	CHEVY COLORADO P/U	20,000					20,000
703	5893	2008	CHEVY IMPALA SEDAN			20,000			20,000
709	5810	2006	JEEP LIBERTY				20,000		20,000
710	5542	1998	CHEVY CARGO VAN					20,000	20,000
ENGINEERING DEPARTMENT TOTAL				20,000	20,000	20,000	20,000	20,000	100,000
PARKS DEPARTMENT									
317	5744	2004	JD 4X2 GATOR	8,000					8,000
319	5864	2007	BOBCAT LOADER	60,000					60,000
333	5749	2004	JOHN DEERE BACKHOE		100,000				100,000
369	5800	2005	GRAVELY 260Z MOWER			12,000			12,000
378	5884	2007	JD TX GATOR		10,000				10,000
379	5460	1995	GRAVELY PM 300 MOWER		12,000				12,000
380	5615	2000	SHUR-TRAIL TRAILER		5,000				5,000
PARKS DEPARTMENT TOTAL				68,000	127,000	12,000	-	-	207,000
PUBLIC WORKS DEPARTMENT									
002	5946	2010	FORD 1/2 T 4WD				30,000		30,000
006	5854	2006	BOBCAT A300					75,000	75,000
010	5928	2008	2008 FORD F550 DUMP TRUCK						110,000
012	5929	2008	2008 FORD F550 DUMP TRUCK				110,000		110,000
014	5915	2008	2008 CHEVY 2500 2x4 TRUCK				30,000		30,000
016	5897	2008	FORD REFUSE TRUCK			110,000			110,000
027	5781	2005	STERLING ACTERA DUMP	160,000					160,000
028	5830	2006	STERLING ACTERA RDS DUMP		170,000				170,000
030	5610	2000	GMC 1/2 T 4WD					30,000	30,000
031	5808	2006	CHEVY CARGO VAN		30,000				30,000
034	5713	2004	CHEVY CREW CAB P/U	30,000					30,000
035	5855	2007	CHEVY 3/4 TON TRUCK		30,000				30,000
046	5713	2004	CHEVY CREW CAB P/U		30,000				30,000
063	5969	2011	Z930A JD MOWER					20,000	20,000
068	5422	1993	FORD 1520 TRACTOR				35,000		35,000
076	5831	2006	US CARGO TRAILER			15,000			15,000
077	5725	2004	JOHN DEERE TRACTOR			20,000			20,000
084	5433	1993	WACKER ROLLER		15,000				15,000
088	5767	2005	JOHN DEERE X595 TRACTOR				18,000		18,000
092	5795	2005	SCHWARZE SWEEPER	300,000					300,000
093	5866	2007	SCHWARZE A8000			300,000			300,000
600	5903	2008	FORD PICKUP TRUCK			30,000			30,000
602	5821	2006	E350 BUCKET VAN		90,000				90,000
611	5932	2008	FORD F550 UTILITY TRUCK					75,000	75,000
615	5763	2005	CHEVY CARGO VAN		30,000				30,000
616	5949	2008	SOLAR SIGN BOARD				45,000		45,000
617	5956	2008	SOLAR SIGN BOARD					45,000	45,000
PUBLIC WORKS DEPARTMENT TOTAL				490,000	395,000	475,000	378,000	245,000	1,983,000

**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2018/22**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
POLICE DEPARTMENT									
903	206117	2014	FORD TAURUS					46,000	46,000
930	5878	2007	DODGE CHARGER		46,000				46,000
934	5839	2006	FORD CROWN VICTORIA INTERCEPTOR		46,000				46,000
935	5840	2006	FORD CROWN VICTORIA INTERCEPTOR		46,000				46,000
939	5812	2006	FORD CROWN VICTORIA INTERCEPTOR		46,000				46,000
940	5811	2006	FORD CROWN VICTORIA INTERCEPTOR		46,000				46,000
941	5805	2006	FORD CROWN VICTORIA INTERCEPTOR		46,000				46,000
942	5843	2006	FORD CROWN VICTORIA INTERCEPTOR		46,000				46,000
944	5752	2004	FORD CROWN VICTORIA INTERCEPTOR	46,000					46,000
946	5881	2007	DODGE CHARGER			46,000			46,000
953	5783	2005	FORD EXPEDITION	46,000					46,000
958	5919	2009	FORD CROWN VICTORIA INTERCEPTOR			46,000			46,000
963	5667	2003	FORD CROWN VICTORIA INTERCEPTOR	46,000					46,000
967	5621	2000	FORD CROWN VICTORIA	46,000					46,000
972	5753	2004	FORD CROWN VICTORIA INTERCEPTOR	46,000					46,000
981	5883	2007	DODGE CHARGER			46,000			46,000
987	6032	2012	CHEVY IMPALA				46,000		46,000
991	206090	2005	FORD CROWN VICTORIA	46,000					46,000
998	5947	1998	FORD CROWN VICTORIA	46,000					46,000
9110	206021	2013	FORD TAURUS					46,000	46,000
9112	206005	2013	FORD TAURUS					46,000	46,000
9113	206002	2013	FORD TAURUS					46,000	46,000
9114	206006	2013	FORD TAURUS					46,000	46,000
9115	206003	2013	FORD TAURUS					46,000	46,000
9210	6024	2011	FORD CROWN VICTORIA				46,000		46,000
9211	6025	2011	FORD CROWN VICTORIA				46,000		46,000
9212	5940	2009	DODGE CHARGER			46,000			46,000
9213	5942	2009	DODGE CHARGER			46,000			46,000
9214	5924	2009	FORD CROWN VICTORIA INTERCEPTOR			46,000			46,000
9215	5923	2009	FORD CROWN VICTORIA INTERCEPTOR			46,000			46,000
9301	5041	2013	FORD TAURUS					46,000	46,000
9302	5030	2011	FORD CROWN VICTORIA				46,000		46,000
9303	6029	2011	FORD CROWN VICTORIA				46,000		46,000
9304	5921	2009	FORD CROWN VICTORIA INTERCEPTOR			46,000			46,000
9305	5943	2009	DODGE CHARGER				46,000		46,000
9306	5941	2009	DODGE CHARGER				46,000		46,000
9400	5922	2009	FORD CROWN VICTORIA				46,000		46,000
9401	5838	2006	FORD CROWN VICTORIA		46,000				46,000
9501	206036	2013	FORD EXPLORER					46,000	46,000
POLICE DEPARTMENT TOTAL				322,000	368,000	368,000	368,000	368,000	1,794,000
FIRE DEPARTMENT									
ENG2	5718	2004	KME MFD			779,900			779,900
ENG3	5719	2004	KME MFD		709,000				709,000
ENG4	5918	2009	KME MFD				857,800		857,800
ENG5	5720	2004	KME MFD			779,900			779,900
CAR7	5813	2005	CHEVY TRAILBLAZER		75,000				75,000
CAR8	5856	2007	FORD EXPEDITION		75,000				75,000
RE1	5435	1994	KME PUMPER		709,000				709,000
RE4	5349	1991	KME RENEGADE LFD	645,000					645,000
TRK11	206058	1994	AI 105' LADDER					1,550,000	1,550,000
U3A	5920	2008	FORD F350 PICKUP					60,000	60,000
FIRE DEPARTMENT TOTAL				645,000	1,568,000	1,559,800	857,800	1,610,000	6,240,600
GENERAL FUND TOTAL				\$ 1,595,000	\$ 2,528,000	\$ 2,484,800	\$ 1,673,800	\$ 2,293,000	\$ 10,574,600

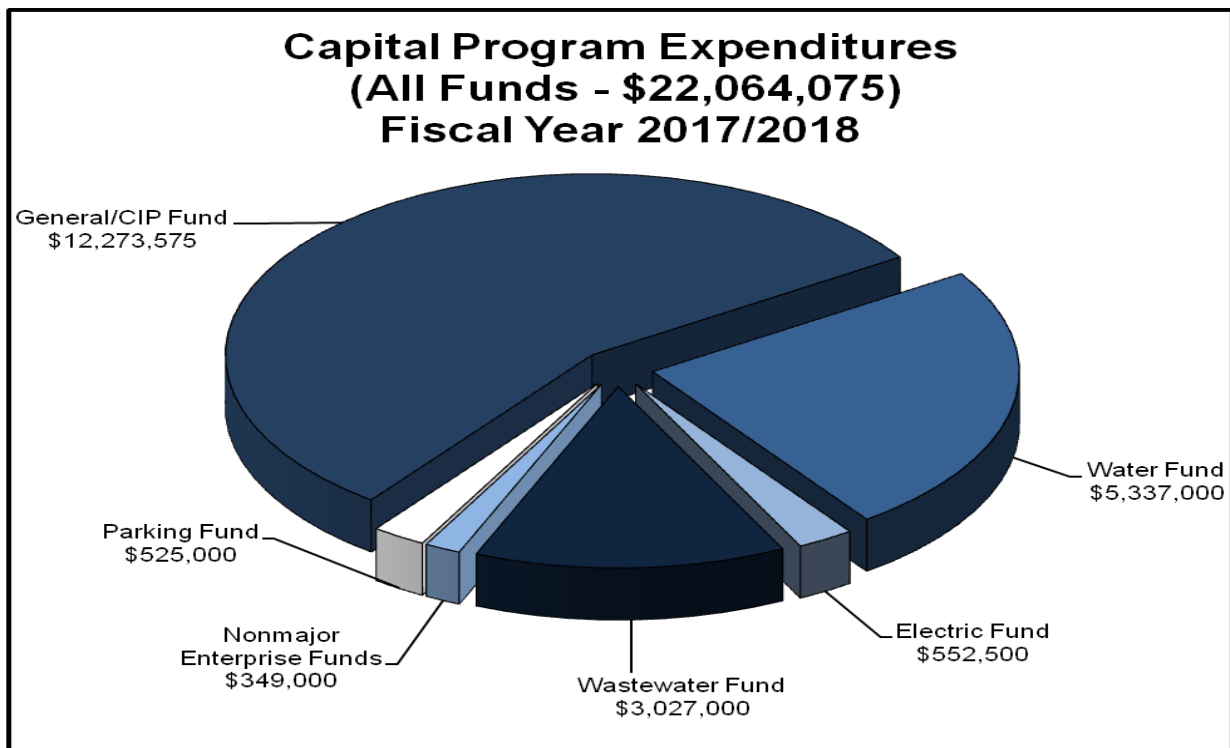
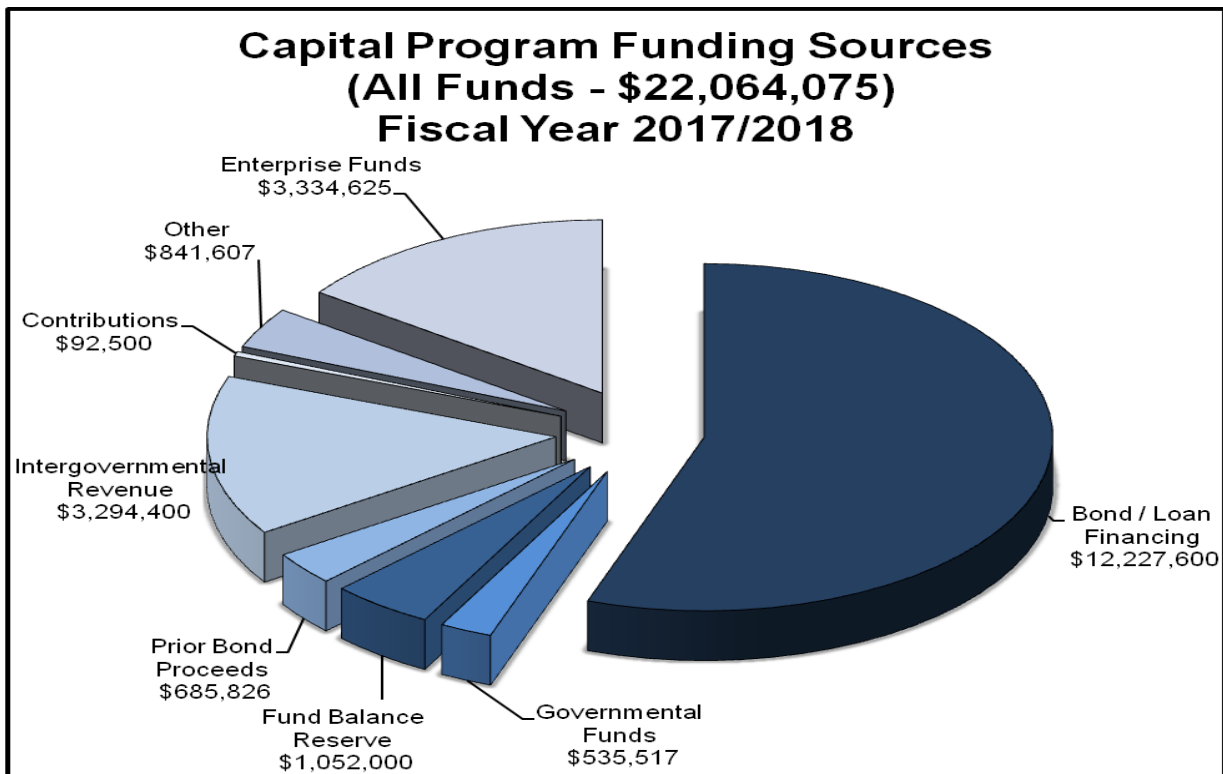
**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2018/22**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
ELECTRIC FUND									
101	5876	2007	Ford F150				30,000		30,000
102	5877	2007	Ford F150				30,000		30,000
103	5681	2003	CHEVY CAVALIER	25,000					25,000
104	5682	2003	CHEVY CAVALIER	25,000					25,000
105	5861	2007	CHEVY TRAILBLAZER	35,000					35,000
107	5520	1997	GMC SIERRA P/U					150,000	150,000
109	5684	2003	CHEVY CAVALIER	25,000					25,000
111	5573	1999	GMC SONOMA	25,000					25,000
112	5574	1999	GMC SONOMA	25,000					25,000
113	5575	1999	GMC SONOMA	25,000					25,000
116	5454	1995	GMC STAKE BODY					65,000	65,000
120	5441	1994	GMC/TEXOMA DIG/DERR			250,000			250,000
122	5869	2007	CHEVY 3/4 TON 4WD				30,000		30,000
124	5696	2003	BUCKET TRUCK		250,000				250,000
126	5871	2007	CHEVY 3/4 TON 4WD PICK-UP	40,000					40,000
131	5870	2007	SILVERADO 4x4 PICKUP w/PLOW				40,000		40,000
134	5299	1990	INGERSOLL-RAND AIR COMP. TRAILER				20,000		20,000
137	5766	2005	CHEVROLET 3500 CARGO FUN				40,000		40,000
ELECTRIC FUND TOTAL				225,000	250,000	250,000	190,000	215,000	1,130,000
WATER FUND									
201	5862	2007	TRAIL BLAZER			25,000			25,000
204	5863	2007	CHEVY 2500 4x4	40,000					40,000
206	5627	2012	FORD F450				90,000		90,000
208	5792	2005	FORD F550		85,000				85,000
211	5927	2009	F750 DUMP TRUCK		90,000				90,000
212	5785	2005	CHEVY 2500 4WD P/U	35,000					35,000
214	5691	2003	CHEVY S10 P/U		25,000				25,000
215	5820	2006	STERLING ACTERA DUMP	90,000					90,000
218	5793	2005	FORD F450	50,000					50,000
219	5449	1995	VOLVO CRANE TRUCK				155,000		155,000
223	5853	2006	JD 310SG BACKHOE			125,000			125,000
226	5902	2008	CHEVY COLORADO	22,000					22,000
228	5656	2001	JOHN DEERE 4106 BACKHOE LOADER	100,000				150,000	250,000
230	5640	2012	GMC JIMMY					30,000	30,000
232	5583	1999	1 TON DUMP TRUCK	50,000					50,000
233	5926	2008	DUMP TRUCK			60,000			60,000
235	5643	2001	GMC S15					30,000	30,000
238	5686	2003	KUT KWICK SLOPE MOWER 38HP				55,000		55,000
241	5576	2008	GMC JIMMY				30,000		30,000
242	206030	2013	CHEVY EQUINOX					30,000	30,000
250	5674	2003	CHEVROLET S10	25,000					25,000
252	5613	2000	GMC SONOMA			20,000			20,000
257	5787	2005	BACKHOE		125,000				125,000
260	5474	1995	CHEVY 3500 UTILITY					90,000	90,000
WATER FUND TOTAL				412,000	325,000	230,000	330,000	330,000	1,627,000
WASTEWATER FUND									
509	5580	1999	VOLVO TRAILER MOUNTED GENERATOR				75,000		75,000
512	5616	2000	GMC TOPKICK DUMP TRUCK	135,000					135,000
513	5427	1993	KOHLER MGS 2226 GENERATOR		65,000				65,000
519	5285	1989	CHEVROLET 7D042 VACUUM TRUCK	105,000					105,000
522	5357	1991	INGERSOLL RAND LIGHT PLANT					45,000	45,000
528	5833	2006	JET-VAC CLEANER			750,000			750,000
535	5657	2005	NEW HOLLAND TRACTOR		25,000				25,000
592	5633	2001	JD 310SG BACKHOE	140,000					140,000
595	5562	2002	CHEVY C8500 DUMP		180,000				180,000
WASTEWATER FUND TOTAL				380,000	270,000	750,000	75,000	45,000	1,520,000

**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2018/22**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
PARKING FUND									
033	5035	2012	FORD F150 4x4					30,000	30,000
PARKING FUND TOTAL				-	-	-	-	30,000	30,000
GOLF COURSE									
NEW			TOP DRESSER	37,000					37,000
373A	5478	1996	CUSHMAN TURF TRUCKSTER			22,000			22,000
389	5774	2004	CUSHMAN SPRAYER		35,000				35,000
GOLF FUND TOTAL				37,000	35,000	22,000	-	-	94,000
GRAND TOTAL - ALL FUNDS				\$ 2,649,000	\$ 3,408,000	\$ 3,736,800	\$ 2,268,800	\$ 2,913,000	\$ 14,975,600

ALL FUNDS - FUNDING SOURCES AND EXPENDITURES
FISCAL YEAR 2017/18



CAPITAL IMPROVEMENT PROGRAM - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2018/22
EXPENDITURES SUMMARY BY FUND

DEPARTMENT	FY18 Proposed	FY18 Adopted	FY19	FY20	FY21	FY22	Total FY18 Adopted-FY22
Community & Economic Development	25,000	-	-	-	-	-	-
Engineering	3,296,204	3,256,204	5,169,000	4,385,000	4,015,000	10,330,524	27,155,728
Finance	1,440,000	1,440,000	-	-	-	-	1,440,000
Fire	3,282,000	3,273,854	1,658,000	2,499,800	1,897,800	1,700,000	11,029,454
Information Technology	464,771	464,771	205,000	195,000	175,000	203,000	1,242,771
Parks	1,184,000	1,179,000	3,421,433	315,333	736,667	1,306,667	6,959,100
Planning & Code Administration	25,000	25,000	50,000	50,000	50,000	50,000	225,000
Police	1,221,600	1,191,600	668,000	558,000	558,000	558,000	3,533,600
Public Works	1,335,000	1,275,000	1,016,000	735,000	484,000	346,000	3,856,000
General/CIP Fund Total	\$12,273,575	\$ 12,105,429	\$ 12,187,433	\$ 8,738,133	\$ 7,916,467	\$ 14,494,191	\$ 55,441,653
Electric Fund	552,500	552,500	892,500	1,092,500	1,232,500	957,500	4,727,500
Water Fund	5,337,000	5,337,000	8,140,000	13,010,000	3,710,000	10,015,000	40,212,000
Wastewater Fund	3,027,000	3,027,000	4,064,000	3,409,000	1,434,000	1,104,000	13,038,000
Parking Fund	525,000	525,000	60,000	1,407,000	6,678,775	380,000	9,050,775
Golf Fund	37,000	37,000	35,000	122,000	-	-	194,000
Property Management Fund	312,000	312,000	155,000	57,000	27,000	27,000	578,000
Grand Total - All Funds	\$22,064,075	\$ 21,895,929	\$ 25,533,933	\$ 27,835,633	\$ 20,998,742	\$ 26,977,691	\$ 123,241,928

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '18 thru FY '22

FUNDING SOURCE SUMMARY

Source	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	5,965,600	4,550,000	5,464,800	2,277,800	3,550,000	21,808,200
CIP Fund - GF Fund Balance	1,049,000					1,049,000
CIP Fund Balance	765,607	35,058				800,665
Contribution by Others	92,500	55,833	28,333	1,181,667	7,267,191	8,625,524
Excise Tax Fund					198,000	198,000
Grants-Federal	1,110,000	2,800,000	250,000			4,160,000
Grants-Private	40,000	25,000	14,000	10,000	10,000	99,000
Grants-State	510,000	570,000	70,000	745,000	502,000	2,397,000
Grants-State Aid in Lieu of Urban Funds	108,900					108,900
Grants-State CP&P	135,000					135,000
Grants-State Program Open Space	89,500	784,000	81,000	504,000	265,000	1,723,500
PEG Fee	56,000	56,000	56,000	56,000	56,000	280,000
Prior Bond Proceeds	685,826					685,826
Reforestation Funds	20,000	40,000	40,000	40,000		140,000
State Highway User Revenue	1,101,000	1,235,000	1,235,000	1,235,000	1,235,000	6,041,000
Transfers to CIP-CDBG Fund	240,000	320,000	270,000	470,000	70,000	1,370,000
Transfers to CIP-Electric Fund	1,875	21,328	35,875	30,875	37,750	127,703
Transfers to CIP-General Fund	130,371	1,652,058	1,120,875	1,303,875	1,226,750	5,433,929
Transfers to CIP-Parking Fund	500	500	500	500	1,000	3,000
Transfers to CIP-Wastewater Fund	1,875	21,328	35,875	30,875	37,750	127,703
Transfers to CIP-Water Fund	1,875	21,328	35,875	30,875	37,750	127,703
GRAND TOTAL	12,105,429	12,187,433	8,738,133	7,916,467	14,494,191	55,441,653

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '18 thru FY '22

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)								
Fire Department Vehicle Replacement	45-C0010	5	645,000	1,418,000	1,559,800	857,800	1,550,000	6,030,600
City Park Lake Improvements	45-C0047	5					500,000	500,000
Public Works Vehicles	45-C0065	5	460,000	170,000	410,000	220,000	150,000	1,410,000
Market House Improvements	45-C0099	5			150,000			150,000
Police Radios	45-C0128	1	534,600					534,600
Hagerstown Cultural Trail	45-C0140	5	100,000	140,000				240,000
Fire Department Training Center	45-C0241	5	200,000					200,000
Alley Reconstruction	45-C0324	5	191,000	197,000				388,000
City Hall Improvements	45-C0326	5	300,000					300,000
Parks Vehicles and Equipment	45-C0570	5	60,000	100,000				160,000
Professional Court Extension	45-C0685	5		2,000,000				2,000,000
Consolidation of Public Safety Assets	45-C0687	5	500,000					500,000
Public Works Storage Yard Expansion	45-C0718	5	375,000	525,000				900,000
Fire Station Relocation	45-C0730	5	1,600,000					1,600,000
Northwest Connector	45-C0735	5			280,000	1,000,000	850,000	2,130,000
Fire Computer Equip/Public Safety Radios	45-C0849	1			865,000			865,000
Marsh Run Walls Rehabilitation	45-C0853	4					500,000	500,000
Downtown Redevelopment	45-C0854	5	1,000,000					1,000,000
Fire Facilities City Owned Buildings	45-C0870	5				200,000		200,000
Wesel Blvd Reconstruction	45-C0873	5			2,200,000			2,200,000
Bond Financing (General Fund) Total			5,965,600	4,550,000	5,464,800	2,277,800	3,550,000	21,808,200

CIP Fund - GF Fund Balance

Market House Improvements	45-C0099	5	42,500					42,500
Police Vehicles	45-C0129	1	322,000					322,000
Street Crime Cameras/CPTED	45-C0130	1	150,000					150,000
Engineering Vehicles	45-C0133	4	20,000					20,000
Community & Economic Development Vehicles	45-C0249	4	0					0
Public Works Operations Center Improvement Program	45-C0250	5	30,000					30,000
Police Building Renovation	45-C0308	5	25,000					25,000
Pangborn Park Improvements	45-C0335	5	12,000					12,000
Fuel Station Improvements	45-C0352	5	30,000					30,000
Bridge Repair Program	45-C0400	4	55,000					55,000
Curb and Sidewalk Replacement Program	45-C0458	5	25,000					25,000
City Park Improvements	45-C0522	5	10,500					10,500
Parks Vehicles and Equipment	45-C0570	5	8,000					8,000
Fairgrounds Park Improvements	45-C0626	5	10,000					10,000
Green Streets	45-C0639	6	10,000					10,000
Fire Department Breathing Apparatus Equip	45-C0663	5	22,000					22,000
Planning & Code Admin Vehicles	45-C0678	4	25,000					25,000
Pangborn Lake Reconstruction	45-C0812	3	22,000					22,000
Longmeadow Park Improvements	45-C0866	5	100,000					100,000
Public Art	45-C0868	5	15,000					15,000

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Fire Equipment	45-C0871	5	90,000					90,000
Parks Restroom Upgrades	45-C0874	8	25,000					25,000
CIP Fund - GF Fund Balance Total			1,049,000					1,049,000

CIP Fund Balance

Computer Equipment and Software	45-C0006	5	80,000	25,668				105,668
Municipal Broadband	45-C0008	8	5,858					5,858
Pavement Preservation Program	45-C0025	5	134,000					134,000
Market House Improvements	45-C0099	5	7,500					7,500
Park Equipment	45-C0237	5	4,000					4,000
Downtown Beautification Program	45-C0280	5	5,000					5,000
Police Building Renovation	45-C0308	5	50,000					50,000
Geographic Information System	45-C0451	5	35,000	9,390				44,390
Cable PEG	45-C0569	2	229,771					229,771
New Sidewalks	45-C0595	1	1,100					1,100
Storm Water Management Implementation	45-C0637	6	69,378					69,378
Public Works Storage Yard Expansion	45-C0718	5	10,000					10,000
Municipal Financial System	45-C0739	5	16,000					16,000
Pangborn Lake Reconstruction	45-C0812	3	3,000					3,000
Public Art	45-C0868	5	10,000					10,000
Fire Facilities City Owned Buildings	45-C0870	5	105,000					105,000
CIP Fund Balance Total			765,607	35,058				800,665

Contribution by Others

Municipal Broadband	45-C0008	8	12,500	7,500				20,000
Municipal Stadium Improvements	45-C0040	5	35,000					35,000
Fire Department Training Center	45-C0241	5	25,000	25,000	25,000	25,000	25,000	125,000
Eastern Boulevard North Extension	45-C0606	5					335,524	335,524
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
Neighborhood Parks	45-C0751	5		20,000				20,000
Antietam Creek Greenway Trail	45-C0774	5				150,000		150,000
Hagerstown Ice Rink	45-C0843	5	5,000	3,333	3,333	6,667	6,667	25,000
Traffic Beacons	45-C0872	1	15,000					15,000
Contribution by Others Total			92,500	55,833	28,333	1,181,667	7,267,191	8,625,524

Excise Tax Fund

Northwest Connector	45-C0735	5					150,000	150,000
Antietam Creek Greenway Trail	45-C0774	5					48,000	48,000
Excise Tax Fund Total							198,000	198,000

Grants-Federal

Police Crime Lab Equipment	45-C0182	5	110,000	25,000				135,000
Police Firing Range	45-C0226	5		25,000				25,000
Storm Water Management Implementation	45-C0637	6	300,000	250,000	250,000			800,000
Multi-Use Trails	45-C0717	6		2,500,000				2,500,000
Longmeadow Park Improvements	45-C0866	5	700,000					700,000
Grants-Federal Total			1,110,000	2,800,000	250,000			4,160,000

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Grants-Private								
Municipal Broadband	45-C0008	8	15,000	15,000				30,000
Fairgrounds Park Improvements	45-C0626	5			4,000			4,000
Public Art	45-C0868	5	25,000	10,000	10,000	10,000	10,000	65,000
Grants-Private Total			40,000	25,000	14,000	10,000	10,000	99,000
Grants-State								
New Sidewalks	45-C0595	1	440,000	500,000				940,000
Green Streets	45-C0639	6	70,000	70,000	70,000	70,000	70,000	350,000
Fire Department Breathing Apparatus Equip	45-C0663	5				675,000		675,000
Antietam Creek Greenway Trail	45-C0774	5					432,000	432,000
Grants-State Total			510,000	570,000	70,000	745,000	502,000	2,397,000
Grants-State Aid in Lieu of Urban Fu								
New Sidewalks	45-C0595	1	108,900					108,900
Grants-State Aid in Lieu of Urban Funds Total			108,900					108,900
Grants-State CP&P								
Park Equipment	45-C0237	5	135,000					135,000
Grants-State CP&P Total			135,000					135,000
Grants-State Program Open Space								
Hagerstown Cultural Trail	45-C0140	5	50,000	180,000				230,000
Park Equipment	45-C0237	5	26,000	136,000				162,000
Steam Engine Museum	45-C0439	5		18,000				18,000
City Park Improvements	45-C0522	5	13,500			504,000	90,000	607,500
Fairgrounds Park Improvements	45-C0626	5			36,000		175,000	211,000
Pangborn Lake Reconstruction	45-C0812	3		450,000				450,000
Potterfield Pool Improvements	45-C0822	8			45,000			45,000
Grants-State Program Open Space Total			89,500	784,000	81,000	504,000	265,000	1,723,500
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	42,000	42,000	42,000	210,000
PEG Fee Total			56,000	56,000	56,000	56,000	56,000	280,000
Prior Bond Proceeds								
Alley Reconstruction	45-C0324	5	100,000					100,000
Storm Water Management Implementation	45-C0637	6	10,622					10,622
Marsh Run Walls Rehabilitation	45-C0853	4	135,204					135,204
Downtown Redevelopment	45-C0854	5	440,000					440,000
Prior Bond Proceeds Total			685,826					685,826

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Reforestation Funds								
Installation of Street Trees	45-C0594	5	20,000	40,000	40,000	40,000		140,000
Reforestation Funds Total			20,000	40,000	40,000	40,000		140,000
State Highway User Revenue								
Pavement Preservation Program	45-C0025	5	1,066,000	1,200,000	1,200,000	1,200,000	1,200,000	5,866,000
Pavement Markings	45-C0093	1	15,000	15,000	15,000	15,000	15,000	75,000
Accessibility Ramps	45-C0217	6	20,000	20,000	20,000	20,000	20,000	100,000
State Highway User Revenue Total			1,101,000	1,235,000	1,235,000	1,235,000	1,235,000	6,041,000
Transfers to CIP-CDBG Fund								
Accessibility Ramps	45-C0217	6	80,000	70,000	70,000	70,000	70,000	360,000
Major Signal Intersection Upgrades	45-C0243	5		250,000		400,000		650,000
New Sidewalks	45-C0595	1	120,000					120,000
Neighborhood Parks	45-C0751	5			200,000			200,000
Traffic Beacons	45-C0872	1	40,000					40,000
Transfers to CIP-CDBG Fund Total			240,000	320,000	270,000	470,000	70,000	1,370,000
Transfers to CIP-Electric Fund								
Computer Equipment and Software	45-C0006	5		8,583	20,000	15,000	20,000	63,583
Time & Attendance Software and Equip	45-C0007	5	1,875	1,875	1,875	1,875	3,750	11,250
Geographic Information System	45-C0451	5		6,870	10,000	10,000	10,000	36,870
Municipal Financial System	45-C0739	5		4,000	4,000	4,000	4,000	16,000
Transfers to CIP-Electric Fund Total			1,875	21,328	35,875	30,875	37,750	127,703
Transfers to CIP-General Fund								
Computer Equipment and Software	45-C0006	5		8,583	20,000	15,000	20,000	63,583
Time & Attendance Software and Equip	45-C0007	5	1,875	1,875	1,875	1,875	3,750	11,250
Municipal Broadband	45-C0008	8	6,642	7,500				14,142
Fire Department Vehicle Replacement	45-C0010	5		150,000			60,000	210,000
Public Works Vehicles	45-C0065	5		225,000	65,000	158,000	95,000	543,000
Market House Improvements	45-C0099	5				45,000		45,000
Police Vehicles	45-C0129	1		368,000	368,000	368,000	368,000	1,472,000
Street Crime Cameras/CPTED	45-C0130	1		150,000	150,000	150,000	150,000	600,000
Engineering Vehicles	45-C0133	4		20,000	20,000	20,000	20,000	80,000
Park Equipment	45-C0237	5		15,100				15,100
Fire Department Training Center	45-C0241	5	41,854	50,000	50,000	50,000	50,000	241,854
Major Signal Intersection Upgrades	45-C0243	5			20,000			20,000
LED Signal Lights	45-C0245	4	5,000	5,000	5,000	5,000	5,000	25,000
Public Works Operations Center Improvement Program	45-C0250	5		6,000	30,000	6,000	6,000	48,000
Downtown Beautification Program	45-C0280	5	10,000	25,000	25,000	25,000	25,000	110,000
Police Building Renovation	45-C0308	5		40,000	40,000	40,000	40,000	160,000
City Hall Improvements	45-C0326	5		40,000	25,000	25,000	65,000	155,000
Bridge Repair Program	45-C0400	4		47,000				47,000
Signal Controller Upgrades	45-C0433	5		20,000	25,000			45,000
Steam Engine Museum	45-C0439	5		2,000				2,000
Stormdrain System Upgrades	45-C0444	5	10,000	10,000	40,000		20,000	80,000
Geographic Information System	45-C0451	5		5,000	5,000	5,000	5,000	20,000
Curb and Sidewalk Replacement Program	45-C0458	5		25,000	25,000	25,000	25,000	100,000

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
City Park Improvements	45-C0522	5		20,000		56,000	10,000	86,000
Traffic Calming	45-C0560	5		20,000	20,000	20,000	20,000	80,000
Parks Vehicles and Equipment	45-C0570	5		27,000	12,000			39,000
Fairground Grandstand Improvements	45-C0624	5		10,000				10,000
Fairgrounds Park Improvements	45-C0626	5					25,000	25,000
Storm Water Management Implementation	45-C0637	6		80,000	80,000	100,000	100,000	360,000
Green Streets	45-C0639	6		10,000	10,000	10,000	10,000	40,000
Signal Timing Optimization	45-C0640	5	0					0
Fire Department Breathing Apparatus Equip	45-C0663	5				75,000		75,000
Planning & Code Admin Vehicles	45-C0678	4		50,000	50,000	50,000	50,000	200,000
Municipal Financial System	45-C0739	5		4,000	4,000	4,000	4,000	16,000
Neighborhood Parks	45-C0751	5		60,000				60,000
Pangborn Lake Reconstruction	45-C0812	3		50,000				50,000
Potterfield Pool Improvements	45-C0822	8			5,000			5,000
Hagerstown Ice Rink	45-C0843	5	10,000	10,000	10,000	20,000	20,000	70,000
Fire Computer Equip/Public Safety Radios	45-C0849	1	45,000	15,000		15,000	15,000	90,000
Mobile License Plate Readers	45-C0860	1		60,000				60,000
Public Art	45-C0868	5		15,000	15,000	15,000	15,000	60,000
Transfers to CIP-General Fund Total			130,371	1,652,058	1,120,875	1,303,875	1,226,750	5,433,929
Transfers to CIP-Parking Fund								
Time & Attendance Software and Equip	45-C0007	5	500	500	500	500	1,000	3,000
Transfers to CIP-Parking Fund Total			500	500	500	500	1,000	3,000
Transfers to CIP-Wastewater Fund								
Computer Equipment and Software	45-C0006	5		8,583	20,000	15,000	20,000	63,583
Time & Attendance Software and Equip	45-C0007	5	1,875	1,875	1,875	1,875	3,750	11,250
Geographic Information System	45-C0451	5		6,870	10,000	10,000	10,000	36,870
Municipal Financial System	45-C0739	5		4,000	4,000	4,000	4,000	16,000
Transfers to CIP-Wastewater Fund Total			1,875	21,328	35,875	30,875	37,750	127,703
Transfers to CIP-Water Fund								
Computer Equipment and Software	45-C0006	5		8,583	20,000	15,000	20,000	63,583
Time & Attendance Software and Equip	45-C0007	5	1,875	1,875	1,875	1,875	3,750	11,250
Geographic Information System	45-C0451	5		6,870	10,000	10,000	10,000	36,870
Municipal Financial System	45-C0739	5		4,000	4,000	4,000	4,000	16,000
Transfers to CIP-Water Fund Total			1,875	21,328	35,875	30,875	37,750	127,703
GRAND TOTAL			12,105,429	12,187,433	8,738,133	7,916,467	14,494,191	55,441,653

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '18 thru FY '22

DEPARTMENT SUMMARY

Department	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Engineering	3,256,204	5,169,000	4,385,000	4,015,000	10,330,524	27,155,728
Finance	1,440,000					1,440,000
Fire	3,273,854	1,658,000	2,499,800	1,897,800	1,700,000	11,029,454
Information Technology	464,771	205,000	195,000	175,000	203,000	1,242,771
Parks	1,179,000	3,421,433	315,333	736,667	1,306,667	6,959,100
Planning	25,000	50,000	50,000	50,000	50,000	225,000
Police	1,191,600	668,000	558,000	558,000	558,000	3,533,600
Public Works	1,275,000	1,016,000	735,000	484,000	346,000	3,856,000
TOTAL	12,105,429	12,187,433	8,738,133	7,916,467	14,494,191	55,441,653

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '18 thru FY '22

CATEGORY SUMMARY

Category	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Amenities	147,204				500,000	647,204
Automobiles and Trucks	1,540,000	2,528,000	2,484,800	1,673,800	2,293,000	10,519,600
Buildings and Structures	4,551,854	1,916,000	1,420,000	1,546,000	1,386,000	10,819,854
Energy Savings	15,000	13,333	13,333	26,667	26,667	95,000
Infrastructure-Alleys	291,000	197,000				488,000
Infrastructure-Bridges	55,000	47,000				102,000
Infrastructure-Sidewalks	795,000	615,000	115,000	115,000	115,000	1,755,000
Infrastructure-Storm Drains	390,000	340,000	370,000	100,000	120,000	1,320,000
Infrastructure-Streets	25,000	2,035,000	2,555,000	2,035,000	8,470,524	15,120,524
Infrastructure-Utilities	55,000	250,000	20,000	400,000		725,000
Land Improvements	1,059,000	3,010,000	290,000	800,000	1,130,000	6,289,000
Machinery and Equipment	1,577,371	597,100	1,331,000	1,081,000	306,000	4,892,471
Software	59,000	59,000	59,000	59,000	67,000	303,000
Storm Water	105,000	580,000	80,000	80,000	80,000	925,000
Unassigned	1,440,000					1,440,000
TOTAL	12,105,429	12,187,433	8,738,133	7,916,467	14,494,191	55,441,653

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '18 thru FY '22

EXPENDITURE TYPE SUMMARY

Expenditure Type	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Planning/Design	1,300,000	65,000	165,000	535,000	35,000	2,100,000
Land Acquisition	150,000		400,000	150,000		700,000
Construction/Maintenance	6,069,058	8,968,333	4,438,333	4,452,667	11,783,191	35,711,582
Equip/Vehicles/Furnishings	3,130,371	3,118,100	3,698,800	2,762,800	2,660,000	15,370,071
Other	1,456,000	36,000	36,000	16,000	16,000	1,560,000
TOTAL	12,105,429	12,187,433	8,738,133	7,916,467	14,494,191	55,441,653

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '18 thru FY '22

PROJECTS BY DEPARTMENT

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Engineering								
Pavement Preservation Program	45-C0025	5	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000
Pavement Markings	45-C0093	1	15,000	15,000	15,000	15,000	15,000	75,000
Engineering Vehicles	45-C0133	4	20,000	20,000	20,000	20,000	20,000	100,000
Hagerstown Cultural Trail	45-C0140	5	150,000	320,000				470,000
Accessibility Ramps	45-C0217	6	100,000	90,000	90,000	90,000	90,000	460,000
Major Signal Intersection Upgrades	45-C0243	5		250,000	20,000	400,000		670,000
Alley Reconstruction	45-C0324	5	291,000	197,000				488,000
Bridge Repair Program	45-C0400	4	55,000	47,000				102,000
Stormdrain System Upgrades	45-C0444	5	10,000	10,000	40,000		20,000	80,000
Curb and Sidewalk Replacement Program	45-C0458	5	25,000	25,000	25,000	25,000	25,000	125,000
Traffic Calming	45-C0560	5		20,000	20,000	20,000	20,000	80,000
Installation of Street Trees	45-C0594	5	20,000	40,000	40,000	40,000		140,000
New Sidewalks	45-C0595	1	670,000	500,000				1,170,000
Eastern Boulevard North Extension	45-C0606	5					335,524	335,524
Storm Water Management Implementation	45-C0637	6	380,000	330,000	330,000	100,000	100,000	1,240,000
Green Streets	45-C0639	6	80,000	80,000	80,000	80,000	80,000	400,000
Signal Timing Optimization	45-C0640	5	0					0
Professional Court Extension	45-C0685	5		2,000,000				2,000,000
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	135,204				500,000	635,204
Public Art	45-C0868	5	50,000	25,000	25,000	25,000	25,000	150,000
Traffic Beacons	45-C0872	1	55,000					55,000
Wesel Blvd Reconstruction	45-C0873	5			2,200,000			2,200,000
Engineering Total			3,256,204	5,169,000	4,385,000	4,015,000	10,330,524	27,155,728
Finance								
Downtown Redevelopment	45-C0854	5	1,440,000					1,440,000
Finance Total			1,440,000					1,440,000
Fire								
Fire Department Vehicle Replacement	45-C0010	5	645,000	1,568,000	1,559,800	857,800	1,610,000	6,240,600
Fire Department Training Center	45-C0241	5	266,854	75,000	75,000	75,000	75,000	566,854
Fire Department Breathing Apparatus Equip	45-C0663	5	22,000			750,000		772,000
Consolidation of Public Safety Assets	45-C0687	5	500,000					500,000
Fire Station Relocation	45-C0730	5	1,600,000					1,600,000
Fire Computer Equip/Public Safety Radios	45-C0849	1	45,000	15,000	865,000	15,000	15,000	955,000
Fire Facilities City Owned Buildings	45-C0870	5	105,000			200,000		305,000
Fire Equipment	45-C0871	5	90,000					90,000
Fire Total			3,273,854	1,658,000	2,499,800	1,897,800	1,700,000	11,029,454
Information Technology								
Computer Equipment and Software	45-C0006	5	80,000	60,000	80,000	60,000	80,000	360,000

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Time & Attendance Software and Equip	45-C0007	5	8,000	8,000	8,000	8,000	16,000	48,000
Municipal Broadband	45-C0008	8	40,000	30,000				70,000
Geographic Information System	45-C0451	5	35,000	35,000	35,000	35,000	35,000	175,000
Cable Inet	45-C0568	2	14,000	14,000	14,000	14,000	14,000	70,000
Cable PEG	45-C0569	2	271,771	42,000	42,000	42,000	42,000	439,771
Municipal Financial System	45-C0739	5	16,000	16,000	16,000	16,000	16,000	80,000
Information Technology Total			464,771	205,000	195,000	175,000	203,000	1,242,771

Parks

Municipal Stadium Improvements	45-C0040	5	35,000					35,000
City Park Lake Improvements	45-C0047	5					500,000	500,000
Park Equipment	45-C0237	5	165,000	151,100				316,100
Pangborn Park Improvements	45-C0335	5	12,000					12,000
Steam Engine Museum	45-C0439	5		20,000				20,000
City Park Improvements	45-C0522	5	24,000	20,000		560,000	100,000	704,000
Parks Vehicles and Equipment	45-C0570	5	68,000	127,000	12,000			207,000
Fairground Grandstand Improvements	45-C0624	5		10,000				10,000
Fairgrounds Park Improvements	45-C0626	5	10,000		40,000		200,000	250,000
Multi-Use Trails	45-C0717	6		2,500,000				2,500,000
Neighborhood Parks	45-C0751	5		80,000	200,000			280,000
Antietam Creek Greenway Trail	45-C0774	5				150,000	480,000	630,000
Pangborn Lake Reconstruction	45-C0812	3	25,000	500,000				525,000
Potterfield Pool Improvements	45-C0822	8			50,000			50,000
Hagerstown Ice Rink	45-C0843	5	15,000	13,333	13,333	26,667	26,667	95,000
Longmeadow Park Improvements	45-C0866	5	800,000					800,000
Parks Restroom Upgrades	45-C0874	8	25,000					25,000
Parks Total			1,179,000	3,421,433	315,333	736,667	1,306,667	6,959,100

Planning

Planning & Code Admin Vehicles	45-C0678	4	25,000	50,000	50,000	50,000	50,000	225,000
Planning Total			25,000	50,000	50,000	50,000	50,000	225,000

Police

Police Radios	45-C0128	1	534,600					534,600
Police Vehicles	45-C0129	1	322,000	368,000	368,000	368,000	368,000	1,794,000
Street Crime Cameras/CPTED	45-C0130	1	150,000	150,000	150,000	150,000	150,000	750,000
Police Crime Lab Equipment	45-C0182	5	110,000	25,000				135,000
Police Firing Range	45-C0226	5		25,000				25,000
Police Building Renovation	45-C0308	5	75,000	40,000	40,000	40,000	40,000	235,000
Mobile License Plate Readers	45-C0860	1		60,000				60,000
Police Total			1,191,600	668,000	558,000	558,000	558,000	3,533,600

Public Works

Public Works Vehicles	45-C0065	5	460,000	395,000	475,000	378,000	245,000	1,953,000
Market House Improvements	45-C0099	5	50,000		150,000	45,000		245,000
LED Signal Lights	45-C0245	4	5,000	5,000	5,000	5,000	5,000	25,000
Public Works Operations Center Improvement Program	45-C0250	5	30,000	6,000	30,000	6,000	6,000	78,000
Downtown Beautification Program	45-C0280	5	15,000	25,000	25,000	25,000	25,000	115,000
City Hall Improvements	45-C0326	5	300,000	40,000	25,000	25,000	65,000	455,000
Fuel Station Improvements	45-C0352	5	30,000					30,000
Signal Controller Upgrades	45-C0433	5		20,000	25,000			45,000
Public Works Storage Yard Expansion	45-C0718	5	385,000	525,000				910,000

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Public Works Total			1,275,000	1,016,000	735,000	484,000	346,000	3,856,000
GRAND TOTAL			12,105,429	12,187,433	8,738,133	7,916,467	14,494,191	55,441,653

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '18 thru FY '22

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Community Development								
Community & Economic Development Vehicles	45-C0249	4	0					0
CIP Fund - GF Fund Balance			0					0
Community Development Total			0					0
Engineering								
Pavement Preservation Program	45-C0025	5	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000
CIP Fund Balance			134,000					134,000
State Highway User Revenue			1,066,000	1,200,000	1,200,000	1,200,000	1,200,000	5,866,000
Pavement Markings	45-C0093	1	15,000	15,000	15,000	15,000	15,000	75,000
State Highway User Revenue			15,000	15,000	15,000	15,000	15,000	75,000
Engineering Vehicles	45-C0133	4	20,000	20,000	20,000	20,000	20,000	100,000
CIP Fund - GF Fund Balance			20,000					20,000
Transfers to CIP-General Fund				20,000	20,000	20,000	20,000	80,000
Hagerstown Cultural Trail	45-C0140	5	150,000	320,000				470,000
Bond Financing (General Fund)			100,000	140,000				240,000
Grants-State Program Open Space			50,000	180,000				230,000
Accessibility Ramps	45-C0217	6	100,000	90,000	90,000	90,000	90,000	460,000
State Highway User Revenue			20,000	20,000	20,000	20,000	20,000	100,000
Transfers to CIP-CDBG Fund			80,000	70,000	70,000	70,000	70,000	360,000
Major Signal Intersection Upgrades	45-C0243	5		250,000	20,000	400,000		670,000
Transfers to CIP-CDBG Fund				250,000		400,000		650,000
Transfers to CIP-General Fund					20,000			20,000
Alley Reconstruction	45-C0324	5	291,000	197,000				488,000
Bond Financing (General Fund)			191,000	197,000				388,000
Prior Bond Proceeds			100,000					100,000
Bridge Repair Program	45-C0400	4	55,000	47,000				102,000
CIP Fund - GF Fund Balance			55,000					55,000
Transfers to CIP-General Fund				47,000				47,000
Stormdrain System Upgrades	45-C0444	5	10,000	10,000	40,000		20,000	80,000
Transfers to CIP-General Fund			10,000	10,000	40,000		20,000	80,000
Curb and Sidewalk Replacement Program	45-C0458	5	25,000	25,000	25,000	25,000	25,000	125,000
CIP Fund - GF Fund Balance			25,000					25,000
Transfers to CIP-General Fund				25,000	25,000	25,000	25,000	100,000
Traffic Calming	45-C0560	5		20,000	20,000	20,000	20,000	80,000
Transfers to CIP-General Fund				20,000	20,000	20,000	20,000	80,000
Installation of Street Trees	45-C0594	5	20,000	40,000	40,000	40,000		140,000
Reforestation Funds			20,000	40,000	40,000	40,000		140,000
New Sidewalks	45-C0595	1	670,000	500,000				1,170,000
CIP Fund Balance			1,100					1,100
Grants-State			440,000	500,000				940,000
Grants-State Aid in Lieu of Urban Funds			108,900					108,900
Transfers to CIP-CDBG Fund			120,000					120,000
Eastern Boulevard North Extension	45-C0606	5					335,524	335,524
Contribution by Others							335,524	335,524

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Storm Water Management Implementation	45-C0637	6	380,000	330,000	330,000	100,000	100,000	1,240,000
<i>CIP Fund Balance</i>			69,378					69,378
<i>Grants-Federal</i>			300,000	250,000	250,000			800,000
<i>Prior Bond Proceeds</i>			10,622					10,622
<i>Transfers to CIP-General Fund</i>				80,000	80,000	100,000	100,000	360,000
Green Streets	45-C0639	6	80,000	80,000	80,000	80,000	80,000	400,000
<i>CIP Fund - GF Fund Balance</i>			10,000					10,000
<i>Grants-State</i>			70,000	70,000	70,000	70,000	70,000	350,000
<i>Transfers to CIP-General Fund</i>				10,000	10,000	10,000	10,000	40,000
Signal Timing Optimization	45-C0640	5	0					0
<i>Transfers to CIP-General Fund</i>			0					0
Professional Court Extension	45-C0685	5		2,000,000				2,000,000
<i>Bond Financing (General Fund)</i>				2,000,000				2,000,000
R. Paul Smith Boulevard	45-C0733	5				500,000	4,500,000	5,000,000
<i>Contribution by Others</i>						500,000	4,500,000	5,000,000
Northwest Connector	45-C0735	5			280,000	1,500,000	3,400,000	5,180,000
<i>Bond Financing (General Fund)</i>					280,000	1,000,000	850,000	2,130,000
<i>Contribution by Others</i>						500,000	2,400,000	2,900,000
<i>Excise Tax Fund</i>							150,000	150,000
Marsh Run Walls Rehabilitation	45-C0853	4	135,204				500,000	635,204
<i>Bond Financing (General Fund)</i>							500,000	500,000
<i>Prior Bond Proceeds</i>			135,204					135,204
Public Art	45-C0868	5	50,000	25,000	25,000	25,000	25,000	150,000
<i>CIP Fund - GF Fund Balance</i>			15,000					15,000
<i>CIP Fund Balance</i>			10,000					10,000
<i>Grants-Private</i>			25,000	10,000	10,000	10,000	10,000	65,000
<i>Transfers to CIP-General Fund</i>				15,000	15,000	15,000	15,000	60,000
Traffic Beacons	45-C0872	1	55,000					55,000
<i>Contribution by Others</i>			15,000					15,000
<i>Transfers to CIP-CDBG Fund</i>			40,000					40,000
Wesel Blvd Reconstruction	45-C0873	5			2,200,000			2,200,000
<i>Bond Financing (General Fund)</i>					2,200,000			2,200,000
Engineering Total			3,256,204	5,169,000	4,385,000	4,015,000	10,330,524	27,155,728

Finance

Downtown Redevelopment	45-C0854	5	1,440,000					1,440,000
<i>Bond Financing (General Fund)</i>			1,000,000					1,000,000
<i>Prior Bond Proceeds</i>			440,000					440,000
Finance Total			1,440,000					1,440,000

Fire

Fire Department Vehicle Replacement	45-C0010	5	645,000	1,568,000	1,559,800	857,800	1,610,000	6,240,600
<i>Bond Financing (General Fund)</i>			645,000	1,418,000	1,559,800	857,800	1,550,000	6,030,600
<i>Transfers to CIP-General Fund</i>				150,000			60,000	210,000
Fire Department Training Center	45-C0241	5	266,854	75,000	75,000	75,000	75,000	566,854
<i>Bond Financing (General Fund)</i>			200,000					200,000
<i>Contribution by Others</i>			25,000	25,000	25,000	25,000	25,000	125,000
<i>Transfers to CIP-General Fund</i>			41,854	50,000	50,000	50,000	50,000	241,854
Fire Department Breathing Apparatus Equip	45-C0663	5	22,000			750,000		772,000
<i>CIP Fund - GF Fund Balance</i>			22,000					22,000
<i>Grants-State</i>						675,000		675,000
<i>Transfers to CIP-General Fund</i>						75,000		75,000
Consolidation of Public Safety Assets	45-C0687	5	500,000					500,000
<i>Bond Financing (General Fund)</i>			500,000					500,000

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Fire Station Relocation	45-C0730	5	1,600,000					1,600,000
Bond Financing (General Fund)			1,600,000					1,600,000
Fire Computer Equip/Public Safety Radios	45-C0849	1	45,000	15,000	865,000	15,000	15,000	955,000
Bond Financing (General Fund)					865,000			865,000
Transfers to CIP-General Fund			45,000	15,000		15,000	15,000	90,000
Fire Facilities City Owned Buildings	45-C0870	5	105,000			200,000		305,000
Bond Financing (General Fund)						200,000		200,000
CIP Fund Balance			105,000					105,000
Fire Equipment	45-C0871	5	90,000					90,000
CIP Fund - GF Fund Balance			90,000					90,000
Fire Total			3,273,854	1,658,000	2,499,800	1,897,800	1,700,000	11,029,454

Information Technology

Computer Equipment and Software	45-C0006	5	80,000	60,000	80,000	60,000	80,000	360,000
CIP Fund Balance			80,000	25,668				105,668
Transfers to CIP-Electric Fund				8,583	20,000	15,000	20,000	63,583
Transfers to CIP-General Fund				8,583	20,000	15,000	20,000	63,583
Transfers to CIP-Wastewater Fund				8,583	20,000	15,000	20,000	63,583
Transfers to CIP-Water Fund				8,583	20,000	15,000	20,000	63,583
Time & Attendance Software and Equip	45-C0007	5	8,000	8,000	8,000	8,000	16,000	48,000
Transfers to CIP-Electric Fund			1,875	1,875	1,875	1,875	3,750	11,250
Transfers to CIP-General Fund			1,875	1,875	1,875	1,875	3,750	11,250
Transfers to CIP-Parking Fund			500	500	500	500	1,000	3,000
Transfers to CIP-Wastewater Fund			1,875	1,875	1,875	1,875	3,750	11,250
Transfers to CIP-Water Fund			1,875	1,875	1,875	1,875	3,750	11,250
Municipal Broadband	45-C0008	8	40,000	30,000				70,000
CIP Fund Balance			5,858					5,858
Contribution by Others			12,500	7,500				20,000
Grants-Private			15,000	15,000				30,000
Transfers to CIP-General Fund			6,642	7,500				14,142
Geographic Information System	45-C0451	5	35,000	35,000	35,000	35,000	35,000	175,000
CIP Fund Balance			35,000	9,390				44,390
Transfers to CIP-Electric Fund				6,870	10,000	10,000	10,000	36,870
Transfers to CIP-General Fund				5,000	5,000	5,000	5,000	20,000
Transfers to CIP-Wastewater Fund				6,870	10,000	10,000	10,000	36,870
Transfers to CIP-Water Fund				6,870	10,000	10,000	10,000	36,870
Cable Inet	45-C0568	2	14,000	14,000	14,000	14,000	14,000	70,000
PEG Fee			14,000	14,000	14,000	14,000	14,000	70,000
Cable PEG	45-C0569	2	271,771	42,000	42,000	42,000	42,000	439,771
CIP Fund Balance			229,771					229,771
PEG Fee			42,000	42,000	42,000	42,000	42,000	210,000
Municipal Financial System	45-C0739	5	16,000	16,000	16,000	16,000	16,000	80,000
CIP Fund Balance			16,000					16,000
Transfers to CIP-Electric Fund				4,000	4,000	4,000	4,000	16,000
Transfers to CIP-General Fund				4,000	4,000	4,000	4,000	16,000
Transfers to CIP-Wastewater Fund				4,000	4,000	4,000	4,000	16,000
Transfers to CIP-Water Fund				4,000	4,000	4,000	4,000	16,000
Information Technology Total			464,771	205,000	195,000	175,000	203,000	1,242,771

Parks

Municipal Stadium Improvements	45-C0040	5	35,000					35,000
Contribution by Others			35,000					35,000
City Park Lake Improvements	45-C0047	5					500,000	500,000
Bond Financing (General Fund)							500,000	500,000
Park Equipment	45-C0237	5	165,000	151,100				316,100

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
<i>CIP Fund Balance</i>			4,000					4,000
<i>Grants-State CP&P</i>			135,000					135,000
<i>Grants-State Program Open Space</i>			26,000	136,000				162,000
<i>Transfers to CIP-General Fund</i>				15,100				15,100
Pangborn Park Improvements	45-C0335	5	12,000					12,000
<i>CIP Fund - GF Fund Balance</i>			12,000					12,000
Steam Engine Museum	45-C0439	5		20,000				20,000
<i>Grants-State Program Open Space</i>				18,000				18,000
<i>Transfers to CIP-General Fund</i>				2,000				2,000
City Park Improvements	45-C0522	5	24,000	20,000		560,000	100,000	704,000
<i>CIP Fund - GF Fund Balance</i>			10,500					10,500
<i>Grants-State Program Open Space</i>			13,500			504,000	90,000	607,500
<i>Transfers to CIP-General Fund</i>				20,000		56,000	10,000	86,000
Parks Vehicles and Equipment	45-C0570	5	68,000	127,000	12,000			207,000
<i>Bond Financing (General Fund)</i>			60,000	100,000				160,000
<i>CIP Fund - GF Fund Balance</i>			8,000					8,000
<i>Transfers to CIP-General Fund</i>				27,000	12,000			39,000
Fairground Grandstand Improvements	45-C0624	5		10,000				10,000
<i>Transfers to CIP-General Fund</i>				10,000				10,000
Fairgrounds Park Improvements	45-C0626	5	10,000		40,000		200,000	250,000
<i>CIP Fund - GF Fund Balance</i>			10,000					10,000
<i>Grants-Private</i>					4,000			4,000
<i>Grants-State Program Open Space</i>					36,000		175,000	211,000
<i>Transfers to CIP-General Fund</i>							25,000	25,000
Multi-Use Trails	45-C0717	6		2,500,000				2,500,000
<i>Grants-Federal</i>				2,500,000				2,500,000
Neighborhood Parks	45-C0751	5		80,000	200,000			280,000
<i>Contribution by Others</i>				20,000				20,000
<i>Transfers to CIP-CDBG Fund</i>					200,000			200,000
<i>Transfers to CIP-General Fund</i>				60,000				60,000
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	25,000	500,000				525,000
<i>CIP Fund - GF Fund Balance</i>			22,000					22,000
<i>CIP Fund Balance</i>			3,000					3,000
<i>Grants-State Program Open Space</i>				450,000				450,000
<i>Transfers to CIP-General Fund</i>				50,000				50,000
Potterfield Pool Improvements	45-C0822	8			50,000			50,000
<i>Grants-State Program Open Space</i>					45,000			45,000
<i>Transfers to CIP-General Fund</i>					5,000			5,000
Hagerstown Ice Rink	45-C0843	5	15,000	13,333	13,333	26,667	26,667	95,000
<i>Contribution by Others</i>			5,000	3,333	3,333	6,667	6,667	25,000
<i>Transfers to CIP-General Fund</i>			10,000	10,000	10,000	20,000	20,000	70,000
Longmeadow Park Improvements	45-C0866	5	800,000					800,000
<i>CIP Fund - GF Fund Balance</i>			100,000					100,000
<i>Grants-Federal</i>			700,000					700,000
Parks Restroom Upgrades	45-C0874	8	25,000					25,000
<i>CIP Fund - GF Fund Balance</i>			25,000					25,000
Parks Total			1,179,000	3,421,433	315,333	736,667	1,306,667	6,959,100

Planning

Planning & Code Admin Vehicles	45-C0678	4	25,000	50,000	50,000	50,000	50,000	225,000
<i>CIP Fund - GF Fund Balance</i>			25,000					25,000
<i>Transfers to CIP-General Fund</i>				50,000	50,000	50,000	50,000	200,000

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Planning Total			25,000	50,000	50,000	50,000	50,000	225,000
Police								
Police Radios	45-C0128	1	534,600					534,600
Bond Financing (General Fund)			534,600					534,600
Police Vehicles	45-C0129	1	322,000	368,000	368,000	368,000	368,000	1,794,000
CIP Fund - GF Fund Balance			322,000					322,000
Transfers to CIP-General Fund				368,000	368,000	368,000	368,000	1,472,000
Street Crime Cameras/CPTED	45-C0130	1	150,000	150,000	150,000	150,000	150,000	750,000
CIP Fund - GF Fund Balance			150,000					150,000
Transfers to CIP-General Fund				150,000	150,000	150,000	150,000	600,000
Police Crime Lab Equipment	45-C0182	5	110,000	25,000				135,000
Grants-Federal			110,000	25,000				135,000
Police Firing Range	45-C0226	5		25,000				25,000
Grants-Federal				25,000				25,000
Police Building Renovation	45-C0308	5	75,000	40,000	40,000	40,000	40,000	235,000
CIP Fund - GF Fund Balance			25,000					25,000
CIP Fund Balance			50,000					50,000
Transfers to CIP-General Fund				40,000	40,000	40,000	40,000	160,000
Mobile License Plate Readers	45-C0860	1		60,000				60,000
Transfers to CIP-General Fund				60,000				60,000
Police Total			1,191,600	668,000	558,000	558,000	558,000	3,533,600
Public Works								
Public Works Vehicles	45-C0065	5	460,000	395,000	475,000	378,000	245,000	1,953,000
Bond Financing (General Fund)			460,000	170,000	410,000	220,000	150,000	1,410,000
Transfers to CIP-General Fund				225,000	65,000	158,000	95,000	543,000
Market House Improvements	45-C0099	5	50,000		150,000	45,000		245,000
Bond Financing (General Fund)					150,000			150,000
CIP Fund - GF Fund Balance			42,500					42,500
CIP Fund Balance			7,500					7,500
Transfers to CIP-General Fund						45,000		45,000
LED Signal Lights	45-C0245	4	5,000	5,000	5,000	5,000	5,000	25,000
Transfers to CIP-General Fund			5,000	5,000	5,000	5,000	5,000	25,000
Public Works Operations Center Improvement Program	45-C0250	5	30,000	6,000	30,000	6,000	6,000	78,000
CIP Fund - GF Fund Balance			30,000					30,000
Transfers to CIP-General Fund				6,000	30,000	6,000	6,000	48,000
Downtown Beautification Program	45-C0280	5	15,000	25,000	25,000	25,000	25,000	115,000
CIP Fund Balance			5,000					5,000
Transfers to CIP-General Fund			10,000	25,000	25,000	25,000	25,000	110,000
City Hall Improvements	45-C0326	5	300,000	40,000	25,000	25,000	65,000	455,000
Bond Financing (General Fund)			300,000					300,000
Transfers to CIP-General Fund				40,000	25,000	25,000	65,000	155,000
Fuel Station Improvements	45-C0352	5	30,000					30,000
CIP Fund - GF Fund Balance			30,000					30,000
Signal Controller Upgrades	45-C0433	5		20,000	25,000			45,000
Transfers to CIP-General Fund				20,000	25,000			45,000
Public Works Storage Yard Expansion	45-C0718	5	385,000	525,000				910,000
Bond Financing (General Fund)			375,000	525,000				900,000
CIP Fund Balance			10,000					10,000
Public Works Total			1,275,000	1,016,000	735,000	484,000	346,000	3,856,000

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
GRAND TOTAL			12,105,429	12,187,433	8,738,133	7,916,467	14,494,191	55,441,653

City of Hagerstown, Maryland

ELECTRIC FUND

FY '18 thru FY '22

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund								
Electric Vehicles	50-C0090	5	225,000	250,000	250,000	190,000	215,000	1,130,000
Telemetry Equipment	50-C0111	5	25,000	25,000	20,000	20,000	20,000	110,000
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
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	30,000	30,000	20,000	20,000	20,000	120,000
Building and Site Improvements	50-C0542	5	50,000	25,000	25,000	25,000	25,000	150,000
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	25,000	25,000	25,000	25,000	25,000	125,000
Test Equipment	50-C0609	5	17,500	17,500	17,500	17,500	17,500	87,500
Substation Breaker Replacement	50-C0776	5	50,000	50,000	50,000	50,000	50,000	250,000
Mitchell Substation Third Bay	50-C0778	5		60,000	100,000			160,000
Spare Regulators	50-C0797	5	20,000	20,000	20,000			60,000
Wildlife Protection on Distribution System	50-C0802	5	20,000	20,000	20,000	20,000	20,000	100,000
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			552,500	892,500	1,092,500	1,232,500	957,500	4,727,500
GRAND TOTAL			552,500	892,500	1,092,500	1,232,500	957,500	4,727,500

City of Hagerstown, Maryland

ELECTRIC FUND

FY '18 thru FY '22

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund								
Electric Vehicles	50-C0090	5	225,000	250,000	250,000	190,000	215,000	1,130,000
Electric Fund			225,000	250,000	250,000	190,000	215,000	1,130,000
Telemetry Equipment	50-C0111	5	25,000	25,000	20,000	20,000	20,000	110,000
Electric Fund			25,000	25,000	20,000	20,000	20,000	110,000
Central Substation	50-C0118	5			200,000	500,000	200,000	900,000
Electric Fund					200,000	500,000	200,000	900,000
Wesel Boulevard Development	50-C0220	5		50,000	50,000	50,000	50,000	200,000
Electric Fund				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
Electric Fund			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
Electric Fund				100,000	100,000	100,000	100,000	400,000
Underground Replacement	50-C0540	5	30,000	30,000	20,000	20,000	20,000	120,000
Electric Fund			30,000	30,000	20,000	20,000	20,000	120,000
Building and Site Improvements	50-C0542	5	50,000	25,000	25,000	25,000	25,000	150,000
Electric Fund			50,000	25,000	25,000	25,000	25,000	150,000
Bulldog Substation Upgrade	50-C0544	5				20,000	20,000	40,000
Electric Fund						20,000	20,000	40,000
Streetlight Replacement	50-C0546	5	25,000	25,000				50,000
Electric Fund			25,000	25,000				50,000
A & E District Upgrades	50-C0591	5	25,000	25,000	25,000	25,000	25,000	125,000
Electric Fund			25,000	25,000	25,000	25,000	25,000	125,000
Test Equipment	50-C0609	5	17,500	17,500	17,500	17,500	17,500	87,500
Electric Fund			17,500	17,500	17,500	17,500	17,500	87,500
Substation Breaker Replacement	50-C0776	5	50,000	50,000	50,000	50,000	50,000	250,000
Electric Fund			50,000	50,000	50,000	50,000	50,000	250,000
Mitchell Substation Third Bay	50-C0778	5		60,000	100,000			160,000
Electric Fund				60,000	100,000			160,000
Spare Regulators	50-C0797	5	20,000	20,000	20,000			60,000
Electric Fund			20,000	20,000	20,000			60,000
Wildlife Protection on Distribution System	50-C0802	5	20,000	20,000	20,000	20,000	20,000	100,000
Electric Fund			20,000	20,000	20,000	20,000	20,000	100,000
Feeder Coordination	50-C0833	5	25,000	25,000	25,000	25,000	25,000	125,000
Electric Fund			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			20,000	150,000	150,000	150,000	150,000	620,000
Electric Fund Total			552,500	892,500	1,092,500	1,232,500	957,500	4,727,500
GRAND TOTAL			552,500	892,500	1,092,500	1,232,500	957,500	4,727,500

City of Hagerstown, Maryland

WATER FUND

FY '18 thru FY '22

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	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	185,000	195,000	205,000	215,000	225,000	1,025,000
Edgemont Reservoir Improvements	52-C0168	5	250,000	150,000	80,000	60,000	40,000	580,000
Breichner WTP Improvements	52-C0405	5	50,000	550,000	50,000	50,000	50,000	750,000
Pump Station Improvements	52-C0651	5	40,000					40,000
Distribution System Rehab - Main Replacement	52-C0709	5	550,000	565,000	585,000	600,000	615,000	2,915,000
Water System SCADA Improvements	52-C0820	5	150,000	150,000	150,000	150,000	150,000	750,000
Bond Financing (Water Fund) Total							1,225,000	6,060,000
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	2,600,000
MDE Loan								
Willson Transmission Mains	52-C0167	5	500,000	3,300,000	6,480,000	400,000	5,500,000	16,180,000
Edgemont Reservoir Improvements	52-C0168	5	1,500,000	1,500,000	1,000,000	750,000	500,000	5,250,000
Breichner WTP Improvements	52-C0405	5	50,000	500,000	3,100,000			3,650,000
Pump Station Improvements	52-C0651	5	500,000					500,000
Water System SCADA Improvements	52-C0820	5		250,000	350,000			600,000
RC Willson - Traveling Screen Replacement	52-C0863	5	500,000					500,000
MDE Loan Total							3,050,000	26,680,000
Water Fund								
Water Vehicles	52-C0117	5	412,000	325,000	230,000	330,000	330,000	1,627,000
Willson Treatment Plant	52-C0166	5	40,000	40,000	40,000	40,000	40,000	200,000
Edgemont Reservoir Improvements	52-C0168	5	150,000	150,000	150,000	150,000	150,000	750,000
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
Water System SCADA Improvements	52-C0820	5		50,000	25,000			75,000
RC Willson - Traveling Screen Replacement	52-C0863	5	45,000					45,000
Water Fund Total							1,062,000	4,772,000

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
GRAND TOTAL			5,337,000	8,140,000	13,010,000	3,710,000	10,015,000	40,212,000

City of Hagerstown, Maryland

WATER FUND

FY '18 thru FY '22

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Water Fund								
Water Vehicles	52-C0117	5	412,000	325,000	230,000	330,000	330,000	1,627,000
<i>Water Fund</i>			412,000	325,000	230,000	330,000	330,000	1,627,000
Willson Treatment Plant	52-C0166	5	225,000	235,000	245,000	255,000	265,000	1,225,000
<i>Bond Financing (Water Fund)</i>			185,000	195,000	205,000	215,000	225,000	1,025,000
<i>Water Fund</i>			40,000	40,000	40,000	40,000	40,000	200,000
Willson Transmission Mains	52-C0167	5	500,000	3,300,000	6,480,000	400,000	5,500,000	16,180,000
<i>MDE Loan</i>			500,000	3,300,000	6,480,000	400,000	5,500,000	16,180,000
Edgemont Reservoir Improvements	52-C0168	5	1,900,000	1,800,000	1,230,000	960,000	690,000	6,580,000
<i>Bond Financing (Water Fund)</i>			250,000	150,000	80,000	60,000	40,000	580,000
<i>MDE Loan</i>			1,500,000	1,500,000	1,000,000	750,000	500,000	5,250,000
<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	100,000	1,050,000	3,150,000	50,000	50,000	4,400,000
<i>Bond Financing (Water Fund)</i>			50,000	550,000	50,000	50,000	50,000	750,000
<i>MDE Loan</i>			50,000	500,000	3,100,000			3,650,000
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	615,000	75,000	225,000	625,000	1,975,000	3,515,000
<i>Bond Financing (Water Fund)</i>			40,000					40,000
<i>Contribution by Others</i>					150,000	550,000	1,900,000	2,600,000
<i>MDE Loan</i>			500,000					500,000
<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	550,000	565,000	585,000	600,000	615,000	2,915,000
<i>Bond Financing (Water Fund)</i>			550,000	565,000	585,000	600,000	615,000	2,915,000
Water System SCADA Improvements	52-C0820	5	150,000	450,000	525,000	150,000	150,000	1,425,000
<i>Bond Financing (Water Fund)</i>			150,000	150,000	150,000	150,000	150,000	750,000
<i>MDE Loan</i>				250,000	350,000			600,000
<i>Water Fund</i>				50,000	25,000			75,000
RC Willson - Traveling Screen Replacement	52-C0863	5	545,000					545,000
<i>MDE Loan</i>			500,000					500,000
<i>Water Fund</i>			45,000					45,000
Water Fund Total			5,337,000	8,140,000	13,010,000	3,710,000	10,015,000	40,212,000
GRAND TOTAL			5,337,000	8,140,000	13,010,000	3,710,000	10,015,000	40,212,000

City of Hagerstown, Maryland

WASTEWATER FUND

FY '18 thru FY '22

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Wastewater Fund)								
Collection System Rehabilitation	54-C0327	1	200,000	700,000	200,000	200,000	200,000	1,500,000
Synagro Facility Upgrade Improvements	54-C0712	2	1,000,000	1,000,000	1,000,000			3,000,000
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			460,000
Bond Financing (Wastewater Fund) Total			1,312,000	1,972,000	1,612,000	312,000	312,000	5,520,000
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
Grant-State MDE								
Citywide - CS Rehabilitation	54-C0800	1	200,000					200,000
Grant-State MDE Total			200,000					200,000
Wastewater Fund								
Wastewater Vehicle Replacement	54-C0004	5	380,000	270,000	750,000	75,000	45,000	1,520,000
Manhole Raising	54-C0267	1	69,000	36,000	36,000	36,000	36,000	213,000
Pump Station Improvements	54-C0299	1	121,000	121,000	121,000	121,000	121,000	605,000
Collection System Rehabilitation	54-C0327	1	200,000	200,000	200,000	200,000	200,000	1,000,000
East End Pump Station	54-C0565	5		75,000				75,000
WWT Plant Equipment	54-C0584	1	50,000	50,000	50,000	50,000	50,000	250,000
WWT Buildings and Structures	54-C0585	5	90,000	25,000	25,000	25,000	25,000	190,000
Oxygen System Improvements	54-C0657	1	50,000	10,000	10,000	10,000	10,000	90,000
Solids Processing-Pelletizer and WWTP Improvements	54-C0711	2	200,000	50,000	50,000	50,000	50,000	400,000
Collection System Equipment	54-C0713	5	80,000	80,000	80,000	80,000	80,000	400,000
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
Citywide - CS Rehabilitation	54-C0800	1	200,000	100,000	100,000	100,000	100,000	600,000
Trunk Lines and Laterals	54-C0834	2	15,000	15,000	15,000	15,000	15,000	75,000
Wastewater Fund Total			1,515,000	1,092,000	1,497,000	822,000	792,000	5,718,000
GRAND TOTAL			3,027,000	4,064,000	3,409,000	1,434,000	1,104,000	13,038,000

City of Hagerstown, Maryland

WASTEWATER FUND

FY '18 thru FY '22

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Wastewater Fund								
Wastewater Vehicle Replacement	54-C0004	5	380,000	270,000	750,000	75,000	45,000	1,520,000
Wastewater Fund			380,000	270,000	750,000	75,000	45,000	1,520,000
Manhole Raising	54-C0267	1	69,000	36,000	36,000	36,000	36,000	213,000
Wastewater Fund			69,000	36,000	36,000	36,000	36,000	213,000
Pump Station Improvements	54-C0299	1	121,000	121,000	121,000	121,000	121,000	605,000
Wastewater Fund			121,000	121,000	121,000	121,000	121,000	605,000
Collection System Rehabilitation	54-C0327	1	400,000	1,600,000	400,000	400,000	400,000	3,200,000
Bond Financing (Wastewater Fund)			200,000	700,000	200,000	200,000	200,000	1,500,000
Contribution by Others				700,000				700,000
Wastewater Fund			200,000	200,000	200,000	200,000	200,000	1,000,000
East End Pump Station	54-C0565	5		375,000	300,000	300,000		975,000
Contribution by Others				300,000	300,000	300,000		900,000
Wastewater Fund				75,000				75,000
WWT Plant Equipment	54-C0584	1	50,000	50,000	50,000	50,000	50,000	250,000
Wastewater Fund			50,000	50,000	50,000	50,000	50,000	250,000
WWT Buildings and Structures	54-C0585	5	90,000	25,000	25,000	25,000	25,000	190,000
Wastewater Fund			90,000	25,000	25,000	25,000	25,000	190,000
Oxygen System Improvements	54-C0657	1	50,000	10,000	10,000	10,000	10,000	90,000
Wastewater Fund			50,000	10,000	10,000	10,000	10,000	90,000
Solids Processing-Pelletizer and WWTP Improvements	54-C0711	2	200,000	50,000	50,000	50,000	50,000	400,000
Wastewater Fund			200,000	50,000	50,000	50,000	50,000	400,000
Synagro Facility Upgrade Improvements	54-C0712	2	1,000,000	1,000,000	1,000,000			3,000,000
Bond Financing (Wastewater Fund)			1,000,000	1,000,000	1,000,000			3,000,000
Collection System Equipment	54-C0713	5	80,000	80,000	80,000	80,000	80,000	400,000
Wastewater Fund			80,000	80,000	80,000	80,000	80,000	400,000
Laboratory Equipment	54-C0745	5	10,000	10,000	10,000	10,000	10,000	50,000
Wastewater Fund			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
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
Citywide - CS Rehabilitation	54-C0800	1	400,000	100,000	100,000	100,000	100,000	800,000
Grant-State MDE			200,000					200,000
Wastewater Fund			200,000	100,000	100,000	100,000	100,000	600,000
Eliminate Pump Stations	54-C0832	5		160,000	300,000			460,000
Bond Financing (Wastewater Fund)				160,000	300,000			460,000
Trunk Lines and Laterals	54-C0834	2	15,000	15,000	15,000	15,000	15,000	75,000
Wastewater Fund			15,000	15,000	15,000	15,000	15,000	75,000
Wastewater Fund Total			3,027,000	4,064,000	3,409,000	1,434,000	1,104,000	13,038,000
GRAND TOTAL			3,027,000	4,064,000	3,409,000	1,434,000	1,104,000	13,038,000

City of Hagerstown, Maryland

PARKING FUND

FY '18 thru FY '22

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Parking Fund)								
Parking Facilities - 3rd Parking Deck	56-C0173	5			1,367,000	6,633,775		8,000,775
Upgrades to Parking Decks	56-C0749	5	450,000					450,000
Bond Financing (Parking Fund) Total			450,000		1,367,000	6,633,775		8,450,775
Parking Fund								
Upgrades to Parking Decks	56-C0749	5	20,000	30,000	30,000	30,000	350,000	460,000
Parking Fund Vehicles	56-C0829	5					30,000	30,000
Parking Lot Improvements	56-C0857	5	30,000	30,000	10,000	15,000		85,000
Parking System Improvements	56-C0867	8	25,000					25,000
Parking Fund Total			75,000	60,000	40,000	45,000	380,000	600,000
GRAND TOTAL			525,000	60,000	1,407,000	6,678,775	380,000	9,050,775

City of Hagerstown, Maryland

PARKING FUND

FY '18 thru FY '22

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Parking Fund								
Parking Facilities - 3rd Parking Deck	56-C0173	5			1,367,000	6,633,775		8,000,775
Bond Financing (Parking Fund)					1,367,000	6,633,775		8,000,775
Upgrades to Parking Decks	56-C0749	5	470,000	30,000	30,000	30,000	350,000	910,000
Bond Financing (Parking Fund)			450,000					450,000
Parking Fund			20,000	30,000	30,000	30,000	350,000	460,000
Parking Fund Vehicles	56-C0829	5					30,000	30,000
Parking Fund							30,000	30,000
Parking Lot Improvements	56-C0857	5	30,000	30,000	10,000	15,000		85,000
Parking Fund			30,000	30,000	10,000	15,000		85,000
Parking System Improvements	56-C0867	8	25,000					25,000
Parking Fund			25,000					25,000
Parking Fund Total			525,000	60,000	1,407,000	6,678,775	380,000	9,050,775
GRAND TOTAL			525,000	60,000	1,407,000	6,678,775	380,000	9,050,775

City of Hagerstown, Maryland

GOLF FUND

FY '18 thru FY '22

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Golf Fund								
Golf Course - Vehicles/Equipment	57-C0395	4	37,000	35,000	22,000			94,000
Golf Course Improvements	57-C0825	8			10,000			10,000
Golf Fund Total			37,000	35,000	32,000			104,000
Grants-State Program Open Space								
Golf Course Improvements	57-C0825	8			90,000			90,000
Grants-State Program Open Space Total					90,000			90,000
GRAND TOTAL			37,000	35,000	122,000			194,000

City of Hagerstown, Maryland

GOLF FUND

FY '18 thru FY '22

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Golf Fund								
Golf Course - Vehicles/Equipment	57-C0395	4	37,000	35,000	22,000			94,000
<i>Golf Fund</i>			37,000	35,000	22,000			94,000
Golf Course Improvements	57-C0825	8			100,000			100,000
<i>Golf Fund</i>					10,000			10,000
<i>Grants-State Program Open Space</i>					90,000			90,000
Golf Fund Total			37,000	35,000	122,000			194,000
GRAND TOTAL			37,000	35,000	122,000			194,000

City of Hagerstown, Maryland
PROPERTY MANAGEMENT FUND
 FY '18 thru FY '22

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Prop Mgmt Fund)								
Roslyn Building Renovation	58-C0779	5	225,000					225,000
Bond Financing (Prop Mgmt Fund) Total			225,000					225,000
Property Management Fund								
Alms House Repairs	58-C0755	5	5,000					5,000
Roslyn Building Renovation	58-C0779	5		10,000	10,000			20,000
Elizabeth Hager Center	58-C0803	5	45,000	40,000	40,000	20,000	20,000	165,000
Hagerstown Small Business Center	58-C0828	5	10,000	90,000				100,000
36-40 North Potomac Street	58-C0836	5	27,000	15,000	7,000	7,000	7,000	63,000
Property Management Fund Total			87,000	155,000	57,000	27,000	27,000	353,000
GRAND TOTAL			312,000	155,000	57,000	27,000	27,000	578,000

City of Hagerstown, Maryland
PROPERTY MANAGEMENT FUND
 FY '18 thru FY '22

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Property Management Fund								
Alms House Repairs	58-C0755	5	5,000					5,000
Property Management Fund			5,000					5,000
Roslyn Building Renovation	58-C0779	5	225,000	10,000	10,000			245,000
Bond Financing (Prop Mgmt Fund)			225,000					225,000
Property Management Fund				10,000	10,000			20,000
Elizabeth Hager Center	58-C0803	5	45,000	40,000	40,000	20,000	20,000	165,000
Property Management Fund			45,000	40,000	40,000	20,000	20,000	165,000
Hagerstown Small Business Center	58-C0828	5	10,000	90,000				100,000
Property Management Fund			10,000	90,000				100,000
36-40 North Potomac Street	58-C0836	5	27,000	15,000	7,000	7,000	7,000	63,000
Property Management Fund			27,000	15,000	7,000	7,000	7,000	63,000
Property Management Fund Total			312,000	155,000	57,000	27,000	27,000	578,000
GRAND TOTAL			312,000	155,000	57,000	27,000	27,000	578,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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

Continued upgrades to hardware and software to accommodate IT infrastructure replacements and additions. Upgrades will include replacing/upgrading storage units, as well as replacing obsolete tape backup system with a disk storage system to decrease the time it takes to perform nightly processes.

Justification

It has become increasingly important in the environment of the Crypto virus that we are able to backup data efficiently and quickly. The current tape system is (1) obsolete and (2) takes approximately 23 hours to perform a full backup on our system. The new disk-based system will cut the backup time to about 4 hours, and restores will be even quicker.

Budget Impact/Other

Mission critical for City technology operations.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	80,000	60,000	80,000	60,000	80,000	360,000
Total	80,000	60,000	80,000	60,000	80,000	360,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund Balance	80,000	25,668				105,668
Transfers to CIP-Electric Fund		8,583	20,000	15,000	20,000	63,583
Transfers to CIP-General Fund		8,583	20,000	15,000	20,000	63,583
Transfers to CIP-Wastewater Fund		8,583	20,000	15,000	20,000	63,583
Transfers to CIP-Water Fund		8,583	20,000	15,000	20,000	63,583
Total	80,000	60,000	80,000	60,000	80,000	360,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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. Yearly amount equals 1-2 clocks.

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	8,000	8,000	8,000	8,000	16,000	48,000
Total	8,000	8,000	8,000	8,000	16,000	48,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Transfers to CIP-Electric Fund	1,875	1,875	1,875	1,875	3,750	11,250
Transfers to CIP-General Fund	1,875	1,875	1,875	1,875	3,750	11,250
Transfers to CIP-Parking Fund	500	500	500	500	1,000	3,000
Transfers to CIP-Wastewater Fund	1,875	1,875	1,875	1,875	3,750	11,250
Transfers to CIP-Water Fund	1,875	1,875	1,875	1,875	3,750	11,250
Total	8,000	8,000	8,000	8,000	16,000	48,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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

This project would provide free wireless high-speed Internet access to patrons of the following City owned parks: City Park, Fairgrounds Park, Pangborn Park, Wheaton Park, Hellane Park and Staley Park. This project would be a two year rollout, with City/Fairgrounds/Pangborn being Year 1, and Wheaton/Hellane/Staley being Year 2.

Justification

Patrons of our park system are looking for a wide range of amenities when they visit a park with their family, or to enjoy the environment themselves. Providing Internet service to a patron's portable or mobile device increases the likelihood that the person will visit, stay longer, and have more interaction within the park. The technology also increases the value of the parks as a place of entertainment, where Internet usage can be used for interactive presentations, video display, and other technical opportunities that provide a unique visiting experience.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	15,000	15,000				30,000
Equip/Vehicles/Furnishings	25,000	15,000				40,000
Total	40,000	30,000				70,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund Balance	5,858					5,858
Contribution by Others	12,500	7,500				20,000
Grants-Private	15,000	15,000				30,000
Transfers to CIP-General Fund	6,642	7,500				14,142
Total	40,000	30,000				70,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 Lohr
Priority Planned Improvement
Status Active



Description

FY18: Reserve Engine 4 1991 KME Pumper (\$645,000)
 FY19: Reserve Engine 1 1994 KME Pumper (\$709,000)
 FY19: Engine 3 -2004 KME Pumper (\$709,000)
 FY19: Unit C7 - 2005 Chevy Trailblazer (\$75,000)
 FY19: Unit C8 - 2007 Ford Expedition (\$75,000)
 FY20: Engine 2 - 2004 KME Pumper (\$779,900)
 FY20: Engine 5 - 2004 KME Pumper (\$779,900)
 FY21: Engine 4 - 2009 KME Pumper (\$857,800)
 FY22: Truck 11 - 1994 Ladder Truck Replacement (Simon Duplex) (\$1,550,000)
 FY22: Utility 3A - 2008 Ford F350 Pickup (\$60,000) - Utility vehicle that responds to all fire/ incident calls within the City limits.

Justification

A 1991 reserve pumper (RE-4) is accelerated from FY19 to FY18 to avoid costly maintenance repairs and upgrades of a 27-year old pumper that has exceeded the realistic life cycle. We propose to negotiate a competitively bid bridge contract from another jurisdiction from at least three bidders. The terms of the contract would extend the opportunity to fund 1 pumper in FY18, 2-pumpers in FY19 and 2-pumpers in FY-20, and 1-pumper in FY-21; all like vehicles. This plan maximizes the opportunity for economy of scale purchasing while spreading the 6-pumpers needed on a realistic capital replacement cycle.

Unit C7 is deferred to FY19 to meet higher priority fleet replacement needs. Unit 8 is still needed. This is the FM-1 vehicle and is anticipated to be replaced with only minor outfitting.

T-11 (Reserve Aerial) and U3A (Utility) are both deferred to FY22 at this time.

Budget Impact/Other

Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 general fund supported bond issue of \$645K is \$48.2K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	645,000	1,568,000	1,559,800	857,800	1,610,000	6,240,600
Total	645,000	1,568,000	1,559,800	857,800	1,610,000	6,240,600
Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	645,000	1,418,000	1,559,800	857,800	1,550,000	6,030,600
Transfers to CIP-General Fund		150,000			60,000	210,000
Total	645,000	1,568,000	1,559,800	857,800	1,610,000	6,240,600

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0025
Project Name Pavement Preservation Program

Type Maintenance **Department** Engineering
Useful Life 15 - 25 years **Contact** Tissue
Category Buildings and Structures **Priority** Planned Improvement
Location: City -wide
Year Submitted: Ongoing
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 2016 state approved budget but early indications from the State are that funding will be reduced significantly. We will only spend what the State provides. FY18: Includes funds for paving portions of Salem Ave., Pangborn Blvd, Mulberry Ave, Marshall St. and others. It also includes funds for crack sealing, pavement marking, and slurry seal.
Justification
In February 2017, a presentation to the Mayor and Council showed that approximately \$1,100,000 needs to be spent annually [from State Highway User Revenue (HUR)] to maintain the current Pavement Condition Index (CPI). In 2013, the overall CPI was 77 (good condition) but due to inadequate funding in FY13, 14 and 15 the CPI dropped to 69 in 2016. We project that since we had adequate HUR funding in FY16 and 17, the CPI has increased slightly back to over 70. 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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000
Total	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund Balance	134,000					134,000
State Highway User Revenue	1,066,000	1,200,000	1,200,000	1,200,000	1,200,000	5,866,000
Total	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 2017 and 2018 baseball seasons. Capital improvements will be determined by the Suns and the City.

Justification

Provide recreation facilities that are desired and supported by the community.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	35,000					35,000
Total	35,000					35,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Contribution by Others	35,000					35,000
Total	35,000					35,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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
The lower lake walls were reconstructed in three phases: 1995: Phase I- Key Street end and repairs in 2017 1998: Phase II- Virginia Avenue side 2004: Phase III- Museum Drive side Replacement of walls around perimeter of upper and middle lakes, associated sidewalk improvements, and landscape enhancements. FY22: Upgrades to upper lake
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.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance					500,000	500,000
Total					500,000	500,000
Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)					500,000	500,000
Total					500,000	500,000

GENERAL/CIP FUND

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0065
Project Name Public Works Vehicles

Type Replacement **Department** Public Works
Useful Life 10 years **Contact** Deike
Category Automobiles and Trucks **Priority** Planned Improvement
Location: Public Works
Year Submitted: Ongoing
Status Active



Description

Per Vehicle and Equipment schedule.

FY18 Original Proposed Budget: 2004 Chevy Truck #034 (\$30,000), 2005 Sterling Actera Dump #027 (\$160,000), 2005 Schwarze Sweeper #092 (\$300,000)

FY18 Mayor and Council Adopted Budget (\$460,000) by deferring \$30,000 (2004 Pick Up Truck) from original Proposed Budget (\$490,000) amount.

FY19: 2004 Chevy Truck #046 (\$30,000), 2006 Sterling Dump RDS #28 (\$170,000), 2006 Chevy Van #31 (\$30,000), 2007 Chevy 2500 4x4 pickup truck #35 (\$30,000), 1993 Wacker Roller #84 (\$15,000), 2006 Ford E350 Bucket Truck #602 (\$90,000), 2005 Chevy Van #615 (\$30,000)

FY20: 2008 Ford F550 Dump Truck #16 (\$110,000), 2006 US Cargo Trailer #76 (\$15,000), 2004 John Deere X595 Tractor #77 (\$20,000), 2007 Schwarze Sweeper #93 (\$300,000), 2008 Ford F250 4x4 pickup truck #600 (\$30,000)

FY21: 2010 Ford F150 4x4 Truck # 2 (\$30,000), 2008 Ford F550 Dump Truck #10 (\$110,000), 2008 Ford F550 Dump Truck #12 (\$110,000), 2008 Chevy 2500 2x4 Truck #14 (\$30,000), 1993 Ford 1520 Tractor #68 (\$35,000), 2005 John Deere X595 Tractor #88 (\$18,000), 2008 Solar Sign Board #616 (\$45,000)

FY22: 2006 Bobcat A300 #6 (\$75,000), 2012 Ford F350 Pickup #30 (\$30,000), 2008 Ford F550 Utility Truck #611 (\$75,000), 2008 Solar Sign Board #617 (\$45,000), 2011 John Deere Mower #63 (\$20,000).

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 at 4.25%, preliminary annual debt service impact for the 2018 general fund supported bond issue of \$460K is \$34.6K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	460,000	395,000	475,000	378,000	245,000	1,953,000
Total	460,000	395,000	475,000	378,000	245,000	1,953,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	460,000	170,000	410,000	220,000	150,000	1,410,000
Transfers to CIP-General Fund		225,000	65,000	158,000	95,000	543,000
Total	460,000	395,000	475,000	378,000	245,000	1,953,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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. This project funds the upgrade of deteriorated "stop bars" and "crosswalks" city wide. If don't receive adequate State Highway User Revenue, the project won't be done.

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	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 '18	FY '19	FY '20	FY '21	FY '22	Total
State Highway User Revenue	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 '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0099
Project Name Market House Improvements



Type Improvement
Useful Life 5 years
Category Machinery and Equipment
Location: Market House
Year Submitted: 1992

Department Public Works
Contact Deike and Frick
Priority Planned Improvement

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.

FY18: Interior improvements which include back room renovations, kitchen exhaust system, security cameras and exterior improvements to include lighting, banners and wayfinding signs.

FY20: Replacement of Lower Main Roof

FY21: Replacement of HVAC cooling units installed in 2007. Existing cooling units will be at the end of their life cycle.

Justification

These improvements will position the market to further the goals and details outlined in Catalyst Project

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	50,000		150,000	45,000		245,000
Total	50,000		150,000	45,000		245,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)			150,000			150,000
CIP Fund - GF Fund Balance	42,500					42,500
CIP Fund Balance	7,500					7,500
Transfers to CIP-General Fund				45,000		45,000
Total	50,000		150,000	45,000		245,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0128
Project Name Police Radios

Type Improvement **Department** Police
Useful Life 5 - 8 years **Contact** Brito
Category Machinery and Equipment **Priority** Public Safety
Location: Police Department
Year Submitted: Ongoing
Status Active



Description

162 mobile and portable radios for routine and emergency public safety communications, to replace aging units.

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

The operating budget includes \$10,000 per year in maintenance costs for repairs to radio equipment beginning in 2020.

Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 general fund supported bond issue of \$534.6K is \$40.3K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	534,600					534,600
Total	534,600					534,600

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	534,600					534,600
Total	534,600					534,600

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 Brito
Priority Public Safety
Status Active



Description
FY18: Potential Replacements Unit 963 (03 Crown Victoria - \$46,000); Unit 967 (00 Crown Victoria - \$46,000); Unit 998 (98 Crown Victoria - \$46,000); Unit 944 (04 Crown Victoria - \$46,000); Unit 972 (04 Crown Victoria - \$46,000); Unit 953 (05 Crown Victoria - \$46,000); Unit 991 (05 Crown Victoria - \$46,000).
FY19: Unit 934 (06 Crown Victoria- \$46,000); Unit 935 (06 Crown Victoria - \$46,000); Unit 939 (06 Crown Victoria - \$46,000); Unit 940 (06 Crown Victoria - \$46,000); Unit 941 (06 Crown Victoria - \$46,000); Unit 942 (06 Crown Victoria - \$46,000; Unit 9401 (06 Crown Victoria - \$46,000); Unit 930 (07 Dodge Charger - \$46,000).
FY20: Unit 946 (07 Dodge Charger - \$46,000); Unit 981 (07 Dodge Charger-\$46,000); Unit 958 (09 Crown Victoria -\$46,000); Unit 9212 (09 Dodge Charger -\$46,000); Unit 9213 (09 Dodge Charger- \$46,000); Unit 9214 (09 Crown Victoria- \$46,000); Unit 9215 (09 Crown Victoria- \$46,000); Unit 9304 (09 Crown Victoria- \$46,000).
FY21: Unit 9305 (09 Dodge Charger -\$46,000); Unit 9306 (09 Dodge Charger- \$46,000); Unit 9400 (09 Crown Victoria- \$46,000); Unit 9210 (11 Crown Victoria- \$46,000); Unit 9211 (11 Crown Victoria - \$46,000); Unit 9302 (11 Crown Victoria - \$46,000); Unit 9303 (11 Crown Victoria - \$46,000); Unit 987 (12 Chevy Impala - \$46,000).
FY22: Unit 9110 (2013 Ford Taurus - \$46,000); Unit 9112 (13 Ford Taurus - \$46,000); Unit 9113 (13 Ford Taurus- \$46,000); Unit 9114 (13 Ford Taurus - \$46,000); Unit 9115 (13 Ford Taurus - \$46,000); Unit 9301 (13 Ford Taurus- \$46,000); Unit 9501 (13 Ford Explorer - \$46,000); Unit 903 (14 Ford Taurus- \$46,000).

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.

Budget Impact/Other
Post warranty maintenance is assumed in the department operating budget.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	322,000	368,000	368,000	368,000	368,000	1,794,000
Total	322,000	368,000	368,000	368,000	368,000	1,794,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	322,000					322,000
Transfers to CIP-General Fund		368,000	368,000	368,000	368,000	1,472,000
Total	322,000	368,000	368,000	368,000	368,000	1,794,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0130

Project Name Street Crime Cameras/CPTED

Type Replacement

Department Police

Useful Life 5 years

Contact Brito

Category Machinery and Equipment

Priority Public Safety

Location: Various locations

Year Submitted: Ongoing

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. Budget and future fiscal years represent 15 camera components per year at \$10,000 each. Environmental elements such as lighting and traffic flow can be adjusted to affect crime and disorder issues.

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.

Crime prevention through environmental design (CPTED) is a multi-disciplinary approach to deterring criminal behavior through environmental design. CPTED strategies rely upon the ability to influence offender decisions that precede criminal acts by affecting the built, social and administrative environment.

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	150,000	150,000	150,000	150,000	150,000	750,000
Total	150,000	150,000	150,000	150,000	150,000	750,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	150,000					150,000
Transfers to CIP-General Fund		150,000	150,000	150,000	150,000	600,000
Total	150,000	150,000	150,000	150,000	150,000	750,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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.

FY18: Replace 2006 Colorado Truck #702 (\$20,000)
 FY19: Replace 2008 Colorado Truck #701 (\$20,000)
 FY20: Replace 2008 Impala Sedan #703 (\$20,000)
 FY21: Replace 2006 Jeep Liberty #709 (\$20,000)
 FY22: Replace 2013 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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	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 '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	20,000					20,000
Transfers to CIP-General Fund		20,000	20,000	20,000	20,000	80,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0140

Project Name Hagerstown Cultural Trail



Type Improvement

Department Engineering

Useful Life 100 years

Contact Tissue

Category Land Improvements

Priority Planned Improvement

Location: City-Wide

Year Submitted: 2015

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.

FY18: Land Acquisition near Park Circle (\$150,000)

FY19: Phase II: Antietam Street to proposed plaza. Portion thru the building funded by others (\$170,000)

FY19: Phase III: Development of Triangle Park near Park Circle (\$150,000)

Additional public art will need to be added with funding from private grants and the City.

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 at 4.25%, preliminary annual debt service impact of the 2018 general fund supported bond issue of \$100K is \$7.9K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Land Acquisition	150,000					150,000
Construction/Maintenance		320,000				320,000
Total	150,000	320,000				470,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	100,000	140,000				240,000
Grants-State Program Open Space	50,000	180,000				230,000
Total	150,000	320,000				470,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0182
Project Name Police Crime Lab Equipment

Type Replacement **Department** Police
Useful Life 5 - 7 years **Contact** Brito
Category Machinery and Equipment **Priority** Planned Improvement
Location: Police Department
Year Submitted: 2009
Status Active



Description

FY18: Gas Chromatograph/Mass Spectrometer (\$110,000).

FY19: Fourier Transforma Infrared Spectrometer (\$25,000).

Justification

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.

The Fourier Transforma Infrared Spectrometer (FTIR) is used for confirmatory tests, as well as identification of other substances requiring this specific instrument. In addition to specific forensic examinations, its use is required for the prosecution of criminal cases.

Budget Impact/Other

Initial purchases are anticipated to include multiple year maintenance agreements.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	110,000	25,000				135,000
Total	110,000	25,000				135,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Grants-Federal	110,000	25,000				135,000
Total	110,000	25,000				135,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 of ADA and the city's "Complete Streets" policy when paving is done. Improvements are budgeted at \$2,500 per ramp. For the State Highway User Revenue funded portion, if the City doesn't receive the full amount, we will only spend what the State provides.

FY18: \$100,000 Install accessibility ramps along overlay streets (Salem Ave., Pangborn Blvd., Mulberry Ave., & Others).

FY18 - FY22: Install and/or replace approximately 35-40 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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	100,000	90,000	90,000	90,000	90,000	460,000
Total	100,000	90,000	90,000	90,000	90,000	460,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
State Highway User Revenue	20,000	20,000	20,000	20,000	20,000	100,000
Transfers to CIP-CDBG Fund	80,000	70,000	70,000	70,000	70,000	360,000
Total	100,000	90,000	90,000	90,000	90,000	460,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0226
Project Name Police Firing Range

Type Improvement **Department** Police
Useful Life 30 years **Contact** Brito
Category Machinery and Equipment **Priority** Planned Improvement
Location: Smithsburg Watershed Area
Year Submitted: 2011
Status Active



Description

FY19: Anticipated 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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance		25,000				25,000
Total		25,000				25,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Grants-Federal		25,000				25,000
Total		25,000				25,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0237
Project Name Park Equipment

Type Replacement **Department** Parks
Useful Life 15 years **Contact** Tissue
Category Machinery and Equipment **Priority** Planned Improvement
Location: To be determined
Year Submitted: 2008
Status Active



Description

Projects are contingent on receiving State funding.

Portable bleachers, park benches, picnic tables & trash cans for various parks

FY18: Play Equipment, trash receptacles.

FY19: City Park play equipment, bleachers, benches, trash cans.

Justification

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	165,000	151,100				316,100
Total	165,000	151,100				316,100

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund Balance	4,000					4,000
Grants-State CP&P	135,000					135,000
Grants-State Program Open Space	26,000	136,000				162,000
Transfers to CIP-General Fund		15,100				15,100
Total	165,000	151,100				316,100

GENERAL/CIP FUND**FY '18 thru FY '22****City of Hagerstown, Maryland**

Project # 45-C0241
Project Name Fire Department Training Center

Type Improvement **Department** Fire
Useful Life 25 years **Contact** Lohr
Category Buildings and Structures **Priority** Planned Improvement
Location: City Fire Training Center
Year Submitted: 2009
Status Active

**Description**

FY18 Original Proposed Budget: Negotiated funding requests from WCDES and others have failed to produce any joint funded opportunities in FY17. Therefore, the \$200,000 request is rolled to FY18 for necessary improvements that include additions to the pump testing pit and the SCBA maze.

FY18 - FY22: \$75,000 in maintenance expenses are requested each out year to appropriately maintain the facility over time (with the City funding \$50,000 of this annually).

FY18 Mayor and Council Adopted Budget (\$266,854) by reducing \$8,146 from the original Proposed Budget (\$275,000).

Justification

The Bowman Avenue Training facility remains the primary practical evolution facility for regional fire-rescue and law enforcement assets. The HFD funded training center which includes a certified burn building, single classroom, SCBA maze, training tower and pump testing facility has been minimally maintained since the early 1980s and is in advanced disrepair. Paving of the entire facility is inadequate and dangerous, and the other props have deteriorated to the point that they should be removed from service. At a minimum, funding is requested to join other agencies in development of a jointly funded practical evolution training center.

Budget Impact/Other

Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 general fund supported bond issue of \$200K is \$15.1K.

\$75,000 in maintenance expenses are requested each out year to appropriately maintain the facility over time.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	266,854	75,000	75,000	75,000	75,000	566,854
Total	266,854	75,000	75,000	75,000	75,000	566,854

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	200,000					200,000
Contribution by Others	25,000	25,000	25,000	25,000	25,000	125,000
Transfers to CIP-General Fund	41,854	50,000	50,000	50,000	50,000	241,854
Total	266,854	75,000	75,000	75,000	75,000	566,854

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 not in compliance with current standards. In order to improve signal visibility, construct a mast arm pole to hang the signals over the travel lanes. Pedestrian signals will also be upgraded with APS and ramps.

FY19: Reconstruct Mulberry & Antietam - Last intersection on Mulberry Street without overhead signals. Statistics show 14 running red light accidents in last 3 years.

FY20: Design Cleveland @ Liberty and Franklin signal replacements.

FY21: Reconstruct Cleveland @ Liberty and Franklin

Justification

These changes increase safety on our streets and sidewalks by making lights for pedestrians and motorists more visible.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Planning/Design			20,000			20,000
Construction/Maintenance		250,000		400,000		650,000
Total		250,000	20,000	400,000		670,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Transfers to CIP-CDBG Fund		250,000		400,000		650,000
Transfers to CIP-General Fund			20,000			20,000
Total		250,000	20,000	400,000		670,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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, as needed, original LED lights that were installed in 2006. LED signal lights have an estimated life of 7-10 years.

Justification

LED lights will be used to reduce energy consumption and extend light replacement time.

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	5,000	5,000	5,000	5,000	5,000	25,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Transfers to CIP-General Fund	5,000	5,000	5,000	5,000	5,000	25,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

GENERAL/CIP FUND

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0249
Project Name Community & Economic Development Vehicles

Type Replacement **Department** Community Development
Useful Life 10 years **Contact** Frick
Category Automobiles and Trucks **Priority** Cost Avoidance
Location: Downtown
Year Submitted: 2013



Status Active

Description

See Vehicle and Equipment replacement schedule.

FY18 Original Proposed Budget: 2003 Chevy Cavalier #717 (\$25,000) - Replacing with mid size SUV

FY18 Mayor and Council Adopted Budget (\$0) by deferring original Proposed Budget (\$25,000) amount.

Justification

Replace deteriorating equipment

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	0					0
Total	0					0

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	0					0
Total	0					0

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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: FY18: Pave the main lot and construct fencing. FY20: Replace Portion of Garage Roof
Justification
This facility was built in 1938. Since its construction, multiple departments have used it. The building needs continual repairs due to its age. City fuel pumps are located here. Every department uses parking lot.
Budget Impact/Other
Operational costs will not be affected at this time. Most of these projects are replacements or reconstruction of existing amenities.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	30,000	6,000	30,000	6,000	6,000	78,000
Total	30,000	6,000	30,000	6,000	6,000	78,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	30,000					30,000
Transfers to CIP-General Fund		6,000	30,000	6,000	6,000	48,000
Total	30,000	6,000	30,000	6,000	6,000	78,000

GENERAL/CIP FUND

FY '18 *thru* FY '22

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 18 - FY22: Funds for various streetscape improvements in the downtown area.

FY18 Mayor and Council Adopted Budget (\$15,000) by deferring \$10,000 from Proposed Budget (\$25,000) amount.

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	15,000	25,000	25,000	25,000	25,000	115,000
Total	15,000	25,000	25,000	25,000	25,000	115,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund Balance	5,000					5,000
Transfers to CIP-General Fund	10,000	25,000	25,000	25,000	25,000	110,000
Total	15,000	25,000	25,000	25,000	25,000	115,000

GENERAL/CIP FUND

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0308
Project Name Police Building Renovation

Type Improvement **Department** Police
Useful Life 10 - 20 years **Contact** Brito
Category Buildings and Structures **Priority** Planned Improvement
Location: Police Department
Year Submitted: Ongoing
Status Active



Description

FY18 Original Proposed Budget: Includes replacement of 2 overhead air handlers or 1 larger floor unit (\$20,000); repaving & restriping the Police Department parking lot (\$50,000); continuation of facility security measures (\$35,000).

FY18 Mayor and Council Adopted Budget (\$75,000) by deferring \$30,000, from the paving project, from original Proposed Budget (\$105,000) amount.

FY19 through FY21 Includes replacement air handlers and 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 parking lot has not been repaved since the Police Department was moved to its current location in 1979.

Security of the police building is an ongoing project with additional improvements to be implemented in FY18.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	75,000	40,000	40,000	40,000	40,000	235,000
Total	75,000	40,000	40,000	40,000	40,000	235,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	25,000					25,000
CIP Fund Balance	50,000					50,000
Transfers to CIP-General Fund		40,000	40,000	40,000	40,000	160,000
Total	75,000	40,000	40,000	40,000	40,000	235,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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.

FY18:

Alley 1-123 (beside Memorial Rec.) \$40,000
 Alley 1-124 (Alley 1-123 to Jonathan St) \$37,000
 Alley 2-118 (Donut Alley) \$45,000
 Alley 5-54 (E. Irvin to Mulberry Avenue) \$70,000

FY18: To complete FY17 Alley Projects

Alley #2-117 (Chestnut Street to Maryland Avenue) \$47,000
 Alley #2-129 (Maryland Avenue to Spruce Street) \$24,000
 Alley #1-041 (Berner Avenue and West Side Avenue) \$28,000

FY19:

Alley 5-42 (Laurel Street to Cypress Street) \$38,000
 Alley 5-41 (Laurel to Alley 5-42) \$30,000
 Alley 5-49 (Manila Avenue to Hillcrest Road) \$65,000
 Alley 5-52 (Hillcrest 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 at 4.00%, preliminary annual debt service impact for the 2017 general fund supported bond issue of \$769KK is \$56.6K. Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 general fund supported bond issue of \$191K is \$14.4K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	291,000	197,000				488,000
Total	291,000	197,000				488,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	191,000	197,000				388,000
Prior Bond Proceeds	100,000					100,000
Total	291,000	197,000				488,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0326
Project Name City Hall Improvements

Type Replacement **Department** Public Works
Useful Life 15 years **Contact** Deike
Category Buildings and Structures **Priority** Planned Improvement
Location: City Hall
Year Submitted: 1990
Status Active



Description
 FY18: Install A/C for entire building (\$300,000)
 FY19: Paint exterior emergency stairwell.
 FY22: Replace Second of Two Boilers. Boiler to be replaced originally installed in 1992.

Justification
 FY18: City Hall opened in 1940 before the advent of air conditioning. The building is a mix of window units and smaller systems providing A/C to small suites. 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.

Budget Impact/Other
 FY18: Increased energy use.
 Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 general fund supported bond issue of \$300K is \$22.3K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	300,000	40,000	25,000	25,000	65,000	455,000
Total	300,000	40,000	25,000	25,000	65,000	455,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	300,000					300,000
Transfers to CIP-General Fund		40,000	25,000	25,000	65,000	155,000
Total	300,000	40,000	25,000	25,000	65,000	455,000

GENERAL/CIP FUND

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0335
Project Name Pangborn Park Improvements

Type Improvement **Department** Parks
Useful Life 20 years **Contact** Tissue
Category Amenities **Priority** Planned Improvement
Location: Pangborn Park
Year Submitted: 2013
Status Active



Description
 FY18: Coat and seal double tennis court and replace lines

Justification
 Equipment at Fairgrounds Park is used extensively. As part of our "active community" initiatives, install equipment in Pangborn Park.. Contingent on receiving grant funding.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	12,000					12,000
Total	12,000					12,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	12,000					12,000
Total	12,000					12,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0352
Project Name Fuel Station Improvements

Type Maintenance **Department** Public Works
Useful Life 10 years **Contact** Deike
Category Buildings and Structures **Priority** Planned Improvement
Location: 51 W. Memorial Blvd
Year Submitted: 2017
Status Active



Description

This is the replacement of the gasoline and diesel fuel containment sumps located at the city's fuel station. The sumps are built into the concrete pad that surrounds the facility. The sumps will be cut out of the concrete and replaced with upgraded sumps and fill spout connections.

Justification

The work is due to new regulations by the Maryland Department of the Environment (MDE) and must be completed by August 1, 2017.

Budget Impact/Other

This is the only fueling station for the city fleet. Non-Compliance with MDE regulations could be cause for the facility to be closed until the facility is in compliance.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	30,000					30,000
Total	30,000					30,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	30,000					30,000
Total	30,000					30,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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. FY18: Repairs to structural concrete of various bridges (Guardrails \$40,000), Sidewalks (\$15,000) FY19: Expansion dam replacements all per 2016 inspection (\$47,000)
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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	55,000	47,000				102,000
Total	55,000	47,000				102,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	55,000					55,000
Transfers to CIP-General Fund		47,000				47,000
Total	55,000	47,000				102,000

GENERAL/CIP FUND

FY '18 *thru* FY '22

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. Many intersections are currently controlled by a loop wire buried in the asphalt street. These can be, and usually are, damaged during street overlay projects.

FY18 Original Proposed: Install autoscope at Northern Ave. & Oak Hill.
FY19: Install autoscope at Northern Ave & Hamilton
FY20: Install autoscope at S. Potomac & Memorial Blvd

FY18 Mayor and Council Adopted Budget (\$0) by deferring \$20,000 from original Proposed Budget (\$20,000) amount.

Justification

FY18-20: To upgrade traffic monitoring system to improve traffic flow.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings		20,000	25,000			45,000
Total		20,000	25,000			45,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Transfers to CIP-General Fund		20,000	25,000			45,000
Total		20,000	25,000			45,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0439
Project Name Steam Engine Museum

Type Improvement **Department** Parks
Useful Life 10 - 20 years **Contact** Tissue
Category Buildings and Structures **Priority** Planned Improvement
Location: City Park
Year Submitted: 1990
Status Active



Description

A comprehensive plan for improvements is currently being developed to determine immediate and long-term needs for the museum.

FY19: Improve facility based on strategic plan (bathrooms, childrens area, etc.)

Justification

By undertaking additional future improvements, we would diversify the attractions that will result in the opportunity to provide a wide array of interpretive programs to the visiting public. The end result will be continued must-see destination for the train enthusiast and the public at-large.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance		20,000				20,000
Total		20,000				20,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Grants-State Program Open Space		18,000				18,000
Transfers to CIP-General Fund		2,000				2,000
Total		20,000				20,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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
FY18 and FY19: \$10,000 for routine unspecified repairs FY20: \$40,000 for 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. If possible, will hire a consultant to visually inspect larger storm drains. FY22: \$20,000 Inspections and Repairs
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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	10,000	10,000	40,000		20,000	80,000
Total	10,000	10,000	40,000		20,000	80,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Transfers to CIP-General Fund	10,000	10,000	40,000		20,000	80,000
Total	10,000	10,000	40,000		20,000	80,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0451

Project Name Geographic Information System

Type Improvement

Department Information Technology

Useful Life 5 years

Contact Nicewarner

Category Software

Priority Planned Improvement

Location: City-Wide

Year Submitted: Ongoing

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 on the 2010 GIS Strategic Plan in accomplishing the organization of this data and making it available for all City departments for use in the analysis of their operations.

Justification

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 transparency portal. 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 FY18 .

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Planning/Design	15,000	15,000	15,000	15,000	15,000	75,000
Equip/Vehicles/Furnishings	20,000			20,000	20,000	60,000
Other		20,000	20,000			40,000
Total	35,000	35,000	35,000	35,000	35,000	175,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund Balance	35,000	9,390				44,390
Transfers to CIP-Electric Fund		6,870	10,000	10,000	10,000	36,870
Transfers to CIP-General Fund		5,000	5,000	5,000	5,000	20,000
Transfers to CIP-Wastewater Fund		6,870	10,000	10,000	10,000	36,870
Transfers to CIP-Water Fund		6,870	10,000	10,000	10,000	36,870
Total	35,000	35,000	35,000	35,000	35,000	175,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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).

FY18: Replace 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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	25,000					25,000
Transfers to CIP-General Fund		25,000	25,000	25,000	25,000	100,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 Tissue
Priority Planned Improvement
Status Active



Description
Construct improvements to existing parking lots in City Park. Includes paving, landscaping, walkways and lighting (#514). FY18: Fountain in dredged lower lake (\$15,000 POS) and new sound system in bandshell (\$9,000) FY19: Paving of trails and under benches. FY21: Improve the upper parking lot by Mansion House and parking lot by tennis court. FY22: Install fence to replace hedge along Virginia Avenue.
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 have been achieved at both the south parking lot and the Digby parking lot.
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.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	24,000	20,000		560,000	100,000	704,000
Total	24,000	20,000		560,000	100,000	704,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	10,500					10,500
Grants-State Program Open Space	13,500			504,000	90,000	607,500
Transfers to CIP-General Fund		20,000		56,000	10,000	86,000
Total	24,000	20,000		560,000	100,000	704,000

GENERAL/CIP FUND

FY '18 *thru* FY '22

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.

FY18 - FY22: 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.

FY18 Mayor and Council Adopted Budget (\$0) by deferring original Proposed Budget (\$20,000) amount.

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance		20,000	20,000	20,000	20,000	80,000
Total		20,000	20,000	20,000	20,000	80,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Transfers to CIP-General Fund		20,000	20,000	20,000	20,000	80,000
Total		20,000	20,000	20,000	20,000	80,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0568

Project Name Cable Inet

Type Improvement

Useful Life 10 years

Category Machinery and Equipment

Location: City-Wide

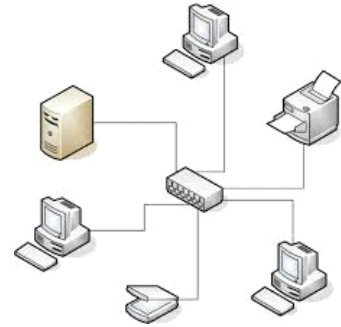
Year Submitted: 2001

Department Information Technology

Contact Nicewarner

Priority Contract Obligation

Status Active



Description

Per the Cable Franchise Agreement with Antietam Cable, funds are provided to this CIP to allow for the maintenance and enhancement of the Institutional Network as defined in the agreement. Funds go to the maintenance and new connectivity of network services to our outlying buildings, as well as the network to allow all to communicate with each other. These buildings include those of the BOE and HCC ownership.

Justification

The needs continue for the sharing of data between the major governmental agencies within the County due to consolidation opportunities and governmental transparency initiatives. The use of these funds is contractually required through the cable franchise agreement in place with Antietam Cable.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	14,000	14,000	14,000	14,000	14,000	70,000
Total	14,000	14,000	14,000	14,000	14,000	70,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
PEG Fee	14,000	14,000	14,000	14,000	14,000	70,000
Total	14,000	14,000	14,000	14,000	14,000	70,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 Information Technology
Contact Nicewarner
Priority Contract Obligation

Status Active



Description

Per the Cable Franchise Agreement with Antietam Cable, funds are provided to this CIP to allow for the maintenance and enhancement of the Public, Educational, and Government services provided by the agreement. These funds will go towards continued modifications/expansion of services from the TV studio, improvements to the BOE and HCC video production equipment, and other equipment needs as provided by the agreement.

Justification

These funds are provided by the cable system per the agreement and are mandated to be used for capital purchases fitting the purpose of PEG activities and services. The amounts shown are the PEG portion of the total remittance from ACTV per the franchise agreement.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	271,771	42,000	42,000	42,000	42,000	439,771
Total	271,771	42,000	42,000	42,000	42,000	439,771

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund Balance	229,771					229,771
PEG Fee	42,000	42,000	42,000	42,000	42,000	210,000
Total	271,771	42,000	42,000	42,000	42,000	439,771

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0570
Project Name Parks Vehicles and Equipment

Type Replacement **Department** Parks
Useful Life 5 - 10 years **Contact** Tissue
Category Automobiles and Trucks **Priority** Planned Improvement
Location: Fairground Park
Year Submitted: Ongoing
Status Active



Description
We have deferred vehicle replacements and need to start replacing worn out items. See Vehicle and Equipment replacement schedule. FY18: Replace 2004 JD Gator #317 (\$8,000), 2007 Bobcat loader #319 (\$60,000). FY19: Replace 2007 JD Gator #378 (\$10,000), 1995 Gravely PM Mower #379 (\$12,000), 2000 Shur-trail trailer #380 (\$5,000), 2004 John Deere backhoe #333 (\$100,000) FY20: Replace 2005 Gravely Mower #369 (\$12,000)
Justification
Improved Service.
Budget Impact/Other
Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 general fund supported bond issue of \$60K is \$5K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	68,000	127,000	12,000			207,000
Total	68,000	127,000	12,000			207,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	60,000	100,000				160,000
CIP Fund - GF Fund Balance	8,000					8,000
Transfers to CIP-General Fund		27,000	12,000			39,000
Total	68,000	127,000	12,000			207,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	20,000	40,000	40,000	40,000		140,000
Total	20,000	40,000	40,000	40,000		140,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Reforestation Funds	20,000	40,000	40,000	40,000		140,000
Total	20,000	40,000	40,000	40,000		140,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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's "Complete Streets" policy has a stated goal of a complete network of sidewalks in the community, creating a path that connects several neighborhoods and commercial areas. Grant assistance will be sought when possible.

FY18: Haven Road \$550,000 (Safe Routes Grant \$440,000), City Match (\$110,000)
 Carr Street \$60,000 (CDBG)
 Snyder Avenue \$60,000 (CDBG)

FY19: Route 65 (East Side) from Wilson Blvd. to Scarlett Hills \$500,000

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	670,000	500,000				1,170,000
Total	670,000	500,000				1,170,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund Balance	1,100					1,100
Grants-State	440,000	500,000				940,000
Grants-State Aid in Lieu of Urban Funds	108,900					108,900
Transfers to CIP-CDBG Fund	120,000					120,000
Total	670,000	500,000				1,170,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0606
Project Name Eastern Boulevard North Extension

Type Improvement
Useful Life 25 years
Category Infrastructure-Streets
Location: Eastern Blvd
Year Submitted: 2004

Department Engineering
Contact Tissue
Priority Planned Improvement

Status Active



Description

This is a new four-lane section connecting Eastern Boulevard @ Antietam Drive to Leitersburg Pike @ Marsh Pike intersection. Road is 6,400 lineal feet and improves intersections at each end. This is assumed to be a county project but is expected to be built to City street standards. Majority of right-of-way is anticipated to be donated, but is valued at approximately \$1,500,000. City will contribute funds donated by local Cortland development (\$335,524).

Justification

Increase traffic capacity, minimize congestion on Route 60 from Marsh Pike to Northern Avenue, and opens land for additional development and County park lands.

The draft Comp Plan recommends working with other agencies to pursue the timely completion of selected projects that facilitate traffic movement around the City's periphery. The project was specifically identified.

Budget Impact/Other

Assuming annexation and City taking over road maintenance, long-term increase of roughly \$30,000 annually for plowing, pavement, maintenance, and pavement markings on new road within the City limits. Additional lighting costs of \$4,000 annually.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance					335,524	335,524
Total					335,524	335,524

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Contribution by Others					335,524	335,524
Total					335,524	335,524

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 Planned Improvement
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. Cost is estimated at \$8.5 million which is unattainable at this time.
FY19: Paint old seats or cover them to improve aesthetics.
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

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance		10,000				10,000
Total		10,000				10,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Transfers to CIP-General Fund		10,000				10,000
Total		10,000				10,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0626
Project Name Fairgrounds Park Improvements

Type Improvement **Department** Parks
Useful Life 15 - 25 years **Contact** Tissue
Category Infrastructure-Streets **Priority** Planned Improvement
Location: Fairground Park
Year Submitted: 2004
Status Active



Description

FY18: Building Stabilization: Repairs to gatekeepers house that is inspected annually by Maryland Historic Trust. Replace roof on stables as nails no longer hold and is a constant maintenance issue.

FY20: Lights for BMX track

FY22: Paving parking lot at rear of park below to BMX track.

Justification

Stable roofs are failing in storms, recommend systematic approach to replace.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	10,000		40,000		200,000	250,000
Total	10,000		40,000		200,000	250,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	10,000					10,000
Grants-Private			4,000			4,000
Grants-State Program Open Space			36,000		175,000	211,000
Transfers to CIP-General Fund					25,000	25,000
Total	10,000		40,000		200,000	250,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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.

FY18-FY20: Construct stormwater retrofit facilities at Hagerstown Greens and other locations as identified.

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.

Based on a 20 year term, the debt service impact from the 2015 general fund supported bond issue of \$100K is \$6.6K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Planning/Design		50,000	50,000	20,000	20,000	140,000
Construction/Maintenance	380,000	280,000	280,000	80,000	80,000	1,100,000
Total	380,000	330,000	330,000	100,000	100,000	1,240,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund Balance	69,378					69,378
Grants-Federal	300,000	250,000	250,000			800,000
Prior Bond Proceeds	10,622					10,622
Transfers to CIP-General Fund		80,000	80,000	100,000	100,000	360,000
Total	380,000	330,000	330,000	100,000	100,000	1,240,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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.

FY18: Potential projects to narrow streets or install BMP's (Best Management Practices) include:

Baltimore @ Potomac Street
 Mulberry Avenue @ Pangborn Blvd.
 Maryland Avenue

FY19 - FY22: Addressing future storm water EPA mandates. (Associated with CIP #0637)

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	80,000	80,000	80,000	80,000	80,000	400,000
Total	80,000	80,000	80,000	80,000	80,000	400,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	10,000					10,000
Grants-State	70,000	70,000	70,000	70,000	70,000	350,000
Transfers to CIP-General Fund		10,000	10,000	10,000	10,000	40,000
Total	80,000	80,000	80,000	80,000	80,000	400,000

GENERAL/CIP FUND

FY '18 *thru* FY '22

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.

FY18: Northern Avenue corridor

FY18 Mayor and Council Adopted Budget (\$0) by deferring original Proposed Budget (\$20,000) amount.

Justification

Most cost effective way to reduce delay and congestion. Reduces air pollution when vehicles are not delayed in needless congestion caused by a signal system not operating at optimal efficiency.

Budget Impact/Other

Operational cost neutral. This process optimizes the signal timing decreasing motorist delay and frustration.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Planning/Design	0					0
Total	0					0

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Transfers to CIP-General Fund	0					0
Total	0					0

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0663
Project Name Fire Department Breathing Apparatus Equip

Type Replacement **Department** Fire
Useful Life 15 years **Contact** Lohr
Category Machinery and Equipment **Priority** Planned Improvement
Location: Fire Dept Admin
Year Submitted: 2014

Status Active



Description

FY18: Replacement of the existing cascade system and fill station.

FY21: Replacing 80 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

A donation of 100 slightly used SCBA is anticipated in FY17 that allows the HFD to defer a large capital expenditure of \$750,000 from FY19 to FY21. Existing SCBA's (76) were originally purchased in 2000 with a few added in 2006. The donation of this equipment is expected to extend the servicable life of existing SCBA's to FY21. It is further expected that prior to that time, the HFD will collaborate with WCDES assets and other volunteer companies for a single grant funding opportunity and/or a competitively bid contract. Finally, the existing cascade system and fill station are needed to replace non-compliant end of life equipment.

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 of catastrophic failures.

Budget Impact/Other

Maintenance funds will be requested in the operating budget to maintain all SCBA's, testing equipment for an additional 3-5 years.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	22,000			750,000		772,000
Total	22,000			750,000		772,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	22,000					22,000
Grants-State				675,000		675,000
Transfers to CIP-General Fund				75,000		75,000
Total	22,000			750,000		772,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0678
Project Name Planning & Code Admin Vehicles

Type Replacement **Department** Planning
Useful Life 5 years **Contact** Maher
Category Automobiles and Trucks **Priority** Cost Avoidance
Location: City-Wide
Year Submitted: 2018
Status Active



Description
Vehicle replacements FY18: 2003 Chevy Cavalier #715 (25,000) FY19: 2006 Chevy Colorado #401 (\$25,000), 2006 Chevy Colorado #750 (\$25,000) FY20: 2006 Chevy Colorado #718 (\$25,000), 2004 Chevy Colorado #755 (\$25,000) FY21: 2007 Ford Focus #713 (\$25,000), 2005 Chevy Colorado #752 (\$25,000) FY22: 2005 Jeep Liberty #712 (\$25,000), 2006 Jeep Liberty #850 (\$25,000)
Justification
Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	25,000	50,000	50,000	50,000	50,000	225,000
Total	25,000	50,000	50,000	50,000	50,000	225,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	25,000					25,000
Transfers to CIP-General Fund		50,000	50,000	50,000	50,000	200,000
Total	25,000	50,000	50,000	50,000	50,000	225,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

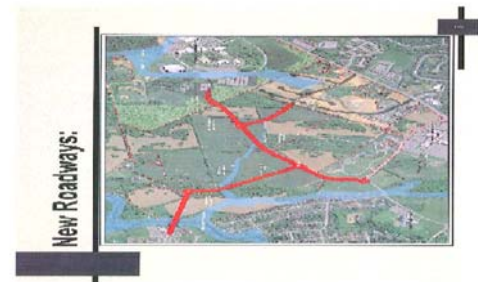
City of Hagerstown, Maryland

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 the construction 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 commenced 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 2018, early 2019.

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 \$35,000 annually for plowing, pavement maintenance and pavement markings on new road within City limits. Additional lighting costs of \$3,000 annually. If bridge becomes part of City infrastructure, additional annualized cost of \$100,000 may be incurred.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance		2,000,000				2,000,000
Total		2,000,000				2,000,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)		2,000,000				2,000,000
Total		2,000,000				2,000,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0687

Project Name Consolidation of Public Safety Assets

Type Replacement

Department Fire

Useful Life Indefinite

Contact Lohr

Category Buildings and Structures

Priority Planned Improvement

Location: To be determined

Year Submitted: 2017

Status Active



Description

Combine and collocate Hagerstown and Washington County Public Safety Assets

Justification

The great recession, availability of resources dedicated to public safety and a stated goal to eliminate redundant services, requires all regional public safety assets to evaluate opportunities to share available resources across traditional political boundaries. Even though many opportunities may be present; consolidation of administrative, command staff and training staffs offer unique value assuming the facility is located within the Hagerstown Corporate Boundary. The Community Rescue Service and Hagerstown Fire Department are far and away the #1 and #2 provider of fire-rescue services in Washington County.

Budget Impact/Other

Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 general fund supported bond issue of \$500K is \$37.4K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	500,000					500,000
Total	500,000					500,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	500,000					500,000
Total	500,000					500,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 adjacent to Marsh Run.

FY19: Marsh Run Trail would connect City Park to Municipal Stadium. Project is complete east of Potomac Street. Preliminary design of the 2000 LF "missing link" of the "Marsh Run" Trail commenced in 2015 and is funded by a "Bike Maryland" MDOT Grant. CSXRR granted initial permission to install a tunnel under their spur, FY18 will be the completion of the design and FY19 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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance		2,500,000				2,500,000
Total		2,500,000				2,500,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Grants-Federal		2,500,000				2,500,000
Total		2,500,000				2,500,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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.

FY18: Site planning for a new facility.

FY18-19: Construct a new Public Works vehicle and equipment storage building.

Justification

Master plan approved by the Mayor and Council. This building would allow protection from the elements for many of the trucks and equipment.

Budget Impact/Other

Additional building maintenance costs and grounds costs.

Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 general fund supported bond issue of \$375K is \$28.1K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Planning/Design	10,000					10,000
Construction/Maintenance	375,000	525,000				900,000
Total	385,000	525,000				910,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	375,000	525,000				900,000
CIP Fund Balance	10,000					10,000
Total	385,000	525,000				910,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0730

Project Name Fire Station Relocation



Type Increase Capacity

Department Fire

Useful Life 25 - 50 years

Contact Lohr

Category Buildings and Structures

Priority Planned Improvement

Location: To be determined

Year Submitted: 2006

Status Active

Description

Construct a combined Fire and EMS Station.

FY 18: Land acquisition, raze structure (existing), site preparation, design and construction

Justification

The 2015 Insurance Services Office (ISO) public protection classification and rating suggests an opportunity to either relocate or combine downtown companies for greater efficiency and effectiveness. This opportunity combined with the City's comprehensive plan recommendations could defer or eliminate on-going operating and maintenance expenses and combine available staffing in a model that ensures compliance with OSHA 29 CFR and other industry best practices.

Budget Impact/Other

Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 general fund supported bond issue of \$1.6M is \$118.8K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Planning/Design	450,000					450,000
Construction/Maintenance	1,150,000					1,150,000
Total	1,600,000					1,600,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	1,600,000					1,600,000
Total	1,600,000					1,600,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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

FY21 & FY22: 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 '18	FY '19	FY '20	FY '21	FY '22	Total
Planning/Design				500,000		500,000
Construction/Maintenance					4,500,000	4,500,000
Total				500,000	4,500,000	5,000,000

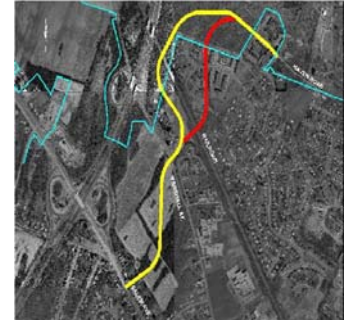
Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Contribution by Others				500,000	4,500,000	5,000,000
Total				500,000	4,500,000	5,000,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

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 technologies for the MUNIS Financial System utilized by the City. These features would include tablet computing by staff, increased web functionality.

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 inspection 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 that will not be known until acquisition.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Other	16,000	16,000	16,000	16,000	16,000	80,000
Total	16,000	16,000	16,000	16,000	16,000	80,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund Balance	16,000					16,000
Transfers to CIP-Electric Fund		4,000	4,000	4,000	4,000	16,000
Transfers to CIP-General Fund		4,000	4,000	4,000	4,000	16,000
Transfers to CIP-Wastewater Fund		4,000	4,000	4,000	4,000	16,000
Transfers to CIP-Water Fund		4,000	4,000	4,000	4,000	16,000
Total	16,000	16,000	16,000	16,000	16,000	80,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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.

FY19: Development of small park on E. Baltimore Street in conjunction with local synagogue.

FY20: Land Acquisition of future park site

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Land Acquisition			200,000			200,000
Construction/Maintenance		80,000				80,000
Total		80,000	200,000			280,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Contribution by Others		20,000				20,000
Transfers to CIP-CDBG Fund			200,000			200,000
Transfers to CIP-General Fund		60,000				60,000
Total		80,000	200,000			280,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 Tissue
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 10' 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 '18	FY '19	FY '20	FY '21	FY '22	Total
Land Acquisition				150,000		150,000
Construction/Maintenance					480,000	480,000
Total				150,000	480,000	630,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

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 FY18. We have obtained "Waterway Construction Permit" and MHT & MDE approvals.

City staff sought grant funding for a portion of this project but nothing really available.

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Planning/Design	25,000					25,000
Construction/Maintenance		500,000				500,000
Total	25,000	500,000				525,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	22,000					22,000
CIP Fund Balance	3,000					3,000
Grants-State Program Open Space		450,000				450,000
Transfers to CIP-General Fund		50,000				50,000
Total	25,000	500,000				525,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0822
Project Name Potterfield Pool Improvements



Type Improvement **Department** Parks
Useful Life 25 years **Contact** Tissue
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.
 FY20: Whitecoat replacement in deep end and deck caulking (\$50,000).

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance			50,000			50,000
Total			50,000			50,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Grants-State Program Open Space			45,000			45,000
Transfers to CIP-General Fund			5,000			5,000
Total			50,000			50,000

GENERAL/CIP FUND

FY '18 *thru* FY '22

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 Board of Directors, called the Hagerstown Ice Amateur Athletic Association (HIAAA), began operating the rink in April 2014. The HIAAA is comprised of all the user groups and at-large members. The operating agreement calls for the City to pay for 75% of the capital improvements to the building and ice making equipment with the balance being contributions by HIAAA or others. 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.

FY18-22: Long term maintenance work per the user agreement.

The rental income that will be received in future years will be used in the operating budget to offset the City's portion of utility costs as follows:

FY18 - FY22: \$36,000 rental income

FY18 Mayor and Council Adopted Budget (\$15,000) by reducing original Proposed Budget (\$20,000) by \$5,000.

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	15,000	13,333	13,333	26,667	26,667	95,000
Total	15,000	13,333	13,333	26,667	26,667	95,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Contribution by Others	5,000	3,333	3,333	6,667	6,667	25,000
Transfers to CIP-General Fund	10,000	10,000	10,000	20,000	20,000	70,000
Total	15,000	13,333	13,333	26,667	26,667	95,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0849
Project Name Fire Computer Equip/Public Safety Radios

Type Replacement **Department** Fire
Useful Life 10 years **Contact** Lohr
Category Machinery and Equipment **Priority** Public Safety
Location: Fire Dept Admin
Year Submitted: 2012

Status Active



Description

Upgrade station alerting system/public safety radios. The existing system cannot be supported going forward. A new digital paging system will be implemented by Washington County Government with the City of Hagerstown to collaborate with them to improve the system. This system will also include portable and mobile radios that will upgrade dual band, encrypted zones and talk groups. Getac tablets for 12 apparatus.

Justification

Fire Computers:

Funding is requested in FY18 to equip 12 vehicles with computers, tablets, brackets and software to comply with existing technology infrastructure for computer aided dispatch (CAD) and State reporting requirements. Additionally, 8 desktop machines/software/printers are required to equip existing fire facilities with computers necessary to conduct City business, including payroll, etc.

The HFD anticipates a future obligation to upgrade station alerting and digital paging system requirements in the near term out years. This requirement would coincide with any changes through WCDES, a system the City does not control. In addition, the Insurance Services Office 2015 review identified a redundant alerting infrastructure circuit in the event station alerting is down.

Public Safety Radios:

The public safety radios utilized to ensure interoperability and purchased/licensed through the Washington County Government are near the end of their supported life cycle by the manufacturer. As a result, and at this time, the HFD would be expected to replace all mobile and portable radios in the system when this actually occurs. The best estimate for this declaration is 3 years. FY17 costs per radio are \$5,800/mobile radio, and \$7,600/portable radio with accessories.

In anticipation of a labor request to fund issuing of a portable radio to each member of the department like the police do, and inclusion of a handful of volunteers, and a 5% maintenance reserve, our best estimate would be 95 portable radios @\$7,600 plus inflation and 24 mobile radios @\$5,800 plus inflation in the out years.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	45,000	15,000	865,000	15,000	15,000	955,000
Total	45,000	15,000	865,000	15,000	15,000	955,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)			865,000			865,000
Transfers to CIP-General Fund	45,000	15,000		15,000	15,000	90,000
Total	45,000	15,000	865,000	15,000	15,000	955,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0853
Project Name Marsh Run Walls Rehabilitation

Type Maintenance **Department** Engineering
Useful Life 30 years **Contact** Tissue
Category Amenities **Priority** Cost Avoidance
Location: Marsh Run
Year Submitted: 2013
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. Repairs of the 5 worst areas identified in the August 2013 inspections were completed in the Fall of 2014 for \$100,000. Additional repairs will be made in 2017. FY18: Continuation of FY17 repairs not completed FY22: Phase II repairs to continue on other areas identified during the August 2013 inspection and to be completed in FY22.
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 at 4.00%, preliminary annual debt service impact for the 2017 general fund supported bond issue of \$397.7K is \$29K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	135,204				500,000	635,204
Total	135,204				500,000	635,204

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)					500,000	500,000
Prior Bond Proceeds	135,204					135,204
Total	135,204				500,000	635,204

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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

A partnership between the Board of Washington County Commissioners, the City of Hagerstown, the Washington County Board of Education (BOE), the Maryland Theatre and the University System of Maryland at Hagerstown (USMH) is formed in support of several key projects that tie into the revitalization of the urban core of the City of Hagerstown. Projects include expansion of the Maryland Theatre, an urban educational complex with BOE and USMH components, and a plaza.

The \$440k reflected as prior bond proceeds represents the City's remaining balance for the Maryland Theatre's design phase of its expansion. A decision on any future City commitments for the use of the remaining \$1.0M of the funds will be considered over the next year.

Justification

The project supports 3 of the 8 catalysts projects in the Community's City Center Plan, Maryland Theatre expansion, USMH expansion and expanded arts/events programming.

Budget Impact/Other

Based on a 20 year term at 4%, preliminary annual debt service impact for the 2017 general fund supported bond issue of \$500K is \$36.8K.

Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 general fund supported bond issue of \$1M is \$74.9K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Other	1,440,000					1,440,000
Total	1,440,000					1,440,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)	1,000,000					1,000,000
Prior Bond Proceeds	440,000					440,000
Total	1,440,000					1,440,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 Brito
Priority Public Safety
Status Active



Description

FY19: Two units at \$30k each.

Justification

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. LPR systems can identify a target plate within seconds of reading it, allowing law enforcement to identify target vehicles that may otherwise be overlooked.

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.

Budget Impact/Other

Post-warranty maintenance is assumed in the department operating budget.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings		60,000				60,000
Total		60,000				60,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Transfers to CIP-General Fund		60,000				60,000
Total		60,000				60,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 to Longmeadow Park and is severley 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. City match will be General Fund - Fund Balance.

Phase I: 900' Long stream restoration project (\$650,000)

Phase II: Improve paths to Country Club Road with bridge over Hamilton Run (\$150,000)

Justification

Stream is eroding and impacting properties, completed in cooperation with the American Legion.

Budget Impact/Other

Minimal impact, additional maintenance, street light operations. Less than \$5,000 annually.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Planning/Design	800,000					800,000
Total	800,000					800,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	100,000					100,000
Grants-Federal	700,000					700,000
Total	800,000					800,000

GENERAL/CIP FUND

FY '18 *thru* FY '22

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. "Our Town" grant will match 1:1 any money the City supplies to the project.

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	50,000	25,000	25,000	25,000	25,000	150,000
Total	50,000	25,000	25,000	25,000	25,000	150,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	15,000					15,000
CIP Fund Balance	10,000					10,000
Grants-Private	25,000	10,000	10,000	10,000	10,000	65,000
Transfers to CIP-General Fund		15,000	15,000	15,000	15,000	60,000
Total	50,000	25,000	25,000	25,000	25,000	150,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 thru FY '22

City of Hagerstown, Maryland

Project # 45-C0870

Project Name Fire Facilities City Owned Buildings

Type Maintenance **Department** Fire
Useful Life Indefinite **Contact** Lohr
Category Buildings and Structures **Priority** Planned Improvement
Location: Various locations
Year Submitted: 2017

Status Active



Description

The \$35,000 for maintenance of the existing Pioneer Hook & Ladder station is no longer necessary pending final disposition of this city owned facility. As a result two city owned facilities (FD Headquarters/Shift Commanders Office in a portion of the market house, and E-3, T-1 @ 100 Eastern Boulevard are the only remaining city owned response facilities. Finally, the HFD training center is owned and maintained by the City on Bowman Avenue. A separate CIP exists for that facility.

FY 18 :Administrative Office 25 W. Church Street: Masonry repairs to cracked sidewalks and to replace holes in the walls, upgrade electrical and GFI outlets, replace plumbing, HVAC installation. (\$35,000)

FY18: Independent Junior Fire Engine Company #3: Repair/replacement of construction, plumbing and electrical services. (\$35,000)

FY18: Independent Junior Fire Engine Company #3: grading additions, other maintenance issues that may arise (\$35,000)

FY21: Independent Junior Fire Engine Company #3: Roof Replacement (\$200,000)

Justification

Repairs are necessary to achieve code compliance. Examples of repairs: Masonry -cracked sidewalks, holes/cracks in wall; Electrical -GFCI needed by sinks and in truck bay, wiring need supports, fans not vented to the outside, loose cable outlets. Plumbing - seals need replaced by shower in officer's quarters, damage to trim by shower door; ceiling tiles missing, stained and sagging in areas; HVAC - air conditioning is needed on the Administrative side of the office. This is a condensed list of all repairs that the Administrative Office needs.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	105,000			200,000		305,000
Total	105,000			200,000		305,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)				200,000		200,000
CIP Fund Balance	105,000					105,000
Total	105,000			200,000		305,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0871
Project Name Fire Equipment

Type Replacement **Department** Fire
Useful Life 10 years **Contact** Lohr
Category Machinery and Equipment **Priority** Planned Improvement
Location: Administrative Office
Year Submitted: 2017
Status Active



Description

Update Hydraulic Tools. One complete set of Hurst Hydraulic tools to include hoses, reels, jaws of life, kick rams, cutters, air bags, meters, high angle rescue equipment and ISO recommended portable equipment. \$90,000 one complete set.

Justification

Replace aging equipment on the second of two ladder trucks, to obtain economy of scale pricing to comply with ISO ratings and improve firefighting capabilities. This expenditure is requested early in 1st quarter FY18.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	90,000					90,000
Total	90,000					90,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	90,000					90,000
Total	90,000					90,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0872
Project Name Traffic Beacons

Type Improvement
Useful Life 30 years
Category Infrastructure-Utilities
Location: City -wide
Year Submitted: 2018
Department Engineering
Contact Tissue
Priority Public Safety
Status Active



Description

Furnish and install RRFB traffic beacons with signs and push buttons with ramps as needed

FY18: Prospect Ave @ Forest Drive w/sidewalk to Woodland Way (\$40,000); Northern Ave @ Short Rd (\$15,000)

Justification

Justified per "Mid-Block Crosswalk Policy" to advise drivers of crosswalks and other conditions.

School students from Jonathan St. area cross Prospect Ave. and Oak Hill West Neighborhoods 1st requested (includes sidewalk on Prospect Ave. to Woodland Way

Board of Education requested beacon @ Northern Ave. and Short Road

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	55,000					55,000
Total	55,000					55,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Contribution by Others	15,000					15,000
Transfers to CIP-CDBG Fund	40,000					40,000
Total	55,000					55,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0873
Project Name Wesel Blvd Reconstruction

Type Improvement **Department** Engineering
Useful Life 40 years **Contact** Tissue
Category Infrastructure-Streets **Priority** Planned Improvement
Location: S.Burhans Blvd to Heister St
Year Submitted: 2018
Status Active



Description
 Full rehabilitation of sections of roadway that are experiencing subgrade failure, and structural overlays of sections where surface pavement has deteriorated.

Justification
 Repeated and continuing pavement failures that cannot be remedied by mill and overlay.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance			2,200,000			2,200,000
Total			2,200,000			2,200,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (General Fund)			2,200,000			2,200,000
Total			2,200,000			2,200,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 45-C0874
Project Name Parks Restroom Upgrades

Type Improvement
Useful Life 10 - 15 years
Category Buildings and Structures
Location: Various locations
Year Submitted: 2017
Department Parks
Contact Tissue
Priority Improve Service
Status Active



Description
Renovate old and substandard restrooms FY18: City Park (\$10,000) Hellane Park (\$10,000) Pangborn Park (\$5,000)
Justification
Improve park patron experience
Budget Impact/Other
Decrease maintenance with better materials.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	25,000					25,000
Total	25,000					25,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
CIP Fund - GF Fund Balance	25,000					25,000
Total	25,000					25,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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.
 FY18 - Replace 1999-2003 Cavalier/Sonoma Vehicles 103 (\$25,000), 104 (\$25,000), 109 (\$25,000), 111 (\$25,000), 112 (\$25,000) & 113 (\$25,000). Trailblazer 105 (\$35,000). Call Truck #126 (\$40,000).
 FY19 - Replace 2003 Bucket Truck 124 (\$250,000).
 FY20 - Replace 1999 Digger Derrick 120 (\$250,000).
 FY21 - Replace 2007 Full Size Pick Up Trucks (101 (\$30,000), 102 (\$30,000), 122 (\$30,000), 131 (\$40,000)), 2005 Meter Van 137 (\$40,000), and 1990 Air Compressor 134 (\$20,000)
 FY22 - Replace 107 Dump (\$150,000), 116 Stakebody (\$65,000)

Justification

Replace deteriorating mobile equipment to improve safety for workers and to reduce service restoration time.

Budget Impact/Other

Maintenance costs will be reduced with the replacement of older fleet vehicles.

All units proposed replace existing fleet vehicles.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	225,000	250,000	250,000	190,000	215,000	1,130,000
Total	225,000	250,000	250,000	190,000	215,000	1,130,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund	225,000	250,000	250,000	190,000	215,000	1,130,000
Total	225,000	250,000	250,000	190,000	215,000	1,130,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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

Fiscal year 2018 funds are budgeted to complete the fiber optic installation between Fairgrounds and Mitchell for SCADA communication. Currently, the substation is communicating with the SCADA system through a third-party wireless network that will be abandoned. Fiscal year 2019 budget improves 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 2020 and beyond are to provide for 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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	10,000	10,000	10,000	10,000	10,000	50,000
Equip/Vehicles/Furnishings	15,000	15,000	10,000	10,000	10,000	60,000
Total	25,000	25,000	20,000	20,000	20,000	110,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund	25,000	25,000	20,000	20,000	20,000	110,000
Total	25,000	25,000	20,000	20,000	20,000	110,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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. Located at 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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund			200,000	500,000	200,000	900,000
Total			200,000	500,000	200,000	900,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

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

FY19 - 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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 50-C0540
Project Name Underground 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 aging primary underground 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/locations.

Budget Impact/Other

Decrease extensive labor to locate fault and replace cable during unplanned outages.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	15,000	15,000	10,000	10,000	10,000	60,000
Equip/Vehicles/Furnishings	15,000	15,000	10,000	10,000	10,000	60,000
Total	30,000	30,000	20,000	20,000	20,000	120,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund	30,000	30,000	20,000	20,000	20,000	120,000
Total	30,000	30,000	20,000	20,000	20,000	120,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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.

FY18 - Replace interior lighting in garage and stock room areas.

Justification

The visibility in the garage area relies on natural light, replacing/adding high bay light fixtures improves visibility/safety for employees after hours and/or on overcast days.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	50,000	25,000	25,000	25,000	25,000	150,000
Total	50,000	25,000	25,000	25,000	25,000	150,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund	50,000	25,000	25,000	25,000	25,000	150,000
Total	50,000	25,000	25,000	25,000	25,000	150,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 50-C0544
Project Name Bulldog Substation Upgrade

Type Demolition
Useful Life 25 years
Category Infrastructure-Utilities
Location: Burhans Boulevard
Year Submitted: 2001
Department Electric Fund
Contact Fridinger
Priority Planned Improvement
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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund				20,000	20,000	40,000
Total				20,000	20,000	40,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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..
 FY18 - Noland Drive
 FY19 - 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.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund	25,000	25,000				50,000
Total	25,000	25,000				50,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 50-C0591
Project Name A & E District Upgrades



Type Improvement **Department** Electric Fund
Useful Life 50 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: South Potomac Street
Year Submitted: 2004
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
 Aesthetic improvements to the A&E district of Downtown Hagerstown.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	10,000	10,000	10,000	10,000	10,000	50,000
Equip/Vehicles/Furnishings	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

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

City of Hagerstown, Maryland

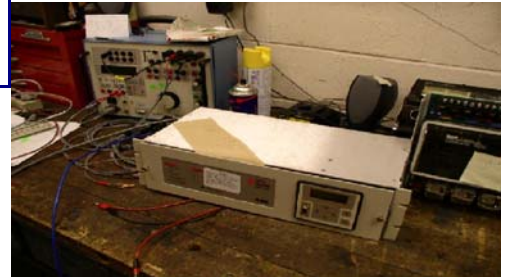
Project # 50-C0609

Project Name Test Equipment

Type Improvement
Useful Life 10 years
Category Machinery and Equipment
Location: 425 E. Baltimore Street
Year Submitted: Ongoing

Department Electric Fund
Contact Fridinger
Priority Planned Improvement

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	17,500	17,500	17,500	17,500	17,500	87,500
Total	17,500	17,500	17,500	17,500	17,500	87,500

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund	17,500	17,500	17,500	17,500	17,500	87,500
Total	17,500	17,500	17,500	17,500	17,500	87,500

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 50-C0776
Project Name Substation Breaker Replacement

Type Improvement
Useful Life 25 years
Category Infrastructure-Utilities
Location: Various locations
Year Submitted: 2009

Department Electric Fund
Contact Fridinger
Priority Planned Improvement

Status Active



Description

To provide for the replacement of substation breakers that have reached their lifespan. Replacement of substation breakers will be determined by the number of operations, performance test results, age, and type.

Justification

Replacement of aged and deteriorated breakers will reduce unnecessary outages and assure proper coordination of the distribution system.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	25,000	25,000	25,000	25,000	25,000	125,000
Equip/Vehicles/Furnishings	25,000	25,000	25,000	25,000	25,000	125,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund		60,000	100,000			160,000
Total		60,000	100,000			160,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 Planned Improvement
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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	20,000	20,000	20,000			60,000
Total	20,000	20,000	20,000			60,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Electric Fund	20,000	20,000	20,000			60,000
Total	20,000	20,000	20,000			60,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 50-C0802
Project Name Wildlife Protection on Distribution System

Type Improvement **Department** Electric Fund
Useful Life 25 years **Contact** Fridinger
Category Machinery and Equipment **Priority** Planned Improvement
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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	5,000	5,000	5,000	5,000	5,000	25,000
Equip/Vehicles/Furnishings	15,000	15,000	15,000	15,000	15,000	75,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

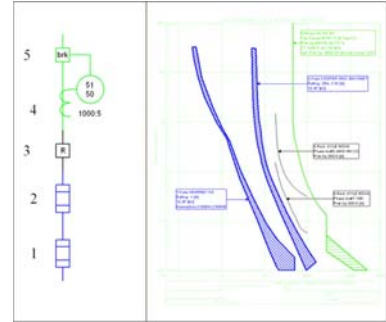
City of Hagerstown, Maryland

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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 52-C0117
Project Name Water Vehicles

Type Replacement
Useful Life 10 years
Category Automobiles and Trucks
Location: Water Department
Year Submitted: Ongoing
Department Water Fund
Contact Hausrath
Priority Planned Improvement
Status Active



Description
FY18: Unit 215 2006 Dump Truck (\$90,000), Unit 218 2005 F450 Cargo Truck (\$50,000), Unit 228 2001 Backhoe (\$100,000), Unit 232 1999 Dump Truck (\$50,000), Unit 250 2003 Chevrolet S10 (\$25,000), Unit 226 2008 Truck SUV (\$22,000), Unit 204 2007 2500 Trk 4 WD (\$40,000), and Unit 212 2005 3/4Ton Truck (\$35,000) FY19: Unit 208 2005 F550 Service Truck (\$85,000), Unit 211 2009 F750 Dump Truck (\$90,000), Unit 257 2005 Backhoe (\$125,000), Unit 214 2005 SUV (\$25,000) FY20 : Unit 223 2006 Backhoe (\$125,000), Unit 233 2008 Dump Truck (\$60,000), Unit 252 2000 GMC Sonoma Truck (\$20,000) and Unit 201 2007 SUV (\$25,000) FY21: Unit 206 2012 F450 Service Truck (\$90,000), Unit 219 1995 Crane Truck (\$155,000), Unit 241 2008 Chevy Blazer (\$30,000), and Unit 238 2003 Slope Mower (\$55,000). FY22: Unit 228 Backhoe (\$150,000), Unit 260 2012 Ford F550 (\$90,000), Unit 235 2013 Chevy Equinox (\$30,000), Unit 242 2013 Chevy Equinox (\$30,000), Unit 230 2012 Ford Escape (\$30,000).
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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	412,000	325,000	230,000	330,000	330,000	1,627,000
Total	412,000	325,000	230,000	330,000	330,000	1,627,000
Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Water Fund	412,000	325,000	230,000	330,000	330,000	1,627,000
Total	412,000	325,000	230,000	330,000	330,000	1,627,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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

FY18: Various plant improvements each year for equipment replacement to include pumps, motors, communication equipment, etc. Expected work includes rebuilding a high service pump(s), rehab/replace plant oil boiler (installed in 1929), and replace roof on Plant Operations Building.

Note: This work is independent of the planned Phased Plant Improvement Projects

Justification

Improve service and increase system reliability.

Replace aging infrastructure.

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 at 4.25%, the preliminary annual debt service impact for the 2018 Water fund supported bond issue of \$185K is \$14.4K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	25,000	25,000	25,000	25,000	25,000	125,000
Equip/Vehicles/Furnishings	200,000	210,000	220,000	230,000	240,000	1,100,000
Total	225,000	235,000	245,000	255,000	265,000	1,225,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Water Fund)	185,000	195,000	205,000	215,000	225,000	1,025,000
Water Fund	40,000	40,000	40,000	40,000	40,000	200,000
Total	225,000	235,000	245,000	255,000	265,000	1,225,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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

FY18 - FY22: 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 Conococheague Creek) . Replacement of critical control valves to ensure system operations and system supply.

FY21: Phase 3 - Begin design to extend new 36" Transmission Mains from the Conococheague Creek to Governor's 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, the preliminary annual debt service impact for the 2018 MDE low interest (2%) bond issue of \$500K is \$22.7k

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance		3,000,000	6,000,000		5,000,000	14,000,000
Engineering	500,000	300,000	480,000	400,000	500,000	2,180,000
Total	500,000	3,300,000	6,480,000	400,000	5,500,000	16,180,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
MDE Loan	500,000	3,300,000	6,480,000	400,000	5,500,000	16,180,000
Total	500,000	3,300,000	6,480,000	400,000	5,500,000	16,180,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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
FY18: Continue to monitor reservoir seepage (Triad Engineering) and make required Maryland Department of the Environment (MDE) Improvements
FY18: Complete study and begin design in accordance with direction provided by the Mayor and City Council and as approved by MDE Dam Safety Division.
FY19-22: Continue MDE required reservoir improvements
FY18 - FY22: \$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.
Additionally based on a 20 year term at 4.25%, the preliminary annual debt service impact for the 2018 Water fund supported bond issue of \$250K is \$18.7K.
Additionally based on a 30 year term, the preliminary annual debt service impact for the 2018 MDE low interest (2%) bond issue of \$1.5M is \$67.6k

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	1,500,000	1,500,000	1,000,000	750,000	500,000	5,250,000
Other	150,000	150,000	150,000	150,000	150,000	750,000
Engineering	250,000	150,000	80,000	60,000	40,000	580,000
Total	1,900,000	1,800,000	1,230,000	960,000	690,000	6,580,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Water Fund)	250,000	150,000	80,000	60,000	40,000	580,000
MDE Loan	1,500,000	1,500,000	1,000,000	750,000	500,000	5,250,000
Water Fund	150,000	150,000	150,000	150,000	150,000	750,000
Total	1,900,000	1,800,000	1,230,000	960,000	690,000	6,580,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings					100,000	100,000
Total					100,000	100,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
ARDI Fund Balance					100,000	100,000
Total					100,000	100,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 52-C0405
Project Name Breichner WTP Improvements

Type Improvement
Useful Life 25 years
Category Infrastructure-Utilities
Location: Breichner Plant
Year Submitted: Ongoing
Department Water Fund
Contact Hausrath
Priority Planned Improvement
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 with the Willson Phase IV work completed. Additional upgrades will include the electrical and SCADA equipment, internal piping and enhanced filtration sufficient to treat the raw water supply. Upgrade(s) will likely cost \$4,200,000 (engineering and construction). Upgrades will be phased in once the Edgemont upgrades are underway.

FY18-FY22: \$50,000 annually for miscellaneous required rehab/replacement projects.

FY19: 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 Safe Drinking Water Act Disinfectant By-Product Rule and the Enhanced Long Term 2 Surface Water Treatment Rule requirements and to continue to ensure a back-up water supply.

Budget Impact/Other

Planned improvement to enhance reliability.

Additionally based on a 20 year term at 4.25%, the preliminary annual debt service impact for the 2018 Water fund supported bond issue of \$50K is \$4.3K.

Additionally based on a 30 year term, the preliminary annual debt service impact for the 2018 MDE low interest (2%) bond issue of \$50K is \$2.6k

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	50,000	500,000	3,000,000	50,000	50,000	3,650,000
Engineering	50,000	550,000	150,000			750,000
Total	100,000	1,050,000	3,150,000	50,000	50,000	4,400,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Water Fund)	50,000	550,000	50,000	50,000	50,000	750,000
MDE Loan	50,000	500,000	3,100,000			3,650,000
Total	100,000	1,050,000	3,150,000	50,000	50,000	4,400,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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

FY18-FY22 - 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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 52-C0651
Project Name Pump Station Improvements



Type Improvement **Department** Water Fund
Useful Life 25 years **Contact** Hausrath
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Various locations
Year Submitted: Ongoing
Status Active

Description

FY18 - FY22: \$75,000 for replacement of critical equipment at all stations (pumps, SCADA Upgrade, etc.)

FY18: Construction Phase of the Tank Mixing System for compliance with the Stage 2 DBP Rule - Nitrification Control at the West End, Orchard Hills, Mack Truck, and Smithburg tanks

FY20: Design of New Suction and Discharge Mains at Pump Station 6 at Greendale Street (\$150,000); Misc. Pump Replacements (developer driven)

FY21: Construction of the Pump Station 6 Improvements (suction and discharge) - Work will be contingent on the Water Master Plan Update recommendations

FY22: 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. Pump Station 2 (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
 Compliance with Stage 2 DBPR - Nitrification Control

Additionally based on a 20 year term at 4.25%, the preliminary annual debt service impact for the 2018 Water fund supported bond issue of \$40K is \$3.6K.

Additionally based on a 30 year term, the preliminary annual debt service impact for the 2018 MDE low interest (2%) bond issue of \$500K is \$22.7k

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	575,000	75,000	75,000	575,000	1,575,000	2,875,000
Engineering	40,000		150,000	50,000	400,000	640,000
Total	615,000	75,000	225,000	625,000	1,975,000	3,515,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Water Fund)	40,000					40,000
Contribution by Others			150,000	550,000	1,900,000	2,600,000
MDE Loan	500,000					500,000
Water Fund	75,000	75,000	75,000	75,000	75,000	375,000
Total	615,000	75,000	225,000	625,000	1,975,000	3,515,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 330 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.

FY18: Continue 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 FY18 through FY22 is set aside for the Meter Program to replace meters and upgrade software and/or hardware 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.

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.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 52-C0709
Project Name Distribution System Rehab - Main Replacement

Type Replacement **Department** Water Fund
Useful Life 50 years **Contact** Hausrath
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Water Department
Year Submitted: Ongoing
Status Active



Description
 FY18: Continue the leak detection program. Purchase additional leak detection equipment.
 FY18: Continue to replace aging infrastructure throughout the Distribution System - will coordinate with City/County and State road projects.
 FY18 - FY22: Continue to replace aging infrastructure throughout the Distribution System
 FY18 - FY22: \$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 at 4.25%, the preliminary annual debt service impact for the 2018 Water fund supported bond issue of \$550K is \$41K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	350,000	360,000	375,000	385,000	395,000	1,865,000
Allocated Labor	200,000	205,000	210,000	215,000	220,000	1,050,000
Total	550,000	565,000	585,000	600,000	615,000	2,915,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Water Fund)	550,000	565,000	585,000	600,000	615,000	2,915,000
Total	550,000	565,000	585,000	600,000	615,000	2,915,000

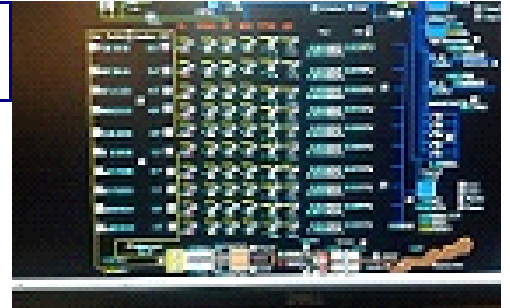
CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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

FY18 - FY22: Software/Hardware required SCADA upgrades (\$150,000)

FY19-FY22: Begin Breichner Plant SCADA Upgrade (\$300,000) - work will be contingent on the Edgemont Source Water Viability Study

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 20 year term at 4.25%, the preliminary annual debt service impact for the 2018 Water fund supported bond issue of \$150K is \$11.5K

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	150,000	400,000	500,000	150,000	150,000	1,350,000
Engineering		50,000	25,000			75,000
Total	150,000	450,000	525,000	150,000	150,000	1,425,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Water Fund)	150,000	150,000	150,000	150,000	150,000	750,000
MDE Loan		250,000	350,000			600,000
Water Fund		50,000	25,000			75,000
Total	150,000	450,000	525,000	150,000	150,000	1,425,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 52-C0863
Project Name RC Willson - 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

FY18: Complete construction to 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, the preliminary annual debt service impact for the 2017 MDE low interest bond issue of \$1M is \$45K.

Additionally based on a 30 year term, the preliminary annual debt service impact for the 2018 MDE low interest (2%) bond issue of \$500K is \$22.7k

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	500,000					500,000
Engineering	45,000					45,000
Total	545,000					545,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
MDE Loan	500,000					500,000
Water Fund	45,000					45,000
Total	545,000					545,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 54-C0004
Project Name Wastewater Vehicle Replacement

Type Replacement **Department** Wastewater Fund
Useful Life 6 years **Contact** Moss
Category Automobiles and Trucks **Priority** Planned Improvement
Location: CS, WWTP, Admin.
Year Submitted: Ongoing
Status Active



Description
FY18: Replace 2000 #512 Dump Truck (\$135,000), 2001 #592 John Deere Backhoe with a John Deere 85G Mini Excavator (\$140,000), 1989 #519 Chevy 7D042 Vacuum Truck (\$105,000) FY19: Replace 2005 #535 New Holland Tractor (\$25,000), 1993 #513 Kohler Generator (\$65,000), 2002 #595 Tandem Dump Truck (\$180,000) FY20: Replace 2006 # 528 Jet-Vac Cleaner (\$750,000) FY21: Replace 1999 #509 Volvo Trailer Mounted Generator (\$75,000) FY22: Replace 1991 #522 Ingersol Rand Light Plant (\$45,000)
Justification
Replacement units - reduced maintenance costs anticipated
Budget Impact/Other
Newer vehicle requires less maintenance thus reducing O&M costs.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	380,000	270,000	750,000	75,000	45,000	1,520,000
Total	380,000	270,000	750,000	75,000	45,000	1,520,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Wastewater Fund	380,000	270,000	750,000	75,000	45,000	1,520,000
Total	380,000	270,000	750,000	75,000	45,000	1,520,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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.

FY18: Manhole raising frame replacement (\$25,000); 100 Manhole Conversion Risers & Lids (\$44,000). Approximately 300 left to convert in the system.

FY19-22: Return to routine maintenance schedule.

Justification

Annual overlay projects.

Budget Impact/Other

Reduction of liability cost - road improvements.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	69,000	36,000	36,000	36,000	36,000	213,000
Total	69,000	36,000	36,000	36,000	36,000	213,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Wastewater Fund	69,000	36,000	36,000	36,000	36,000	213,000
Total	69,000	36,000	36,000	36,000	36,000	213,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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

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 5 stations (\$28,000); New Soft Starts at various stations (\$26,000); Repairs and Replacement of security fence for PS No. 7 and Pole Barn (\$22,000)

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	121,000	121,000	121,000	121,000	121,000	605,000
Total	121,000	121,000	121,000	121,000	121,000	605,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Wastewater Fund	121,000	121,000	121,000	121,000	121,000	605,000
Total	121,000	121,000	121,000	121,000	121,000	605,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

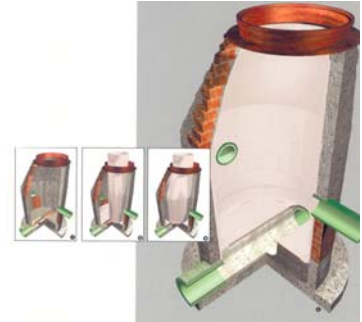
City of Hagerstown, Maryland

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

FY18-FY22: Collection System Personnel to continue Point Repairs through out the system (estimated at \$150,000 / year); Service connection & main rehabilitation (\$150,000); Manhole rehabilitation (\$100,000)

FY19: 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 Comp Plan - identified need to address long term wastewater issues with projected capacity deficits.

FY18: 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).

Additionally based on a 20 year term at 4.25%, the preliminary annual debt service impact for the 2018 WasteWater fund supported bond issue of \$200K is \$15.1K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Wastewater Fund)	200,000	700,000	200,000	200,000	200,000	1,500,000
Contribution by Others		700,000				700,000
Wastewater Fund	200,000	200,000	200,000	200,000	200,000	1,000,000
Total	400,000	1,600,000	400,000	400,000	400,000	3,200,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 lift station on Hebb Road, west of 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 (Former 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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 54-C0584
Project Name WWT Plant Equipment

Type Replacement **Department** Wastewater Fund
Useful Life 20 years **Contact** Moss
Category Machinery and Equipment **Priority** Public Safety
Location: Wastewater treatment plant
Year Submitted: Ongoing
Status Active



Description
Replaces various aging equipment or adds additional new equipment to maintain efficient operations and permit compliance. Upgrade the PLC's throughout the WWTP by replacing the obsolete and unsupported programming software systems currently in place. (FY18-FY22 - \$250,000.00 total or \$50,000 annually)
Justification
Deteriorating equipment that has reached the end of its useful life cycle requires replacement to maintain reliable, continuous operations.
Budget Impact/Other
Should reduce annual maintenance and repair of equipment cost.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Wastewater Fund	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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. Replace flooring and lower the drop ceiling in the lobby area of the Administration Building (FY18 - \$25,000) Modify garage building to house new Thiogard tank and pumps (FY18 - \$15,000) Replace boiler system in Operations Building with alternative systems to provide heat to all areas currently heated with hot water. Begin replacing hot water system unit heaters with new gas fired unit heaters throughout control building (FY18 - \$50,000)
Justification
Aging structures that require repairs and improvements. The administration building was last upgraded in 1980. The boiler system for the operations building is beyond its useful life and has been leaking. Gas fired unit heaters will be installed in place of the hot water unit heaters throughout the control building so that the boiler system can be removed
Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	90,000	25,000	25,000	25,000	25,000	190,000
Total	90,000	25,000	25,000	25,000	25,000	190,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Wastewater Fund	90,000	25,000	25,000	25,000	25,000	190,000
Total	90,000	25,000	25,000	25,000	25,000	190,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 continue efforts to integrate controls for oxygen control panels into Plant SCADA System.

FY18 - Begin replacing the automatic actuators and control valves on the oxygen distribution system at the OAB deck.

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	50,000	10,000	10,000	10,000	10,000	90,000
Total	50,000	10,000	10,000	10,000	10,000	90,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Wastewater Fund	50,000	10,000	10,000	10,000	10,000	90,000
Total	50,000	10,000	10,000	10,000	10,000	90,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 as needed (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.
FY18 - In conjunction with the Pelletizing Facility upgrades, some of the minor components of the pelletizing process will be replaced also.
Justification
Improve reliability and maintain MDE compliance.
Budget Impact/Other
Maintain continuous and reliable solids processing facilities for the WWTP.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	200,000	50,000	50,000	50,000	50,000	400,000
Total	200,000	50,000	50,000	50,000	50,000	400,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Wastewater Fund	200,000	50,000	50,000	50,000	50,000	400,000
Total	200,000	50,000	50,000	50,000	50,000	400,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 54-C0712
Project Name Synagro Facility Upgrade 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

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. By contract, Synagro is tasked to complete the upgrades for this facility. Redundant facilities for sludge storage and sludge thickening will also be created.

FY17 & FY18 - Phase 1A - Sludge Storage and Thickening Improvements; Phase 1B Modifications to the existing DAF building and DAF equipment.

FY19 & FY20 - Phase 2; Synagro will upgrade the pelletizing facility as a part of their extended contract.

Justification

Phase 1 provides back-up storage for our thickened sludge and rehabilitates DAF facility to provide reliable sludge thickening for the next 20 years. Phase 2 provides for upgrades to the pelletizing facility which is approaching 30 years old.

Budget Impact/Other

Provides redundant storage and thickening facilities for the solids processing operations and replaces the components of the pelletizing plant that are at the end of their useful life.

Additionally based on a 20 year term at 4.25%, the preliminary annual debt service impact for the 2018 WasteWater fund supported bond issue of \$1M is \$74.9K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	1,000,000	1,000,000	1,000,000			3,000,000
Total	1,000,000	1,000,000	1,000,000			3,000,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Wastewater Fund)	1,000,000	1,000,000	1,000,000			3,000,000
Total	1,000,000	1,000,000	1,000,000			3,000,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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.
 New 45kVA trailer mounted, portable emergency generator for Pump Stations. (FY18 \$30,000.00)

Justification
 The addition of this new trailer mounted gen set provides the capability to now have generators for every Pump Station.

Budget Impact/Other
 Will reduce annual maintenance cost, main and service I&I location, and long-term CIP planning.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	80,000	80,000	80,000	80,000	80,000	400,000
Total	80,000	80,000	80,000	80,000	80,000	400,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Wastewater Fund	80,000	80,000	80,000	80,000	80,000	400,000
Total	80,000	80,000	80,000	80,000	80,000	400,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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

Replaces various aging equipment or adds additional new equipment to maintain efficient operations and permit compliance.
 \$10,000 for unexpected equipment breakdown.

Justification

Improve reliability of existing equipment.

Budget Impact/Other

No impact to future operating budgets.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

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; they 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 is lower than the public sewer main.

The Grinder Pump is used to pump the wastewater into the public sewer main.

This program will replace 20 grinder pumps including the discharge assemblies per year. (Annual Program)

This program will be entering it's ninth year in the budget process.

Grinder pump discharge assembly - 12 @ \$960.00 each (\$12,000.00)

Justification

Replace deteriorating equipment.

Budget Impact/Other

Reduction of annual maintenance cost is anticipated.

Additionally based on a 20 year term at 4.25%, the preliminary annual debt service impact for the 2018 WasteWater fund supported bond issue of \$112K is \$8.6K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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

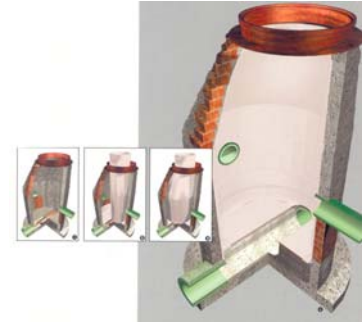
FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 54-C0800
Project Name Citywide - CS Rehabilitation

Type Improvement **Department** Wastewater Fund
Useful Life 40 years **Contact** Moss
Category Infrastructure-Utilities **Priority** Public Safety
Location: City-Wide
Year Submitted: 2008

Status Active



Description

Correct infiltration and inflow into the wastewater collection system by replacement or re-lining defective piping.

Application for grant funding to MDE was approved for \$300,000.00 in 2016. Bidding completed in 2016 and construction to commence in 2017

The Project will repair segments that were identified in the 2007 Sanitary Sewer Evaluation Study (SSES)

Justification

Reducing the inflow & 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.

Budget Impact/Other

Reduction of I/I will free up capacity for future growth (future revenues)

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	400,000	100,000	100,000	100,000	100,000	800,000
Total	400,000	100,000	100,000	100,000	100,000	800,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Grant-State MDE	200,000					200,000
Wastewater Fund	200,000	100,000	100,000	100,000	100,000	600,000
Total	400,000	100,000	100,000	100,000	100,000	800,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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: Various locations
Year Submitted: 2016
Status Active



Description

Design, permitting and construction of gravity main and package pump station to eliminate Pump Station # 6 (FY18 - \$160,000)
 Pump Station # 15 (Noland Village) may need new pumps or maybe demolished if nearby gravity piping is completed (FY19 - \$300,000)

Justification

Reduce annual operating costs.

Budget Impact/Other

Eliminate the cost of operating over-sized pump stations.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance		160,000	300,000			460,000
Total		160,000	300,000			460,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Wastewater Fund)		160,000	300,000			460,000
Total		160,000	300,000			460,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 '18	FY '19	FY '20	FY '21	FY '22	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 '18	FY '19	FY '20	FY '21	FY '22	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 '18 *thru* FY '22

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. The downtown "Community City Center Plan" 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 currently working with a developer for this catalyst project. Parking will initially be provided by the Central Parking Lot and the University District Parking Deck. The Urban Partners Study states "once capacity of existing off-street facilities is exhausted, it is the intention of the City to construct additional off-street parking facilities."

FY20: Land acquisition and design phase

FY21: Construction phase of a new approximately 359 space deck

Justification

Provide additional needed parking to support redevelopment of the City center area including: educational, 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 and construction would be needed by the end of calendar year 2020. Finally, the preliminary annual debt service for future bond is estimated to be \$532K for a 25 year term.

Annual operation costs are estimated to be approximately \$165k for a full year beginning in FY22 and half of this amount approximately \$81K for partial year open in FY21.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Planning/Design			667,000			667,000
Land Acquisition			700,000			700,000
Construction/Maintenance				6,633,775		6,633,775
Total			1,367,000	6,633,775		8,000,775

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Parking Fund)			1,367,000	6,633,775		8,000,775
Total			1,367,000	6,633,775		8,000,775

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 56-C0749

Project Name Upgrades to Parking Decks

Type Maintenance
Useful Life 10 - 20 years
Category Buildings and Structures
Location: Downtown
Year Submitted: 2007

Department Parking Fund
Contact Deike
Priority Planned Improvement

Status Active



Description

CIP is to provide funding for upgrades and refurbishments for both parking decks.

FY18: Replacement of gate equipment for A&E and University District Parking Deck.

FY19- FY22: Funding provided for general repairs and improvements to both decks

FY22: Construction of a second exit lane at the University District Parking 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 prevent deterioration of the facility. The Arts & Entertainment District Deck opened in 2007 and also requires upkeep and upgrades to maintain and improve the parking experience.

Existing equipment at both decks is Federal APD. This manufacturer is no longer in business. Parts are becoming increasingly difficult to obtain.

A second lane would provide improved customer service by providing a second means of egress should one of the exit lanes fail.

Budget Impact/Other

Refurbishment prevents further deterioration of the facilities and costlier repairs.

Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 parking fund supported bond issue of \$450K is \$33.8K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	470,000	30,000	30,000	30,000	350,000	910,000
Total	470,000	30,000	30,000	30,000	350,000	910,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Parking Fund)	450,000					450,000
Parking Fund	20,000	30,000	30,000	30,000	350,000	460,000
Total	470,000	30,000	30,000	30,000	350,000	910,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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
 FY22: Supervisor Pickup Truck #033 (\$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.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings					30,000	30,000
Total					30,000	30,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Parking Fund					30,000	30,000
Total					30,000	30,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 56-C0857
Project Name Parking Lot Improvements

Type Maintenance
Useful Life 15 - 25 years
Category Buildings and Structures
Location: Various locations
Year Submitted: 2014
Department Parking Fund
Contact Deike
Priority Planned Improvement
Status Active



Description
Improve the overall condition of surface parking lots to include: preservation of the pavement, sidewalk improvements, lighting and handicap accessible ramps.
FY18: Rochester Lot parking lot pavement preservation, sidewalk improvements, and wall improvements (\$30,000)
FY19: Elizabeth Hager Lot parking lot pavement preservation, sidewalk improvements, and lighting improvements (\$30,000)
FY20: Antietam Street lot pavement preservation (\$10,000)
FY21: High Street and Madison Avenue parking lot pavement preservation, sidewalk improvements, and lighting improvements (\$15,000)
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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	30,000	30,000	10,000	15,000		85,000
Total	30,000	30,000	10,000	15,000		85,000
Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Parking Fund	30,000	30,000	10,000	15,000		85,000
Total	30,000	30,000	10,000	15,000		85,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 provides 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 '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	25,000					25,000
Total	25,000					25,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Parking Fund	25,000					25,000
Total	25,000					25,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 57-C0395
Project Name Golf Course - Vehicles/Equipment



Type Improvement **Department** Golf Fund
Useful Life 5 years **Contact** Tissue
Category Automobiles and Trucks **Priority** Cost Avoidance
Location: Greens at Hamilton Run
Year Submitted: 2008

Status Active

Description
See vehicle and equipment replacement schedule. FY18: Top Dresser (\$37,000) FY19: Replace 2004 Cushman Sprayer #389 (\$35,000) FY20: Replace 1996 Cushman Turf used for Aeration #373A (\$22,000)
Justification
Replace deteriorated equipment. Maintain reliable and efficient equipment necessary to operate and maintain golf course.
Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Equip/Vehicles/Furnishings	37,000	35,000	22,000			94,000
Total	37,000	35,000	22,000			94,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Golf Fund	37,000	35,000	22,000			94,000
Total	37,000	35,000	22,000			94,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 57-C0825
Project Name Golf Course Improvements

Type Improvement **Department** Golf Fund
Useful Life 25 years **Contact** Tissue
Category Land Improvements **Priority** Improve Service
Location: Greens at Hamilton Run
Year Submitted: 2018
Status Active



Description
 Course improvements such as cart paths, tee box and greens improvements.
 Contingent upon receiving State POS funding.

Justification
 To provide a more enjoyable experience to the customers with the enhancements to the course.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance			100,000			100,000
Total			100,000			100,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Golf Fund			10,000			10,000
Grants-State Program Open Space			90,000			90,000
Total			100,000			100,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	5,000					5,000
Total	5,000					5,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Property Management Fund	5,000					5,000
Total	5,000					5,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 58-C0779
Project Name Roslyn Building Renovation

Type Replacement
Useful Life 25 years
Category Buildings and Structures
Location: 17-25 E. Franklin Street
Year Submitted: 2016
Department Property Management Fund
Contact Deike
Priority Planned Improvement
Status Active



Description
 FY18: Roof Replacement (\$125,000) plus window replacement (\$100,000)
 FY19: HVAC Replacement (\$10,000)
 FY20: HVAC Replacement (\$10,000)

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 20 years ago. Useful life has been met or exceeded.
 HVAC Unit for Spicklers market failed in 2017. Expect other units to fail soon as all were installed the same year.

Budget Impact/Other
 Future plans are uncertain for this property. Projects listed will probably require bond financing since Property Management is cash strapped.
 Based on a 20 year term at 4.25%, preliminary annual debt service impact for the 2018 property management fund supported bond issue of \$225K is \$17.3K.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	225,000	10,000	10,000			245,000
Total	225,000	10,000	10,000			245,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Bond Financing (Prop Mgmt Fund)	225,000					225,000
Property Management Fund		10,000	10,000			20,000
Total	225,000	10,000	10,000			245,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 58-C0803
Project Name Elizabeth Hager Center

Type Replacement
Useful Life 15 - 25 years
Category Buildings and Structures
Location: 10-14 N. Potomac St.
Year Submitted: 2010
Department Property Management Fund
Contact Deike
Priority Planned Improvement
Status Active



Description
FY18-22: Painting, various leasehold improvements and continued replacement of HVAC units on an as needed basis.
FY18: Replace floor tile and subfloor in DLLR Main Lobby (\$20,000). Both are failing. Replace (1) rear window and (2) front windows on second floor. Original windows no longer function properly. DLLR is requesting new windows (First Floor) and other miscellaneous modifications in accordance with a lease extension (Windows \$25,000)
FY19: Replacement of aging HVAC Units.
FY20: Replacement of aging HVAC Units
Justification
The subfloor is failing causing the VCT floor tile to warp and no longer adhere.
The windows are original steel frame, uninsulated windows. Window sills need repaired/replaced.
Budget Impact/Other
New HVAC should be more efficient saving on heating/cooling costs.

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	45,000	40,000	40,000	20,000	20,000	165,000
Total	45,000	40,000	40,000	20,000	20,000	165,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Property Management Fund	45,000	40,000	40,000	20,000	20,000	165,000
Total	45,000	40,000	40,000	20,000	20,000	165,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

City of Hagerstown, Maryland

Project # 58-C0828
Project Name Hagerstown Small Business Center

Type Improvement **Department** Property Management Fund
Useful Life 25 - 50 years **Contact** Frick
Category Buildings and Structures **Priority** Planned Improvement
Location: 60 W Washington Street
Year Submitted: 2011
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.

FY18: Painting USMH space (\$10,000)

FY19: Total building roof replacement (\$90,000)

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 '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	10,000	90,000				100,000
Total	10,000	90,000				100,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Property Management Fund	10,000	90,000				100,000
Total	10,000	90,000				100,000

CAPITAL IMPROVEMENT PROGRAM

FY '18 *thru* FY '22

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** Frick
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 is now occupied by the Engine Room Art Space FY18: Improvements to the rear parking area and upgrades to the ground level storage areas (\$15,000). FY18: Replacement of the restaurant's rear deck (\$12,000) FY19: Reconstruct rear wall at restaurant (\$15,000) FY20-22: General repairs and replacements

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. FY18: The parking lot is in need of replacing. Most of the asphalt is cracked and damaged. Sealing is not an option.

Budget Impact/Other

Expenditures	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Construction/Maintenance	27,000	15,000	7,000	7,000	7,000	63,000
Total	27,000	15,000	7,000	7,000	7,000	63,000

Funding Sources	FY '18	FY '19	FY '20	FY '21	FY '22	Total
Property Management Fund	27,000	15,000	7,000	7,000	7,000	63,000
Total	27,000	15,000	7,000	7,000	7,000	63,000

**SCHEDULE OF FEES AND SERVICE CHARGES
SECTION 9**

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SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2017/2018

NAME OF FEE/PURPOSE	EFF DATE	FY17 RATE	FY18 PROPOSED	FY16 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
CITY CLERK						
01030022 - 4271 Auctioneer-to Conduct an Auction Annual Fee	1992	\$25	\$25	\$ 5,750	Baltimore County: \$180	Ordinance
Peddler: Peddler (Door-to-Door) Annual Fee	2014	\$250	\$250		Cumberland \$250/yr, \$75/day	Ordinance
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 \$70	Ordinance
Circus/Carnival Weekly Fee	1992	\$125	\$125		Salisbury: \$10/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	\$ 500	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	\$39.00	\$ 372	\$35-\$39 Area Banks	Admin Order
01072062 - 4490 Pay-By-Phone Transaction Fee	2012	\$7	\$7	\$ 32,139	Potomac Edison \$7	Admin Order
01072062-449001 Credit Card Convenience Fee	2014	\$2	\$2	\$ -		Admin Order
COMMUNICATIONS						
0103003-5517 (Used in FY15-FY16) 01030062-4899 (FY17) Pulic Information Requests Fee Per Page:	2002			\$ 4 \$ 1,073	Cumberland - First 20 pages free; \$0.25/page or \$1.00 per page for certified copy Rockville - First 40 pages free; \$0.20/page B&W or \$1.00 per page for color Frederick - First 20 pages free; \$0.25/page Salisbury - First 4 pages free; \$0.25/page Annapolis - First 10 pages free; \$0.25/page; \$30/hr for document retrieval& review over 2 hrs	Admin Order
20 pages or less		Free	Free			
21 pages or more		\$1.25 plus \$0.25/each addtl page	\$1.25 plus \$0.25/each addtl page			
DVD/2GB Thumb Drive		\$5.00	\$5.00			
Document Retrieval & Review beyond 2 hrs		Billed at employee's hourly rate	Billed at employee's hourly rate			
Letter for Certification issues by City Clerk	2016	\$3.00	\$3.00			
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
10000002 - 441596 Loan Processing Fees: Multifamily Residence Mixed Use or Commercial Economic Development	1986	\$50 \$50 \$100	\$50 \$50 \$100	\$ -	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			\$ 600		Admin Order
\$5,000- 50,000		\$100	\$100		Frederick - \$200 Flat Fee	
\$50,001- 100,000		\$150	\$150		Application Fee: 1% of requested loan amount	
\$100,001- 150,000		\$200	\$200			
\$150,001 - 200,000		\$250	\$250			
MARKET HOUSE						
01402042-481005 Market House Stall Rentals: Existing Vendor:	2016			\$ 11,824	Washington County Farmer's Market - \$15.24/ft Stall	Admin Order
Reg Space: 6ft Quarterly Fee		\$57.00	\$57.00			
Reg Space: 6ft Monthly Fee		\$19.00	\$19.00			
Reg Space: 3ft Quarterly Fee		\$28.50	\$28.50		Washington County Farmer's Market \$10 per day Wed. & Sat.	
Reg Space: 3ft Monthly Fee		\$9.50	\$9.50		Receive 10% discount if choose to be a part of the entire season	
Prem Space: 6ft Quarterly		\$69.00	\$69.00			
Prem Space: 6ft Monthly		\$23.00	\$23.00			
Prem Space: 3ft Quarterly		\$34.50	\$34.50			
Prem Space: 3ft Monthly		\$11.50	\$11.50		Washington Co Artisan Market at Prime Outlets	
Electric Monthly Fee		\$11.00	\$11.00		\$30.77 per event day (13 per year)	
New Vendor:	2016					
Reg Space: 6ft Quarterly Fee		\$63.00	\$63.00			
Reg Space: 6ft Monthly Fee		\$21.00	\$21.00			
Reg Space: 3ft Quarterly Fee		\$31.50	\$31.50			
Reg Space: 3ft Monthly Fee		\$10.50	\$10.50			
Prem Space: 6ft Quarterly		\$75.00	\$75.00			
Prem Space: 6ft Monthly		\$25.00	\$25.00			
Prem Space: 3ft Quarterly		\$37.50	\$37.50			
Prem Space: 3ft Monthly		\$12.50	\$12.50			
Electric Monthly Fee		\$11.00	\$11.00			
01402042-489905 City Farmer's Market Mugs		None		\$ -		Admin Order

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2017/2018

NAME OF FEE/PURPOSE	EFF DATE	FY17 RATE	FY18 PROPOSED	FY16 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PLANNING						
01090012 - 441131 Subdivision: Simplified Plat, Condo Plat, Replat	2015	\$355	\$355	\$ 100	Washington County-\$365	Admin Order
01090012 - 441122 Subdivision: Final Plat	2015	\$590+\$50/lot	\$590+\$50/lot	\$ 1,970	Washington County: \$665+\$250/lot (<50 lots) \$665+\$150/lot (>50 lots)	Admin Order
01090012-441124 Subdivision: Sketch Plans				\$ 590		
Nonresidential - 2 ≤ acres	2015	\$590	\$590		N/A	Admin Order
Nonresidential - > 2 acres	2015	\$1,200	\$1,200		N/A	Admin Order
Residential - < 50 lots	2015	\$590	\$590		N/A	Admin Order
Residential - ≥ 50 lots	2015	\$1,200	\$1,200		N/A	Admin Order
01090012 - 441121 Subdivision: Development Plan	2015	\$1,200+\$50/lot	\$1,200+\$50/lot	\$ -	Washington County -\$915+\$100/Lot	Admin Order
01090012 - 441125 Minor Subdivision	2015	\$355	\$355	\$ 1,365	Washington County-\$365	Admin Order
01090012 - 441126 Subdivision Variance/Waiver Request	2015	\$100	\$100	\$ 200	Washington County-\$115	Admin Order
01090012 - 441161 Concept Plan/Sketch Plans:				\$ -		
CR Sketch Plan	2015	\$1,200	\$1,200			Admin Order
Multi-Family Development	2015	\$1,200	\$1,200			Admin Order
01090012 - 441119 BZA Filing Fee:				\$ 1,635		
Special Exception	2015	\$590	\$590		Washington County-\$500	Admin Order
Variances:						
Residential	2015	\$155	\$155		Washington County-\$150	Admin Order
Non-Residential	2015	\$310	\$310		Washington County-\$300	Admin Order
Residential Fence Variance	2015	\$155	\$155		Washington County-\$150	Admin Order
Nonconforming Uses:						
Change	2015	\$590	\$590		Washington County-\$500	Admin Order
Expansion	2015	\$590	\$590		Washington County-\$500	Admin Order
Administrative Appeals	2015	\$250	\$250		Washington County-\$150	Admin Order
01090012 - 441112 Rezoning Fees:				\$ 1,090		
Preliminary Consultation	2015	\$590	\$590		Washington County-\$515+\$20/acre	Admin Order
Rezoning Filing Fee	2015	\$2,400+\$15/APO	\$2,400+\$15/APO		Washington County - \$2015+\$20/acre	Admin Order
Local Conversation District	2015	\$590	\$590			Admin Order
PUD Master Plan	2015	\$2,400+\$15/unit	\$2,400+\$15/unit		Washington County - \$1030+\$30/lot	Admin Order
01090012 - 441102 Full Site Plan Fees:				\$ 10,359		
Concept Plan for Environmental Site Design		0	0		Washington County - \$215	Admin Order
Residential	2006	\$1000 + \$15/unit	\$1000 + \$15/unit		Washington Co - Res. \$765+\$10/unit	Admin Order
Nonresidential	2006	\$1000 + \$50/acre	\$1000 + \$50/acre		Washington Co -Non \$765+\$50/acre	Admin Order
01090012 - 441101 Minor Site Plan	2015	\$590	\$590	\$ 4,040	Washington Co - Res. \$665	Admin Order
01090012 - 441103 Site Plan Variance/Waiver Request	2015	\$100	\$100	\$ -	Washington County-\$115	Admin Order
01090012 - 441111 Zoning Certificate Fees:				\$ 19,331		
Home Work Stations & CC-MU	2015	\$50	\$50		Washington Co - \$65	Admin Order
All other commercial	2015	\$125	\$125		Washington Co - \$165	Admin Order
Zoning Verification Letter: One SFR	2015	\$50	\$50		Washington Co - \$100	Admin Order
Zoning Verification Letter: All Others	2015	\$100	\$100		Washington Co - \$100	Admin Order
Fence Permits:						
Residential: Single Family, Two-Family		\$40	\$40		Washington Co - Res. \$50	Admin Order
Commercial, Industrial, Multi-Family		\$125	\$125		Washington Co -Non \$165	Admin Order
01090012 - 489603 Comprehensive Plan	2015	\$25	\$25	\$ -	Washington County - \$50 (\$5 on CD)	Admin Order
01090012 - 489604 Land Management Code	2015	\$25	\$25	\$ -	Washington County - \$20 zoning; \$12 subdivision	Admin Order
Design Review Guidelines	2015	\$25	\$25		Washington County - \$100	Admin Order
01090012 - 441141 Zoning Text Amendment	2015	\$2,400	\$2,400	\$ -	Washington County - \$2,015	Admin Order
Subdivision Text Amendment	2015	\$2,400	\$2,400		Washington County - \$2,015	Admin Order
01090012 - 4899 Copies of Recorded Meetings	2015	\$30/mtg + \$12/disc	\$30/mtg + \$12/disc	\$ 10		Admin Order
01090012 - 426902 Forest Conservation Fee:				\$ 4,075		
Delineation	2015	\$290	\$290		Washington Co-\$265	Admin Order
Final Plan & Easements	2015	\$590+\$15/acre	\$590+\$15/acre		Washington Co. \$750+\$10/acre	Admin Order
Forest Conservation Waiver/Variance Request	2006	\$30	\$30		Washington Co-\$40	
Forest Conservation Exemption Certification	2015	\$0	\$0		Washington Co-\$25	
01090012 - 441151 Pre-Annexation Agreement Review Fees:				\$ 9,775		
Infill residential lot - 1 or 2 units	2012	\$150	\$150		N/A	Admin Order
Minor residential development - ≤ 5 units	2012	\$500	\$500		N/A	Admin Order
Major residential development - ≥ 5 units	2012	\$1,000 +\$15/unit	\$1,000 +\$15/unit		N/A	Admin Order
Nonresidential	2012	\$1,000+\$50/acre	\$1,000+\$50/acre		N/A	Admin Order
CODE ADMINISTRATION						
01140012 - 441502 Pre-Sale Inspections, First unit	2011	\$100	\$100	\$ 1,480		Admin order
Each Add'l Unit		\$40	\$40			
Commercial Pre-Sale Inspections	2016					Admin Order
First 5,000 sq ft		\$200	\$200			
Per each additional 1,000 sq ft		\$50	\$50			

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NAME OF FEE/PURPOSE	EFF DATE	FY17 RATE	FY18 PROPOSED	FY16 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
CODE ADMINISTRATION (continued)						
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 Change of Use Permits	2011	\$20 \$20 \$8.50 / thousand \$5.00 / thousand \$8.50 / thousand \$3.50 / thousand \$75	\$20 \$20 \$8.50 / thousand \$5.00 / thousand \$8.50 / thousand \$3.50 / thousand \$75	\$ 134,788	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
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	\$ 63,479	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 (Biennial): Master Journeyman Apprentice If license has lapsed more than 30 days	2007	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New: \$95/ Renew: \$70 New: \$85/ Renew: \$60 New rate is charged	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New: \$95/ Renew: \$70 New: \$85/ Renew: \$60 New rate is charged	\$ 8,385	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	\$ 96,241	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	\$ 35,640	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	\$ 14,110	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	\$ 6,270	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	\$ 2,171		Admin Order
01140012 - 450102 Municipal Infractions: Fee Per Citation	2008	\$25-\$1,000	\$25-\$1,000	\$ 126,012	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	2014	\$75 \$100+\$10	\$75 \$100+\$10	\$ 673,195	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 + Tech 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+\$20 \$100+\$20 \$50 \$20 \$5 per bag \$20	\$50+\$20 \$100+\$20 \$50 \$20 \$5 per bag \$20	\$ 34,424		Admin Order
01140012 - 4505 Appeals Fee-Board of Code Appeals Fee Per Case	2002	\$50	\$50	\$ 230	Annapolis/Rockville/Mont Co \$75/case Wash Co \$250/case	Admin Order
01140012 - 441503 Reinspection fee	2011	\$50	\$50	\$ 850	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 Tech Fee	2001 2001 2008 2004 2016	\$100-\$1,000+ \$50-\$1,500+ \$100 \$25-\$250+ \$50-\$100 \$20	\$100-\$1,000+ \$50-\$1,500+ \$100 \$25-\$250+ \$50-\$100 \$20	\$ 126,201		Ordinance Ordinance Admin Order Admin Order
01140012 - 441512 Vacant Structures, Residential	2007	\$100	\$100	\$ 125,850		Ordinance
01140012 - 441513 Vacant Structures, Commercial	2007	\$250-\$1,000	\$250-\$1,000	\$ 8,500		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	\$ 200		Ordinance
01140012 - 441595 Technology Fees	2004	\$20	\$20	\$ 30,873		Admin Order
01140012-441597 Unattended Donation Bin Registration	2015	\$100-\$200	\$100-\$200	\$ 1,000		Ordinance
01140012 - 449001 Credit Card Convenience Fee	2013	\$2	\$2	\$ 1,593		Ordinance
01140012 - 449101 Rental License Late Fee, Per Incident	2011	\$50	\$50	\$ 18,600		Ordinance

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NAME OF FEE/PURPOSE	EFF DATE	FY17 RATE	FY18 PROPOSED	FY16 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
ENGINEERING						
01090042 - 421202 Street Cutting Permits Per Cut Minimum Fee Tech Fee	2015	Varies \$25 to \$1500	Varies \$25 to \$1500	\$ 58,393	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	\$ 3,910	Frederick City \$20 Washington Co \$25-50	Admin Order Admin Order
01090042 - 4896 Sale of Maps Sale of Prints/Copies	2012	\$1.50-\$2.50 \$0.50/SF	\$1.50-\$2.50 \$0.50/SF	\$ 153	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	\$ 6,489	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	\$ 9,296	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	\$ 1,285	Based on % so rate adjusts automatically as project costs change	Admin Order
01090042 - 441201 Engineering Review Fees Fee Per Lot - Subdivision Fee Per AC-Site Plan Sim. Plats	2013	\$150 + \$60/Lot \$150+\$140/acre for \$150+\$200/acre \$100	\$150 + \$60/Lot \$150+\$140/acre for \$150+\$200/acre \$100	\$ 8,784	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	\$ 3,452	None - Washington County	Admin Order
PARKS & RECREATION						
57000002-446501-446506 Greens Fees at Hamilton Run 9 Hole/18 Hole Senior 9 Hole/Senior 18 Hole Weekend or Holiday 9 Hole/18 Hole	2015	\$7/\$11.50 \$6/\$9.50 \$14/\$17	\$7/\$11.50 \$6/\$9.50 \$14/\$17	\$ 68,019	Town of Waynesboro: \$18/\$24 \$17/\$23 \$22/\$29	Admin Order
57000002-446601-446602 Season Pass (City Residents Only) Individual Senior Individual	2012	\$425 \$300	\$425 \$300	\$ 3,150	Individual: \$600; Sr Individual: \$500 Junior: \$400; Family: \$875; Sr Family: \$750	Admin Order
NEW: Season Pass (Non-City Residents) Individual Senior Individual	2017	N/A N/A	\$625 \$499			
57000002-4467, 446701-446707 Tournaments & Specials	2011	Varies	Varies	\$ 79,165		Admin Order
57000002-481801-481809 Cart Rentals, Per Person: 9 Hole/18 Hole Senior 9 Hole/Senior 18 Hole Pull Cart Fee	2012 2012 2012 2015	\$7.50/\$12 \$6.50/\$10 \$3.00	\$7.50/\$12 \$6.50/\$10 \$3.00	\$ 28,187	Cart included in Greens Fees above. Cart Package - Unlimited cart rental with Annual Membership: Individual/Sr Individual \$350; Family/Sr Family \$450	Admin Order
01450002 - 481013 Pavilion Facility Reservations: Bandshell Facility Reservations: All Day Rate Reservations Administrative Fee	2017 2013 2016	\$50 \$100 10%	\$60 \$100 10%	\$ 20,910	Washington Co: Residents \$60; Nonresidents \$80 Arts Pavilion \$80/\$100 Pen-Mar (Dance Pavillion) \$135/\$145	Admin Order Admin Order Admin Order
01450002 - 481012 Softball Field Facility Reservation: All Day Rate (City Park) - Private/Public	2013	\$75/\$225	\$75/\$225	\$ 150		
01450002 - 481010 Fairground Park Multipurpose Fields Facility Reservations: Non-Tournament - All Day Tournament Stable Rental - All Day Rate	2013 2013	\$75/\$175 \$75 \$175 \$275	\$75/\$175 \$75 \$175 \$275	\$ 4,850		Admin Order Admin Order

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NAME OF FEE/PURPOSE	EFF DATE	FY17 RATE	FY18 PROPOSED	FY16 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PARKS & RECREATION (continued)						
01450002 - 481011 Fairground Park Special Event Rentals Special Events: Walk-A-Thon 5K Entire Park Tennis/Basketball/Hockey Courts and all other areas: All Day Rate	2013	\$75 \$225 \$1,025	\$75 \$225 \$1,025	\$ 8,880		Admin Order
01404023-4711 Hager House Adults Senior Citizens; Students: Age 13-17 Children: Age 6-12 Children: 5 & Under Group (Min. 10 people)	2013	\$75	\$75			Admin Order
01402022 - Various Accounts Potterfield Pool: Daily Rates: 2 and Under/Pre-school Youth: Ages 5-12 Adult: 13 and Older Senior: 62 and Older Season Pass - City Residents: Age 2 & Under Pre-school/Youth Adult/Senior Family Season Pass - Non-City Residents: Age 2 & Under Pre-school/Youth Adult/Senior Family	2017	\$5 \$3 \$2 Free \$3/person	\$5 \$3 \$2 Free \$3/person	\$ 252	Miller House: \$5/person Free for ages 12 & Under Free for Members & Partners Group Rates available for parties of 10 or more	Admin Order
01402022 - Various Accounts Potterfield Pool: Daily Rates: 2 and Under/Pre-school Youth: Ages 5-12 Adult: 13 and Older Senior: 62 and Older Season Pass - City Residents: Age 2 & Under Pre-school/Youth Adult/Senior Family Season Pass - Non-City Residents: Age 2 & Under Pre-school/Youth Adult/Senior Family	2011	Free/\$1.50 \$3 \$3.50 \$3	Free/\$1.50 \$3 \$3.50 \$3	\$ 62,308 Total Fees	County Pool: 2 & Under: Free Pre-School: \$2.00 Ages 5-7: \$3.50 Ages 18-61: \$4.00 Ages 62+: \$3.00 County Pool: \$60/child,\$80/Adult,\$150/Family (max 5 + \$10/pp additional)	Admin Order 4,100
Pool Rentals: 1-50 People Hourly Rate 51-75 People Hourly Rate 76-100 People Hourly Rate Over 100 People Swim Lessons	2017	\$75 \$100 \$125 Special Quote	\$100 \$150 \$250 Special Quote		6:30pm - 8:30pm (rates are for 2 hrs): 0-75 \$50 76+ \$210 Progressive 30mins \$40R/\$50NR;	Admin Order
01404032 - 448601 202 Train Exhibit Adults Seniors; Students - Age 13-17 Children: 6-12/5 & Under Group Tours (Min. 10 people) NEW: Facility Rentals Facility w/Tommy Ride (3hr min.) Facility without Tommy Ride	2014	\$50	\$50	\$ 1,600		Admin Order
01300012 - 4416 Recycling & Refuse Collection Quarterly Fee - Residence Quarterly Fee - Commercial	2017	\$2 \$1 \$0.50/Free \$1	\$4 \$2 \$1/Free \$2			Admin Order
01300012 - 4417 Bulk Trash Pick-up and Disposal Fee: Per Load Fee Appliance with Freon Fee	2017	N/A N/A	\$100/hour \$50/hour			
RECYCLING AND TRASH COLLECTION						
01300012 - 4416 Recycling & Refuse Collection Quarterly Fee - Residence Quarterly Fee - Commercial	2012	\$39.00 \$50.00	\$39.00 \$50.00	\$ 2,229,258	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	\$ 8,350	Busby Junk Removal - Minimum Charge \$95 JunkIt Removal - Minimum Charge \$69 Junk In The Truck - Minimum \$120	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	\$ 36,053		Ordinance
POLICE DEPARTMENT						
01100012 - 4896 Copy Charges Fee Per Page	2012	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.	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.	\$ 7,455	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	\$ 24,683	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	\$ 33,551	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	\$ 9,779	Annapolis Frederick \$100 red, \$40 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)	\$ 1,315,694	Annapolis Frederick \$40 \$40	Ordinance
01100012-4508 NEW: Red Light Camera Fine	2017	N/A	\$75	\$ -	Annapolis Frederick \$75 \$75	Ordinance

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NAME OF FEE/PURPOSE	EFF DATE	FY17 RATE	FY18 PROPOSED	FY16 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
FIRE DEPARTMENT						
01120012 - 441402 False Call/Failure to notify FD working	2012	\$250	\$250	\$ 1,492		Ordinance
01120012 - 421302 Blasting Permits	2012	\$50	\$50	\$ 300		Ordinance
01120012 - 4210 GBSD Permit	2012	\$250	\$250	\$ 7,071	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
Assembly Permit	2012	\$50	\$50			Ordinance
Building Permits: % of Total Building Permit Fee	2013	25%	25%			
01120012 - 421301 Firework Permits	2007	\$250	\$250	\$ 1,750		Ordinance
01120012 - 441401 Reinspection Fee	2012	\$150	\$150	\$ 5,250	State Fire Marshal 1st \$200; 3rd \$250 State Fire Marshal \$150/system with add'l charges per system fixture or device \$2.00	Ordinance
Plan Review & Inspection for Fire Protection System Installation Per System		\$100 with add'l chgs per system fixture or \$1.50 per device	\$100 with add'l chgs per system fixture or \$1.50 per device			Ordinance
01120012 - 4507 Fire Code Violations	2007	\$250 or Court Ordered amount	\$250 or Court Ordered amount	\$ 5,275		Ordinance
01120012 - 4899 Technical Assistance Hourly Fee	2013	\$50	\$50	\$ 323	State Fire Marshall Office \$75/hr	Ordinance
Municipal Infractions & Misc. Revenues	2006	Various	Various			Ordinance
Fire Report Fee	2004	\$5 for 4 pages	\$5 for 4 pages			Admin Order
01120012 - 441403 Juvenile Intervention Program	2004	\$150	\$150	\$ 450		Admin Order
01120012 - 441404 Fire Call Service Charges:	2011			\$ (2,471)		Ordinance
Engine Hourly Rate		\$150	\$150			
Utility Hourly Rate		\$100	\$100			
Officer Hourly Rate		\$50	\$50			
Fire Marshall Hourly Rate		\$50	\$50			
Truck Hourly Rate		\$150	\$150			
01120012 - 441405 Responding to Motor Vehicle Collisions				\$ 451		Ordinance
Engine: Hourly Rate (Min Billing Amt)	2012	\$150	\$150			
Utility: Hourly Rate (Min Billing Amt)	2012	\$100	\$100			
Officer: Hourly Rate (Min Billing Amt)	2013	\$50	\$50			
Truck: Hourly Rate (Min Billing Amt)	2012	\$150	\$150			
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:				\$ 394,150 Total	Annapolis: \$90-\$250/month Cumberland: \$75-\$90/month Winchester:\$50 month Frederick: \$97 month	Resolution Resolution Admin Order
Regular Customers	2014	\$62	\$62			
Personally Assigned Space		\$120	\$120			
Late Fee Parking Deck Permit		\$15	\$15			
56740112 - 4452 56740122 - 4452 Parking Deck Fees				\$ 102,313 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
Minimum Fee	2010	\$1	\$1			
Half Hour Fee	2010	\$0.50	\$0.50			
Maximum Daily Rate	2012	\$8	\$8			
Monthly	2014	\$62	\$62			
Exiting Fee Between 4pm-6am weeknights & Saturdays	2014					
Sundays	2014	\$2 Free	\$2 Free			
56740112 - 4453 Special Event Parking (i.e. Blues Fest)		\$5	\$5	\$ 7,670	Annapolis: Market Rate Pricing Frederick: Market Rate Pricing depends on event	
56740112 - 4454 Parking and Shop Hourly Fee	2010	\$0.80	\$0.80	\$ 2,318		Resolution
56740132 - 4457, 445701, 445702 445703, 445704, 445705, 445706 Parking Meter Fees				\$ 180,153 Total Fees	Annapolis: \$2.00/hour Cumberland: \$1.00/hour Winchester: \$0.75/hour	Resolution
Twelve (12) Minutes	2012	\$0.10	\$0.10			
Thirty (30) Minutes	2012	\$0.25	\$0.25			
Sixty (60) Minutes	2012	\$0.50	\$0.50			
Thirty Minute Parking Meters					Frederick: \$2.00/hour	Resolution
Six (6) Minutes	2003	\$0.10	\$0.10			
Twelve (12) Minutes	2003	\$0.20	\$0.20			
Thirty (30) Minutes	2003	\$0.50	\$0.50			
56740132 - 445801, 445802 445803, 445804 Monthly Permit Fees Parking Lots:	2014			\$ 124,395 Total Fees	Annapolis: \$225/month Cumberland: \$35/month Winchester: not available Frederick: \$50 - \$75/month	Resolution
Central Lot		\$48	\$48			
Church Street Lot		\$48	\$48			
Market Lot		\$48	\$48			
Rochester Lot		\$48	\$48			

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NAME OF FEE/PURPOSE	EFF DATE	FY17 RATE	FY18 PROPOSED	FY16 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PARKING FACILITIES (continued)						
56740132 - 445899 Department Charges Monthly Fee	2012	\$46.50	\$46.50	\$ 33,382		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	\$ 118,163 Total Fees	Annapolis: \$40/expired,\$100/handicap Cumberland: \$25/expired Winchester: \$10/expired,\$200 handicap Frederick: \$15/expired,\$250/handicap	Ordinance Resolution
ELECTRIC DEPARTMENT						
50000002 - 442101 50000002 - 442102 Residential - All KWH Base rate Purchased Power Adj. Rate (Est Ave rate)	2005	\$0.06263 \$0.01308	\$0.06263 \$0.01377	\$ 11,481,725 Total Fees	Potomac Edison rate Jan to May 2016: \$0.10673/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 \$0.06817 \$0.01308	\$0.08314 \$0.05257 \$0.06817 \$0.01377	\$ 4,836,536 Total Fees	Potomac Edison-Jan to May 2016 rate: 1st 350 kWh = \$0.1818/kWh next 350 kWh = \$0.1225/kWh over 700 kWh = \$0.07017/kWh	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 \$3.409 \$0.01308	\$0.05040 \$0.04220 \$3.409 \$0.01377	\$ 1,915,750	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 \$0.01308	\$0.04052 \$0.03606 \$6.26929 \$0.01377	\$ 2,943,361	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 \$0.01308	\$5.25 \$6.96 \$10.03 \$0.01377	\$ 21,036	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 \$0.01308	\$0.06842 \$0.01377	\$ 615,712	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 \$0.01308	\$0.06749 \$0.03865 \$0.01377	\$ 21,236	No comparison	Maryland PSC
50000002 - 442303 High Voltage-Cascades Per KW Per KWH Per KWH	1995	\$10.538 \$0.01092 \$0.02468	\$10.538 \$0.01092 \$0.02537	\$ 119,407	No comparison	Maryland PSC
50000002 - 481813 Pole Rental - Fee Per Pole Pole Rental (Prior 2001 grandfathered)	2001 1966	\$20 \$4.50	\$20 \$4.50	\$ 22,112		Maryland PSC
50000002 - 481815 50000002 - 481816 Central Maintenance Garage Monthly Fee Rent from Sub-Station	2012 2007	\$3,250/month \$3,050/year	\$3,250/mo. \$3,101/year	\$ 42,050		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	\$ 3,833		Maryland PSC
50000002 - 4238 Connection Fees Reconnection Fees	1992	\$10 \$15	\$10 \$15	\$ 96,875		Maryland PSC
50000002 - 4493 Utility Monthly Late Fee	2014	Max of 5% of unpaid bill	Max of 5% of unpaid bill	\$ 202,761	Per COMAR	Ordinance
50000002-481814 Rental Property - Energy Storage System	2017	\$2,000/month	\$2,000/month	\$ 13,500		

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2017/2018

NAME OF FEE/PURPOSE	EFF DATE	FY17 RATE	FY18 PROPOSED	FY16 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
WATER DEPARTMENT						
52000002 - 4249 Contracted service-payment for services rendered not w/in the existing level Labor Fee	1991	\$1,200 \$2.64 Multiplier Material,25% Equip	\$1,200 \$2.64 Multiplier Material,25% Equip	\$ 7,349	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	\$ 41,080 Total Fees		Ordinance
52000002 - 4235 Non-Utility Misc-payment for providing consumption data to Washington County Fee Per Account/qtr	Annual Per Agreement 2012	\$2.92	\$2.95	\$ 62,205		Admin Order
52000002 - 481002 Rent-City Employee Smithsburg (Tenants Pay Fuel) Edgemont (Tenants Pay Fuel) Ritchie Rd (Tenants Pay Fuel)	2016 2016 2016	\$700 \$700 \$800	\$700 \$700 \$800	\$ 20,900	Yearly rental agreement Wheaton Park \$615 Funkhouser Park \$785 Hager Park \$785 Staley Park \$785	Admin Order
52000002 - 481003 Cell Tower Rental	2007	\$944.59/month	\$944.59/month	\$ 11,669		Motion
52000002 - 4899 Misc. Other Revenues Hunting Permits Maps (Free with Permit)	2006	\$10 \$1	\$10 \$1	\$ 35,853	N/A	Admin Order
52000002 - 4240 Transfer Fee Meter Testing Fee	2007 2007	\$30 \$30	\$30 \$30	\$ 45,630	Frederick City \$50 for prop transfer fee Frederick County \$50 for meter testing fee	M&C
52000004 - 4722 Benefit charges-charged to new customers for impact of additional demand to major system components Fee Per Gallon of Average Daily Usage Fee Min 200 Gallon	2006	\$12.50 \$2,500	\$12.50 \$2,500	\$ 516,240	Washington County -initial alloc is part of connection fee; additional alloc is \$2,500 per EDU Frederick City - impact fee is \$23.92 / gallon	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, 2016 Rate Increase 2% for All \$1.56 \$2.96 \$6.89-\$950.82 \$1.56 \$1.38 \$6.89-\$950.82	Eff July 1, 2017 Rate Increase 2% for All \$1.59 \$3.02 \$7.03-\$970.14 \$1.59 \$1.41 \$7.03-\$970.14	\$ 2,109,441 Total Fees	5 Year Rate Increases approved by Mayor and Council for FY15-FY19 Frederick City FY2016/quarterly rates: 1st 6,000 gals - \$3.41 / 1000 gals next 10,000 gals - \$4.95 / 1000 gals next 8,000 gals - \$5.23 / 1000 gals next 8,000 gals - \$5.47/1000 gals over 32,000 gals - \$5.93/1000 gals Base charge 3/4" - >8" = \$36.49 - \$1058.08	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, 2016 Rate Increase 2% for All \$3.75 \$7.14 \$20.07-\$2,769.66 \$3.75 \$3.37 \$20.07-\$2,769.66	Eff July 1, 2017 Rate Increase 2% for All \$3.83 \$7.28 \$20.47-\$2,824.86 \$3.83 \$3.44 \$20.47-\$2,824.86	\$ 8,329,794 Total Fees	5 Year Rate Increases approved by Mayor and Council for FY15-FY19 Washington County for FY2016: Residential - 1st 6000 gallons (minimum) - \$96.15 Over 6000 gallons = \$10.32 per 1000 gals Commercial I - 1st 6000 gallons (minimum) - \$96.15 Over 6000 gallons = \$10.51 per 1000 gals	Ordinance Ordinance
52000002 - 4237 Fire Protection: City - 4" - 12" County - 4" - 12"	2009	Eff July 1, 2016 Rate Increase - 3% for All \$181.39-\$1,630.35 \$242.59-\$2,174.53	Eff July 1, 2017 Rate Increase - 3% for All \$186.83-\$1,679.26 \$249.86-\$2239.76	\$ 150,805		Ordinance
52000002 - 4232 New Services: 3/4" 1" 1" Double Application Fee	2003	\$715 \$925 \$1,160 \$50	\$715 \$925 \$1,160 \$50.00	\$ 275,000		Resolution
52000002 - 4238 Reconnection Fee: 8:00am-3:00pm After 3:00pm	2006 2001	\$35 \$85	\$35 \$85	\$ 67,965	Washington County - \$50 turn off and \$50 turn on during business hours; \$75 each after hours	Ordinance
52000002 - 4493 Utility Monthly Late Fee	2014	10% one-time late fee	10% one-time late fee	\$ 181,923	Frederick City - 1% per month Washington County - \$30 per bill Town of Smithsburg- 10% one time fee(excluding bay fee)	Ordinance
52000002-489914 Emergency Load Response Program	2014	Capacity at 75% of market clearing price	Capacity at 75% of market clearing price	\$ 44,344		M & C

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2017/2018

NAME OF FEE/PURPOSE	EFF DATE	FY17 RATE	FY18 PROPOSED	FY16 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
WASTEWATER DEPARTMENT						
54000002 - 4243 Connection Charge: City	2003	\$1,200	\$1,200	\$ 3,600		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	\$ 23,453 Total Fees		Ordinance
54000002 - 4810 Rental Income per year Cell Tower Rental	1984 2015	\$365 \$1,030/month	\$365 \$1061/month 3% annual increase	\$ 3,334		
54000004 - 4722 55000004 - 4722 Benefit Charges-Fee Per Gallon: In City w/\$4,400 Minimum In County w/\$5,000 Minimum	2006	\$22/gallon \$25/gallon	\$22/gallon \$25/gallon	\$ 765,546 Total Fees	Washington County - \$6,900 per EDU Frederick City impact fee - \$21 / gallon	Ordinance
54000002 - 444201 54000002 - 444101 Sewer Service Charges-City Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2012	Eff July 1, 2016 Rate Increase 4% for All \$5.28 \$21.68-\$2,991.84	Eff July 1, 2017 Rate Increase 2% for All \$5.39 \$22.11-\$3051.18	\$ 6,498,508 Total Fees	5 Year Rate Increases approved by Mayor and Council for FY15-FY19 Frederick City - same rate as Water	Ordinance
54000002 - 444202 54000002 - 444102 Sewer Service Charges- County Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2012	Eff July 1, 2016 Rate Increase 4% for All \$8.85 \$36.02-\$4,970.76	Eff July 1, 2017 Rate Increase 2% for All \$9.03 \$36.74-\$5070.12	\$ 3,042,412 Total Fees	5 Year Rate Increases approved by Mayor and Council for FY15-FY19 Frederick City: Outside City - double In City rate Wash County FY16: \$110.97 min up to 6000 gals over 6000 gals - \$6.36 per 1000 gals	Ordinance
54000002 - 444203 54000002 - 444103 Sewer Service Charges-Joint County Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2012	Eff July 1, 2016 Rate Increase 4% for All \$7.69 \$31.32-\$4,322.16	Eff July 1, 2017 Rate Increase 2% for All \$7.84 \$31.95-\$4409.10	\$ 2,337,811 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	\$ 104,897		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	\$ 746	Washington County: Sample Collection \$25 Biochemical Oxygen Demand \$25 Chemical Oxygen Demand \$35 Oil & Grease \$25 PH (Corrosivity) \$6	Admin Order
54000002 - 4241 54000002 - 4244 Industrial Permit Fee/year Industrial Surcharge Per 1,000 lbs: Chemical Oxygen Demand Fee Suspended Solids Fee Grease & Oil Fee Biochemical Oxygen Demand	2001 2008	\$250 - \$2,000 \$0.33 \$0.82 \$0.47 \$0.82	\$250 - \$2,000 \$0.33 \$0.82 \$0.47 \$0.82	\$ 59,064 Total Fees	Washington county: Pretreatment Prog Permit Fees: SIU's and Non SIU's = \$300 and \$150 Permit Maintenance Annual Fees: < 1000 gpd - \$250 1000 - 999 gpd - \$500 10,000-25000 gpd \$1000 >25,000 gpd - \$2000	Ordinance
54000002 - 4493 Utility Monthly Late Fee	2014	10% one-time late fee	10% one-time late fee	\$ 163,580	Frederick City - 1% per month Washington County - \$30 per bill Town of Smithsburg- 10% one time fee(excluding bay fee)	Ordinance

FISCAL POLICIES AND GLOSSARY
SECTION 10

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The policies described below represent summarized versions of the existing policies and are not intended to represent the full policy. These policies should not be considered all inclusive of the policies and procedures of the City of Hagerstown.

OPERATING BUDGET POLICY

1. The budget will be prepared, presented and administered by the City Administrator. The budget is a resource-allocation policy document for the Mayor and City Council.
2. The budget document will be prepared so that it facilitates public study and effectively communicates key economic issues and fiscal policies. The budget process will encourage public involvement.
3. By Charter, the budget must be balanced. Revenues must equal or exceed expenditures. As a general rule, current operating revenue needs to be sufficient to support current operating expenditures.
4. Debt or bond financing will not be used to finance current operating expenditures.
5. Every effort will be made to maintain existing levels of essential public services.
6. All enterprise funds will be fully self-supporting, pay their own way and provide for their own system improvement and expansion needs.
7. Each fund will budget for, and pay, their fair share of public utility and public service costs or fees. Each fund is to be treated as though it were a private customer or taxpayer to properly provide for payments between funds.
8. In addition to its annual operating budget, the City will prepare five-year budget projections, as well as, an analysis of its past financial trends to obtain a broader, more comprehensive picture of the impact of decisions involving the current year's budget or other financial plans.
9. The City will develop a program to integrate performance measurement and productivity indicators with the annual budget.
10. Whenever possible, the City will take advantage of technological improvements to improve productivity and lower costs.
11. Budget performance will be monitored and reported on throughout the year. The department managers are an integral part of the budget control process and will be responsible for their individual department's performance.
12. Prior year's fund balances are to be treated as a "rainy day" fund and are not to be used in budgeting for operating expenditures.
13. As a target, annual "pay as you go" capital expenditures, including both capital improvement program (CIP) and non-CIP, funded by current General Fund dollars shall be greater than the annual depreciation on non-infrastructure General Fund assets plus current cost of maintaining the City's streets through the annual resurfacing program. Other infrastructure assets will be funded through grants and/or debt financing.

REVENUE POLICY

1. The City will try to maintain a diversified and stable revenue system to aid in sheltering it from the impact of short-term fluctuations in any one revenue source.
2. The City will attempt to continually search for new revenue, both financial and non-financial, as a way to diversify its revenue base and help ensure a balanced budget.
3. Wherever possible, those receiving the benefits of a government or utility service will pay for what they receive in full; through current fees, charges, or other assessments. This includes the City's own utilities and other departments who are service "users".
4. The City will follow an aggressive policy of collecting the revenues which are due it.
5. Nonrecurring revenues and other financing resources will not be used to finance continuing operations. Long-term financial commitments to continuing outlays will be avoided unless sustained revenue growth is assured.
6. The City will project revenues for five years and will update the projections annually.
7. Revenue estimates will be based on reasonable expectations and be as realistic as possible, unless fund balances become insufficient to absorb occasional shortfalls, then more conservative estimates should be used.
8. The City will annually review its fees and other charges for service, property tax rates, and utilize annual incremental increases in these to ensure that the City is maintaining existing levels of essential public services.
9. Market rates and charges levied by other public and private organizations for similar services will be considered in establishing rates, fees, and charges.

PURCHASING POLICY

1. The City shall attempt to buy materials and services of high quality at a reasonable cost.
2. The City shall make sure that all purchasing actions are fair and impartial with no impropriety or appearance of impropriety. All qualified buyers and sellers shall have access to City business, and no individual or firm shall be arbitrarily excluded.
3. Every attempt will be made to secure the maximum feasible amount of competition.
4. All purchases and contracts shall be made by the City Administrator. The City Administrator may delegate the responsibility for all major construction contracts to the City Engineer and the Director of Utilities, and the responsibility for all other city purchases to the Purchasing Manager.
5. All budgeted purchase requisitions are subject to the following approvals:
 - Purchase requisitions up to \$1,000 are to be approved by the Department Manager.
 - Purchase requisitions from \$1,000 up to \$4,999 are to be approved by the Purchasing Manager.
 - Purchase requisitions from \$5,000 up to \$9,999 are to be approved by the Finance Director.
 - Purchase requisitions from \$10,000 up to \$24,999 are to be approved by the City Administrator.
 - Purchase requisitions over \$25,000 are to be approved by the Mayor and Council.If budgeted funds are not available, the Director of Finance shall be contacted to locate a source of funds prior to any purchase occurring.
6. Purchases of \$1,000 and under may be made using the Purchasing Card (PCard) Program.
7. Purchases of \$30 and under may be made through petty cash.
8. The City shall maintain a yearly open purchase order system (\$200 maximum per transaction) to cover purchases from specified vendors who supply the City with a high volume of the same or similar goods or services during the course of a year.
9. The City of Hagerstown Purchasing Manual shall cover all detailed City purchasing policies and procedures and is available from the Purchasing Department.

INVESTMENT POLICY (Amended September 25, 2012)

1. This Policy's four primary goals are as follows:
 - a. Assure compliance with federal, state, and local laws governing the investment of public monies under the control of the Director of Finance and Investment Officer.
 - b. Provide sufficient liquidity to meet normal operating and unexpected expenditures.
 - c. Protect the principal monies entrusted to the City.
 - d. Generate the maximum amount of investment income within the parameters of prudent risk management as defined in this Investment Policy.
2. This policy establishes guidelines for the investing of the financial assets for the City, except as specifically excluded by the Mayor and Council or restrictive covenants. Assets held in trust and agency funds (Pension plans and OPEB plans) are exempt from this policy and are covered under separate policies, procedures, and committees.
3. All investments shall conform to the laws of the State of Maryland. Funds are to be managed in such a way that income earned will be maximized and the portfolio capital is preserved, while simultaneously planning for cash flow and budgetary needs.
4. Although the City Administrator must approve each City investment, the Director of Finance and the designated Investment Officer have the authority to develop and maintain written administrative procedures consistent with the Investment Policy.
5. All investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
6. Internal controls are established by the Director of Finance to prevent loss of funds due to human and market miscalculations.

7. The City's priorities for investment and management of public funds are: Safety of principal, Liquidity, and Return on investments.
8. The Policy designates allowable types of investment instruments with limitations on amounts invested in any one institution. The investment of funds is also restricted by maturity terms.
9. The policy outlines criteria to rate financial institutions to qualify as eligible for City investment purposes. The criteria consider the following items for each financial institution: total assets, core capital-to-total assets ratio, nationally recognized financial statistical rating, and charter.
10. An Investment Committee, consisting of the City Administrator, Director of Finance, and Budget and/or Investment Officer has been established to develop general direction and guidance for the City's investment activities.
11. The detailed investment policies, which have been approved by the Mayor and Council, are available from the City Administrator.

DEBT MANAGEMENT POLICY (Amended December 16, 2014)

1. The City shall maintain adequate operating cash to meet future debt service requirements.
2. The City will assure compliance with debt covenant provisions and appropriate disclosure to investors, underwriters, and rating agencies.
3. The City will comply with Federal, State, and City Charter requirements and adhere to Federal arbitrage regulations for all debt issuances.
4. The City may issue bonds for eligible projects after determining there will be sufficient revenue to pay annual debt service expenditures for the bond.
5. The City will limit its long-term borrowing to capital items and projects.
6. The City will not use long-term debt to fund annual operating costs or to fund capital items and projects that should be funded from sources other than long-term debt.
7. Capital Projects financed through the issuance of bonds shall not be financed for longer than the average expected useful life of all projects and items included in the bond issue, as well as the amount of each item in the bond issue.
8. When available, current operating revenue ("pay-as-you-go") may be used to fund capital items and projects that otherwise would be financed through long-term borrowing. Pay-as-you-go may also be used for projects that do not qualify for bond financing.
9. Interest, operating, and maintenance expenses will be capitalized only for enterprise or utility fund facilities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
10. The City will avoid the use of short-term tax anticipation or other short term debt for non-capital purposes except when necessitated by cash flow or other "emergency" situations. Any bond anticipation debt will be retired within 6 months after completion of the project it financed. Continual rollover of short term debt without principal pay down will be avoided.
11. The City will maintain good communications with the bond rating agencies about its financial condition and will follow a policy of full and open disclosure on every financial report and bond prospectus.
12. The City's future funding obligations for OPEB and pensions shall also be considered as long-term debt.
13. Neither Maryland State law nor the City Charter mandates a limit on municipal debt.
14. The City will maintain an average maturity of total City general obligation bonds at or below 25 years.

CAPITAL IMPROVEMENT PROGRAM

1. The City will prepare and adopt a five-year Capital Improvement Program which will detail each capital project, the estimated project cost, description, and funding source. The overall goal of the Capital Improvement Plan is to order the City's fiscal expenditures while coordinating public investment with adopted plans and policies to properly manage the City's long term investments. To that end, the program is expected to:
 - increase opportunities to obtain funding from outside sources, such as the state and federal government;
 - assist in the planning, budgeting and coordinating the operation and capital efforts of the various City Departments;

- provide a rational basis by having supporting public capital commitments; and result in a more favorable bond rating by giving evidence of effective management.
- 2. Operating expenditures will be programmed to include the cost of implementing the approved Capital Improvement Program and providing all manpower, operating costs and capital outlay required by it.
- 3. All capital projects must be justified on the basis of providing a basic service, improving or rehabilitating deteriorated facilities, reducing costs, promoting jobs or benefiting a large population segment or a target area of the City. They must also be compatible with other planned projects and overall City development plans.
- 4. All projects are to be prioritized according to the following criteria levels:
 - FIRST - clear and present danger to the public; or contractual obligation; or written commitment of grant funding.
 - SECOND - documented cost savings; or probable grant commitments; or other justified need.
 - THIRD - future cost avoidance; or planned improvements; or significant improvement of service.
- 5. Appropriations for all Capital Improvement Projects are approved on an annual basis only. All uncompleted projects must be reconsidered annually to determine if unspent funds need to be recommitted to a given project or reallocated to other planned projects.

ENTERPRISE FUND DIVIDEND TRANSFER POLICY (Amended November 25, 2013)

1. As part of its year end annual financial evaluation process, the City will consider whether it is appropriate and prudent to transfer a portion of the unused retained earnings from an Enterprise Fund to the CIP Fund assigned fund balance. Uses of the fund will include non-recurring capital expenditures for city neighborhoods, downtown redevelopment, economic development projects, park improvements, and special one-time projects.
2. This transfer payment cannot be considered a normal cost of Enterprise Fund operations recoverable through the rate base. Rather, it is to be paid out of the annual net profits of the prior year just as a private investor owned utility would pay their shareholders a dividend from these sources.
3. The following controls will be utilized to ensure that the payment of dividends by an Enterprise Fund does not jeopardize the financial health of the fund.
 - On an annual basis after the prior fiscal year end audited financial statements are presented, an updated financial projection analysis of the Enterprise Funds will be done. The analysis will include all expected sources and uses of funds for the current year as well as funding approved through the current approved budget.
 - Adequate funds within the Enterprise Funds must be provided for debt interest, principal repayments and any debt coverage requirements. A minimum working capital reserve level equal to two months of operating costs must be maintained at all times. Operating cost is defined as total operating expenses less depreciation and interest expense. Additionally, for those Enterprise Funds utilizing a 3R Reserve, 1% of the cost of replacement of the total asset must be maintained in a restricted cash account.
 - Capital expenditures on average during the six year projection period must be at a level at least equal to the average depreciation expense during the projection period. (This control is intended to prevent under funding replacement capital expenditures to allow for dividend transfers).
 - Payment will be made after reviewing the prior year's audited financial statements, and preparation of an updated financial projection analysis for an Enterprise Fund.
 - Mayor and Council shall act on staff recommendation and declare dividend if appropriate and in compliance with this policy through an approval of a Motion.
4. These needs must be anticipated and adequately provided for in the Enterprise Funds.

GENERAL FUND BALANCE/RETAINED EARNINGS POLICY

1. The City will maintain a minimum undesignated fund balance (to be used for unanticipated emergencies) of ten (10) percent 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.
2. If the fund balance should fall below the above minimum balance, the City will budget one (1) percent of the general fund revenue estimated for that fiscal year to get back to ten (10) percent within five (5) years.
3. The City will strive to maintain sufficient retained earnings in the utility funds to provide for their working capital needs, minor continuing system improvements, and general system improvements.

GRANT MANAGEMENT POLICY

The City, through individual departments, shall actively pursue grant resource opportunities and utilize grant funds to supplement and enhance the City's goals and objectives. Grant application, approval, and administration shall be finalized with the knowledge and participation of the Finance Department and the City Administrator's Office. Grants providing funding of City staff positions must be finalized with the knowledge and participation of the Human Resources Department. The activities of the grant and the expenditure of grant funds will be performed in accordance with the approved application and resulting agreement with the grantor and in accordance with all grant conditions.

1. The City shall generally not solicit grant funds from government and private agencies less than \$1,500.
2. All departments may apply for any grants that contribute to the overall mission and goals of the City. Department Managers must approve all grant applications for their respective departments. Department Managers shall report accurate data and information on all applications, consistent with the City's reports, records, and operations.
3. Prior to submitting the grant application to the granting entity, Department Managers must input the application information into the Grant Master module in Munis, and attach complete scans of the grant application and any program or guides into Tyler Content Manager.
4. The Finance Department must be notified that a grant application has been entered for Finance Department review.
5. Electronically submitted grants must include the Director of Finance as an authorizing agent or person. The grantee should be listed as "City of Hagerstown", not the requesting department.
6. Prior to submission of a grant application, the Department seeking the grant must complete all necessary Human Resources Department, Finance Department, City Administrator, and Mayor & Council approvals. This approval requirement applies to both first time and ongoing grants, and will include the following:
 - The Department Manager must approve all new and ongoing grant applications of less than \$30,000 and less than \$25,000 in City matching funds. The Department must notify the Finance Department of the grant application for review prior to submission.
 - Prior to submission, the Department Manager along with both the Director of Finance and the City Administrator must approve all new grant applications between \$30,000 and \$50,000 and requiring less than \$25,000 in City matching funds, and all ongoing grants greater than \$30,000 and requiring less than \$25,000 in City matching funds. The Department Manager, Director of Finance, and City Administrator are the only personnel authorized to sign applications, agreements, contracts and grant documents on behalf of the City for grants of \$30,000 or greater.
 - Prior to submission, the Department Manager, the Director of Finance, the City Administrator and the Mayor and Council must approve all grant applications that meet any of the following conditions:
 - i. Any new grant funding the addition of a new position. Additionally, approval from the Human Resource Director is required for position additions.
 - ii. Any new grant in excess of \$50,000.
 - iii. Any new or ongoing grant requiring City matching of funds of \$25,000 or more.
 - iv. Any new or ongoing grant requiring either Mayor or Council approval of or understanding of the City's ongoing obligations to retain the grant.
7. The Department Manager shall notify the Finance Department of whether the grant has been awarded or denied and make necessary updates to the grant status in the Grant Master. Copies of the grant award notification, approved grant budget, and conditions must be scanned and attached to the Grant Master through Tyler Content Manager.
8. Upon notification from the Department originating the grant, the Finance Department will establish a new project number for the grant, and set up the appropriate budget, income, and expenditure accounts in the City's General Ledger system. The Finance Department will notify the Department of the new project and account numbers.
9. Grant financial records, supporting documentation and all other records pertinent to the grant shall be retained by the City permanently following the submission of the final report to the grantor. Copies of all applications, award letters, budget notices, award conditions, reimbursement requests, expenditures, quarterly reports, performance measures, and close out reports must be scanned and attached to the Grant Master through Tyler Content Manager.
10. Federal and State grants are subject to annual audits by the City's external auditors and must comply with certain standards. The Finance Department will prepare the Schedule of Expenditures of Federal Awards and State Financial Assistance (SEFA) to comply with the City's Single Audit requirements.

GENERAL FUND AGENCY CONTRIBUTION POLICY (Amended October 20, 2015)

Purpose:

The City of Hagerstown for many years has funded grants to local community agencies using annual appropriations in the General Fund as the source of this financial support. The purpose of this policy is the following:

- 1) To establish the level of General Fund funding support for agency contributions.
- 2) To define the City's timeline for this process.
- 3) To specify the City's requirements for the information to be provided by agencies seeking funding.
- 4) To outline the schedule for the City's distribution of funds to agencies receiving a grant of more than \$5,000.

Funding:

- 1) The Mayor and Council have established a funding level of \$195,000 to be allocated toward 8 recipients identified by the City as core agencies. These agencies include the following:
 - a) Washington County Free Library
 - b) Washington County Museum of Fine Arts
 - c) Maryland Theatre
 - d) Maryland Symphony Orchestra
 - e) Hagerstown Municipal Band
 - f) Community Rescue Services
 - g) Hagerstown Neighborhood Development Partnership
 - h) Hagerstown Historical Society
- 3) The Mayor and Council have established a \$10,000 contingency for General Fund Agency Contributions.
- 4) The Mayor and Council have established that the total funding level for General Fund Agency Contributions is \$205,000

Timeline:

- 1) If needed, the Mayor and Council will consider changes to these funding levels for General Fund Agency Contributions in future fiscal years by the end of October.
- 2) The City will distribute application packets to community agencies in November.
- 3) Applications from agencies are due no later than the 2nd Friday of January. Submission of funding requests will not be received after this date.
- 4) The Mayor and Council will approve Community Agency funding from the General Fund by the end of May.
- 5) Agencies will be notified of the Mayor and Council's funding decision by mid-June for contributions to be available beginning July 1.

Application: The City of Hagerstown will consider a number of factors/criteria in approving funding requests. Agencies requesting more than \$5,000 in funding should include the following in their applications for funding:

- 1) A full description of how the requested grant from the City would be used to support agency operations, services, and capital improvements.
- 2) A summary of other local government funding sources and amounts including any grants received from Washington County or other municipalities.
- 3) A copy of the agency's most recent budget.
- 4) A copy of the agency's most recent financial report or audit prepared by an independent auditing firm.
- 5) A description of how the agency supports the goals of the City for downtown revitalization, expansion of the arts, culture, and education, neighborhood vitality, quality of life.
- 6) Agency service data related specifically to providing service and assistance to residents of the City of Hagerstown.

- 7) As part of the application and approval process, an agency may be requested to make a presentation of their funding request and service information to Mayor and Council during a public work session.

Distribution of Funds:

- 1) The City will distribute grant funds to the agencies on a quarterly reimbursement basis beginning on October 1 of each year for those organizations receiving a grant of more than \$5,000. Other agencies can receive the full amount of their grant in July, the first month of the City's fiscal year.

Definitions of terms used in preparation of the Budget are listed below and in the pages that follow.

Accounting System – The total structure of records and procedures that identify, record, classify, summarize, and report information on the financial position and results of operations of a government.

Accrual Basis of Accounting – The method of accounting where transactions are recognized when they occur, regardless of the timing of related cash flows.

AFSCME 1540 – The American Federation of State County and Municipal Employees, Local 1540. The collective bargaining unit that represents general personnel.

AFSCME 3373 – The American Federation of State County and Municipal Employees, Local 3373. The collective bargaining unit for sworn Police personnel.

Appropriations – The legal authorizations made by the Mayor and Council to the departments, offices, and agencies of the City which approves their budgets and allows them to make expenditures and incur obligations for purposes with the accounts approved.

Assessable Base – The total value of all real and personal property in the city which is used as a basis for levying taxes. Tax exempt property is excluded from the assessable base.

Assigned Fund Balance – The portion of net resources intended for a specific use by the City, as determined by the designee of the Mayor and Council.

Balanced Budget – A budget that has operating revenues equal to operating expenditures.

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

Bond – A written promise to pay a specified amount of money, called the principal amount, at specific dates in the future called maturity dates along with interest at specific rate.

Bond Anticipation Notes – Short-term interest-bearing notes issued by a government in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond to which they are related.

Bonds Issued – Bonds sold.

Bond Rating – A rating that indicates the probability of timely repayment of principal and interest on bonds issued.

Budget – A financial plan containing estimated revenues and expenses for an organization. The plans are prepared by the individual departments and reviewed and submitted by the City Administrator to the Mayor and Council for their review and approval.

Budget Year – The fiscal year for which the budget is being considered. (See also FISCAL YEAR.)

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

Capital Budget – The annual adoption of project appropriations by the Mayor and Council. Project appropriations are for the amount necessary to carry out a capital project's expenditure plan, including multi-year contracts for which a total appropriation covering several years planned expenditures may be required.

GLOSSARY
FISCAL YEAR 2017/2018

Capital Improvements Program (CIP) – The annual updated 6-year plan or schedule of projected expenditures for buildings, public facilities, and other improvements which are of significant value and have a useful life of several years. The City's program includes estimated project costs, sources of funding, and timing of work for each project. The capital improvement program is the basis for the annual CIP appropriations and any new bond issues.

Capital Expenses (Outlays) – Departmental expenditures which generally result in the acquisition of furniture, equipment, and/or computers, which have a value of less than \$5,000 (\$10,000 for Enterprise Funds), and have a useful economic life of more than one year. Capital expenses are reflected in the budget document in each department requesting the items.

Capital Projects – A specific activity or element of the Capital Improvements Program involving expenditures and funding for the creation of permanent facilities or other public assets that have a relatively long useful life.

CDBG – See Community Development Block Grant

CIP – See Capital Improvements Program

Committed Fund Balance – Portion of net resources with imposed limitations set at the highest level of decision making authority. Such authority includes ordinances, resolutions of the Mayor and Council and the City's charter. Formal action at the same level of authority is required to remove such limitations.

Community Development Block Grant (CDBG) – A general purpose, federal grant primarily used to promote rehabilitation and development of residential and commercial neighborhoods, and to meet all urgent community development needs.

Current Year – The fiscal year that is prior to the budget year.

Debt Issuance – The sale or issuance of any type of debt instrument, such as bonds.

Debt Limit – The statutory or constitutional maximum debt that an issuer can legally incur.

Debt Ratios – The ratios that provide measures of assessing debt load and ability to repay debt, which play a part in the determination of credit ratings. They also are used to evaluate the City's debt position over time against its own standards and policies.

Debt Service – The payment of principal and interest on borrowed funds such as bonds.

Deficit – The amount by which a government's budget outlays exceed its budget revenues for a given period, usually a fiscal year.

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

Department – The major organizational divisions in the City government with overall responsibility for one or activities or functions of the City.

Depreciation – An allocation made for the decrease in value of physical assets through wear, deterioration, or obsolescence. It allocates the asset's cost over its useful life.

Distinguished Budget Presentation Award – A voluntary program administered by the Government Finance Officers Association (GFOA) to encourage governments to publish efficiently organized and easily readable budget documents and to provide peer recognition and technical assistance to the fiscal officers preparing them.

GLOSSARY
FISCAL YEAR 2017/2018

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.

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

Encumbrance – A firm commitment to pay for future goods and services formally documented with a contract or agreement that may extend over more than one budget year. Both encumbrances and planned expenditures on a project must fit within an agency's appropriation.

Enterprise Fund – A fund used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing goods or services to the general public are financed or recovered primarily through user charges. The City has six enterprise funds: Electric, Water, Wastewater, Parking, Golf Course, and Property Management.

Estimated Actual (Revenue, Expenditures) – Projected amounts to be paid or collected for the current year estimate through analysis of year-to-date financial trends or schedules.

Excise Tax Fund – This fund 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.

Expenditure – An actual payment made by check, inter-fund transfer, or by recordation of an amount due for goods received or services rendered.

Expenditure Summary – A top-level summary of expenditures by category for each department. The expenditure summary is a component of the departmental Program Summary in the budget document.

Fees – Income resulting from a billing for services or sale made by the City. For example, building permit fees, license fees, and service fees for water, wastewater, and electric, etc.

Fiscal Policies – The City's financial management policies relating to the operating budget, revenues, capital improvements program, general fund balance levels, liability coverage and workers compensation risk management, debt, investments, purchasing, Electric Fund dividend transfer, and Community Betterment Fund use.

Fiscal Year – An organization's accounting or financial year. The City's fiscal year starts July 1 and ends June 30.

Fixed Asset – Assets of a long-term character which are intended to continue to be held and used. Examples of fixed assets include items such as land, buildings, machinery, furniture, and other equipment.

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

Full-Time Staffing – Indicated the authorized number of full-time number of employees in department by position type. Part-time staffing reflected on the full-time staffing schedule does not include temporary and seasonal positions. Full-time staffing levels are reflected in each Program Summary.

Fund – A fiscal and accounting entity with a self- balancing set of accounts recording cash and all other financial resources or assets, together with all related liabilities or outside claims to those assets; and the remaining unclaimed net worth or residual equity in those assets, which are segregated for the purpose of carrying on specific activities or attaining specific program objectives.

GLOSSARY
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Fund Balance – The cumulative difference between expenditures and revenue accumulated over the life of a fund. A negative fund balance is usually referred to as a deficit.

FY – See Fiscal Year

GAAP – See Generally Accepted Accounting Principles.

GASB – See Governmental Accounting Standards Board.

General Fund – The major operating fund of the City used to account for all financial resources and activities, except those accounted for in one of the City's other funds.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles as determined through common practice or as promulgated by the Governmental Accounting Standards Boards, Financial Accounting Standards Board, or various other accounting standard setting bodies.

GFOA – See Government Finance Officers Association.

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

Governmental Accounting Standards Board (GASB) – This organization was established as an arm of the Financial Accounting Foundation in April 1984 to promulgate standards of financial accounting and reporting with respect to activities and transactions of state and local governmental entities.

Governmental Fund – The funds through which most government functions are financed. The City's governmental funds are the General, Debt Service, Capital Projects, and Special Revenue Funds.

Grants – A transfer of county, state or federal monies to the City, usually for specific programs or activities.

Infrastructure – The physical assets of a city (streets, water, wastewater, public buildings, and/or parks) upon which the continuance and growth of a community depend.

Health Care Fund (HCF) - The City manages a self-insurance program for health care for its active and retired employees and their dependents in this Internal Service fund. Under this self-funded plan the City pays a standard monthly administrative fee for each covered member and accepts claim risks up to a specific stop loss for each individual covered. In addition, a second level of insurance called the aggregate stop loss assures that the City does not pay more than a maximum of projected expenses. All funds to which employees are assigned participate in the HCF. It allocates 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.

IAFF – International Association of Fire Fighters, Local Number 1605. The collective bargaining unit for sworn Fire personnel.

IBEW – International Brotherhood of Electrical Worker, Local 307. The collective bargaining unit for electrical personnel.

Interfund Transfers – Payments made from one operating fund to another as a contribution to defray a portion of the recipients fund's costs.

Intergovernmental Revenues – The revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

IT – Department of Information and Technology.

GLOSSARY
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Levy – (Verb) To impose taxes or special assessments for the support of governmental activities. (Noun) A tax or special assessment imposed by a government.

Liabilities – Debts or other legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

Liability Coverage Service Fund – An internal service fund used to provide for potential uninsured liability claims.

Line-Item Budget – The traditional form of budgeting, where proposed expenditures are based on individual types of expenditures within a department or program. The Hagerstown City Budget is a line item budget with summary and program information to aid in obtaining a more complete picture of the budget.

Long-Term Debt – Debt or obligations of the City with a final maturity or payment date of greater than one year.

Major Budget Highlights – A component of the Program Summary that explains significant changes or highlights in each department's proposed budget as compared to the previous year's budget.

Major Budget Year Initiatives – A component of the Program Description that details departmental goals for the fiscal year. These objectives are tied to the City's overall strategic plan.

Matured Bonds Payable – A liability account reflecting unpaid bonds that have reached or passed their maturity date.

MGD – Million Gallons per Day.

Modified Accrual Basis Of Accounting – The accrual basis of accounting adapted to the governmental fund type. It is a modified version of the full accrual basis of accounting in that it, in general, measures financial flow (tax and spend) of an organization, rather than capital accumulation (profit or loss).

Net Bonded Debt – Gross bonded debt less any cash or other assets available and earmarked for its retirement.

Non-Departmental Operating Expenditures – Operating expenditures which are not charged directly to specific departments but are cost to the City as a whole, such as debt service payments and general liability insurance.

Nonspendable Fund Balance – Portion of net resources that cannot be spent either (a) because of their form, or (b) because they must be maintained intact.

Non-Union – Employees not represented by one of the 4 collective bargaining units.

Obligations – Amounts that a government may be required legally to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.

Operating Budget – The portion of the City's budget that provides resources for the day-to-day operations of the City.

Ordinance – A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and resolution is that the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions that must be enacted by ordinance and those which may be enacted by resolution.

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

GLOSSARY
FISCAL YEAR 2017/2018

Pay-As-You-Go – Capital expenditures which are funded from current revenues.

Payment In Lieu Of Taxes – Payments made by entities not legally required to pay taxes in order that they may receive the same services as private taxpayers.

Per Capita – Per unit of population; by or for each person.

Performance Indicators – A component of the Program Description that reflects statistical indicators of levels of service or performance measures by department. Current fiscal year and budget year are projected.

Personnel (Costs) – Expenditures that include salary costs for full-time, part-time, temporary and contract employees, overtime expenses and all associated fringe benefits.

Prior Year(s) – The fiscal year(s) preceding the current year.

Program Description – One of the major sections of the budget document that serves as an introduction for each department, and includes the department's function, program objectives, and performance indicators.

Program Elements - The major functional areas in which each department directs its resources, such as Personal Computer Support in the Information Technology department or Insurance Administration in the Purchasing department. The program elements are a component of the Program Summary.

Program Function – A component of the Program Description that describes the primary responsibility of the department.

Program Summary – One of the major sections of the budget document that details each department's budgetary activity. The summary includes the expenditure summary, major budget highlights, and staffing levels.

Projections – The estimate of budget authority, outlays, receipts, or other amounts extending several years into the future. Projections generally are intended to indicate the budgetary implications of existing or proposed programs.

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

Proposed Budget – Reflects the budget or line-item amount recommended by the City Administrator to the Mayor and Council for their review and consideration. It reflects either his assessment of what is needed to accomplish the department's objectives, or the limited resources available to accomplish the intended objectives.

Resolution – A special or temporary order of a legislative body that requires less legal formality than an ordinance or statute.

Retained Earnings – The cumulative annual net income or loss of an Enterprise fund's operations since the inception of the fund which are retained for future operation or needs.

Receipts – Collections from the public based on a government's exercise of its sovereign powers. Governmental receipts consist of receipts from taxes, court fines, gifts and contributions, and compulsory licenses.

Restricted Fund Balance – Portion of net resources with imposed limitations set by either (a) creditors, grantors, contributors, or the laws and regulations of other governments, or (b) laws through constitutional provisions or enabling legislation.

Revenue – Income received by the City to support its program of services to the community. It includes sources such as property taxes, admission fees, service charges, Federal and State grants, and parking fines to name just a few.

Revenue Anticipation Notes – Notes (sometimes called warrants) issued in anticipation of collection of non-tax revenues, retired after the collection of such revenues.

Revenue Bonds – The type of bonds where principal and interest payments are payable exclusively from the earnings from an enterprise funds. In addition to a pledge of revenues, such bonds sometimes contain mortgages on enterprise fund property.

RFP – Request for Proposals, Federal mandate to request proposals from potential contractors for outsourced government services.

Short-Term Debt – Debt or obligations of the City due within one year or less.

Special Assessment – A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

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

State & County Shared Taxes – Taxes levied by one government but shared on a predetermined basis with another government.

Stormwater Management Fund - This fund is used to account for the activities resulting from storm water run-off and management of infrastructure for the City's wastewater systems.

Tax Base – All forms of wealth under the City's jurisdiction that are taxable.

Tax Rate – The amount levied for every \$100 of assessed property value, as determined by the Maryland State Assessment Department on both real and personal property within the Hagerstown City limits. Beginning 10/1/2000 the assessable base for real property was increased from 40% to 100% of estimated fair market value. The real estate tax rate was reduced to 40% of the prior rate but since the assessment for personal property did not change, its rate stayed the same or 2.5 times the real property rate. Current State law requires this rate differential to be maintained for Counties and the City is following the same policy.

Telework Center Fund - This fund is used to account for activities related to the City's participation in the federal government's telecommunications work center pilot program. These activities are primarily funded by federal grants.

Unassigned Fund Balance – The portion of net resources in excess of the nonspendable, restricted, committed, and assigned balances.

Unfunded Positions - Positions not currently funded that would require an identified funding source and Mayor and Council approval before being funded again.

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

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

Workers Compensation Fund (WCF) - The City manages its uncovered workers' compensation risks and sets aside assets for claim settlement in this Internal Service Fund. WCF services claims for risk of loss to which 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.

GLOSSARY
FISCAL YEAR 2017/2018

Working Capital – A term used to describe the unreserved fund balance calculated by subtracting current liabilities from current assets. This is used for the City's enterprise funds.

Zoning – The partitioning of a city, borough, or township by ordinance into sections reserved for different land use purposes (i.e. residential, offices, manufacturing, commercial, etc.)