

The background features several flowing, golden ribbons that curve and overlap, creating a sense of movement. A subtle grid pattern is visible within the ribbons, particularly in the lower right quadrant. The overall color palette is warm, ranging from light gold to a darker, muted gold.

Washington County, Maryland

2012 Annual Budget

Fiscal Year 2012
Operating and Capital Budgets

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GOVERNMENT FINANCE OFFICERS ASSOCIATION


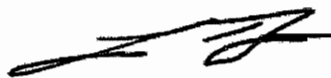
*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Washington County Commissioners
Maryland**

For the Fiscal Year Beginning

July 1, 2010



President

Executive Director

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Budget Message

July 1, 2011

To the Citizens of Washington County:

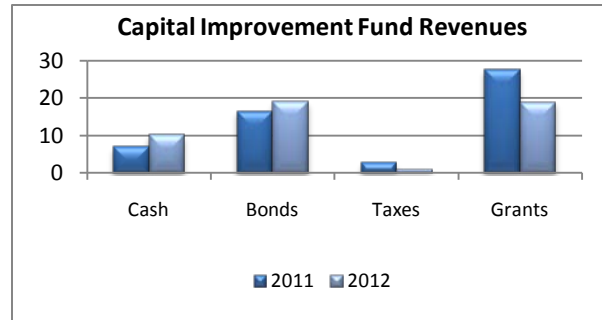
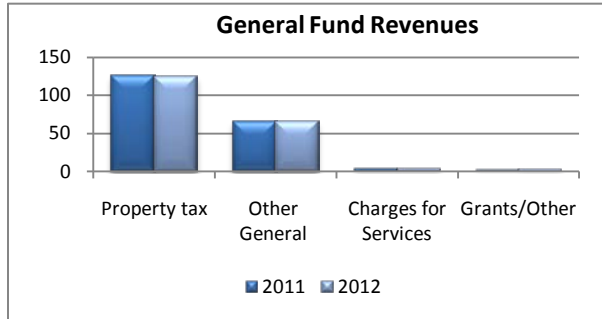
We are pleased to present to you the fiscal year 2012 Operating and Capital budget for Washington County, Maryland. These budgets set forth the plans for implementing the initiatives and goals of the County Commissioners to provide appropriate services and direction for Washington County and its citizens.

Summary of Approved Budgets for Fiscal Year 2012					
Page Reference	Fund Description	Current Year Budget 2011	Approved Budget 2012	Increase (Decrease)	% Change
Operating Funds:					
81	General	\$ 197,148,580	\$ 196,253,350	\$ (895,230)	(0.45%)
303	Solid Waste	7,303,380	7,311,370	7,990	0.11%
305	Water Quality	16,183,580	16,322,250	138,670	0.85%
273	Highway	8,489,090	8,614,960	125,870	1.48%
311	Airport	3,002,610	2,960,750	(41,860)	(1.41%)
309	Transit	2,182,700	2,104,710	(77,990)	(3.57%)
313	Golf Course	1,204,760	1,194,830	(9,930)	(0.82%)
		\$ 235,514,700	\$ 234,762,220	\$ (752,480)	(0.32%)
Restricted Funds:					
293	Hotel Rental Tax	1,500,000	1,500,000	\$ 0	0.00%
283	Agricultural Education	187,430	186,030	(1,400)	(0.75%)
285	Community Partnership	295,760	307,560	11,800	3.99%
289	Inmate Welfare	744,310	449,570	(294,740)	(39.60%)
291	Gaming Fund	2,150,980	2,083,480	(67,500)	(3.14%)
295	Land Preservation	640,330	1,556,920	916,590	143.14%
299	Metropolitan Planning Org.	0	410,210	410,210	100.00%
297	Contraband	40,000	36,120	(3,880)	(9.70%)
		\$ 5,558,810	\$ 6,529,890	\$ 971,080	17.47%
61	Capital Funds	\$ 54,252,500	\$ 49,461,200	\$ (4,791,300)	(8.83%)
Total Approved Budgets		\$ 295,326,010	\$ 290,753,310	\$ (4,572,700)	(1.55%)

The 2012 budgets were prepared with an emphasis on long-term financial planning and meeting financial management policies, while also addressing the County's current and future growth issues. This document builds on goals of the Commissioners such as supporting environmental initiatives, planning and improving governmental efficiency, and promoting economic opportunities.

The total adopted budget for all funds in fiscal year 2012 decreased by \$4.5 million or (1.55%). Operating funds decreased \$752,480 or (.32%). Public safety and educational expenditures provided within Washington County received overall increases of 2.41% and .23% respectively, while all other programs and services resulted in a net funding decrease of (3.56%). Restricted funds showed an increase of 17.47% due to the addition of two new programs one within the Land Preservation fund and the creation of a new Metropolitan Planning Organization fund. Capital funds decreased by \$4.8 million or (8.83%), mainly related to decrease funding sources. A comparison of the County's current budget year to the approved budget is as follows.

The overall approved budget reflects a decrease of \$4.5 million or (1.55%), in total operations. Downward trends in the housing market and high unemployment are the major cause of the reduction within the General fund. The Capital Improvement fund addresses major road development, school construction, water & sewer, and other major infrastructure projects. Due to projected economic trends the Capital Improvement fund was also restructured and now shows a \$4.8 million decrease or (8.83%). Changes in the two major funds are reflected in the table below:



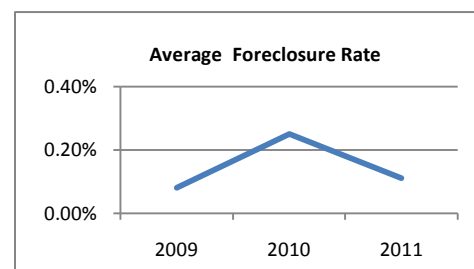
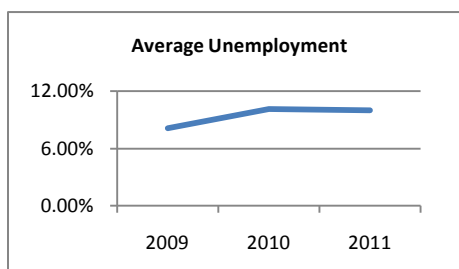
Major highlights of the 2012 budgets are:

- Reduced operating costs by an average of (5.31%) over the last three years.
- Total General Fund budget has a three-year average reduction of (1.71%).
- Provides maintenance of effort funding for the Board of Education.
- Provides capital funding for roads, education, and environmental projects.
- No step or cola adjustments were provided to employees and health insurance increases were passed on to the employee and employer.
- Maintains manageable debt program.
- Lowest cost per capita in State of Maryland at County level.
- Eliminated nineteen vacant and grant positions in FY 2012 and restructured the Departments of Permits, Engineering, and Planning.

The following discussion reflects a more in-depth analysis of the fiscal year 2012 budgets, addresses issues facing Washington County now and in the future, and discusses issues that other funds will be facing outside of General Fund operations. All budgets were prepared based on best management practices, financial management policies, and debt affordability guidelines.

Local Economy

The County's revenue outlook is expected to remain sluggish over the next several years due to challenges we face in the real estate market and personal income tax, two major revenue sources. These challenges stem from projections of very modest growth in taxable values and the continued labor market strain. The expansion of taxable values has slowed as the average sales price declined 12% from May 2010. However this is somewhat tempered by the decrease in foreclosure rates of 35% since May of 2010. The County expects trends to improve near the end of calendar year 2012 and has positioned itself to manage through any related fiscal impacts with excess capital reserves saved to help manage County programs and services. The County's unemployment rate for May 2011 was 9.6% compared to the State unemployment rate of 6.9%. Unemployment is projected to remain high for the next several years.



Financial Stability

Good budgetary policies make it clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget process moves beyond the traditional concept of line item expenditure control, it also provides incentives and flexibility to the County that can lead to improved program efficiency and effectiveness.

The County has outlined budget practices to provide long-term financial management and be proactive, not reactive in our business approach to County operations. As a result the County has upheld recent upgrades and recalibrations given by Standard & Poor's of AA, Fitch Ratings of AA, and Moody's Investors Service of Aa2. These ratings reflect a diverse property tax base, solid financial position with historically strong reserves, sound financial management, and strong debt policies with overall low debt levels.

Highlights of the General Fund Budget:

The General Fund decreased by \$895,230 or (.45%) in fiscal year 2012. This change is summarized as follows:

Revenues:

- Property Tax revenue decreased by \$1.5 million or (1.2%). This decrease was due to 1) re-assessments changes within the City of Hagerstown area and 2) State of Maryland passed down to local counties 90% of the local assessment office allocated cost.
- Other general revenues decreased by \$596,000 or (.8%) due to Income tax decrease of \$200,000 and \$381,000 decrease in interest income due to dropping rates and use of excess reserves.
- Excess fund balance reserves were used, still maintaining the required reserve of 17% for FY 2012. This funding source will be replaced with the elimination of the water and sewer subsidies in FY 2013.

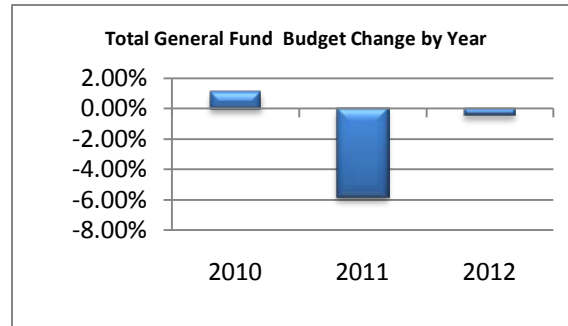
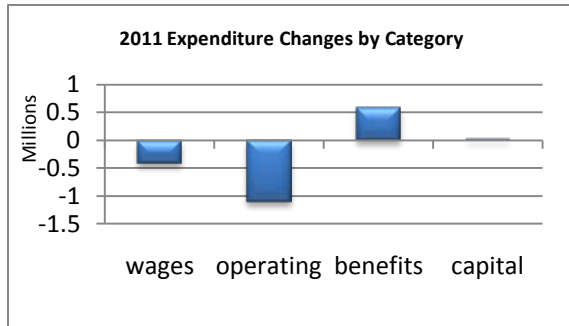
Expenditures:

- No cola or step increases were provided to employees. There are no current plans to furlough or cut any active employees within general County government operations.
- Overall operating costs decreased by (.71%) over prior year. The three year average operating change reflects a (5.31%) decrease.
- Washington County has the lowest expenditure per capita by County in the State of Maryland reflecting its conservative approach to increased costs and services over the past several years.
- Total expenditures were reduced by (.45%) or a three-year average decrease of (1.71%).
- Provides full maintenance of effort funding for the Board of Education, but eliminates funding for Crossing Guards and Judith Center programs.
- Due to revenue constraints from most funding sources the County's 10-year capital improvement plan was restructured in addition to reducing pay-go funding from the general fund.

Business development and residential growth in Washington County is slowing as inventories have grown and businesses await economic recovery, which mirrors the national economy. The county expects the current economic conditions to improve starting in late 2012. Due to the county's conservative fiscal management no detrimental financial effects are expected barring any unmanageable State cuts.

During the past five years the County has kept operating base line costs at an average of 1.71% negative growth. Excess revenues of the past several years were saved for anticipated downturns. These funds will be utilized in future years for unanticipated cost increases, economic downturns and/or budget issues anticipated with the State of Maryland's structural deficit. Approximately \$1.9 million is being utilized for the 2012 Capital Improvement budget.

The charts below represent expenditure changes in the 2012 General fund budget by category and total expenditure changes over the last three fiscal years.



The General fund cash reserve is anticipated to be funded for fiscal year 2011. This reserve of 17% or a 60-day reserve represents, but is not limited to, reserves for catastrophic events, economic downturns, cash flow requirements, and unanticipated opportunities. This percentage makes the General fund in compliance with written county policy.

As it relates to GASB 45 – Other Post Employment Benefits – the County has proactively responded by funding the annual required contribution (ARC) in the amount of \$1.8 million. Enterprise activities funded the ARC for the fifth year in a five-year plan in the amount of \$293,000 so that current rates could absorb increased expenditures to the activities without causing a substantial burden on the users of those services. The Actuarial Accrued Liability is \$18.9 million and the Annual Required Contribution is \$1.6 million as of June 2010.

Capital Improvement Budget

The Capital Improvement budget includes funding for major infrastructure projects such as schools, roads, water and sewer, and solid waste projects. The County uses detailed project analysis, cash management, priority ranking system, and operating disclosure to help prioritize, fund, and develop its capital improvement plan. The plan uses conservative financial and economic forecasts in its revenue estimates and uses debt affordability guidelines to stay within debt issuance limits. By adhering to cash management policies, self imposed debt affordability guidelines, and making the capital improvement plan a more realistic tool, the County is better able to forecast future needs and/or to foresee future issues.

The Capital Improvement budget for fiscal year 2012 is \$49.5 million, representing an 8.8% decrease. Major capital projects for fiscal year 2012 include new schools and educational facility renovations of \$18 million for the Board of Education, Hagerstown Community College, and the public library, \$14 million for road improvements, \$11.2 million of water and sewer improvements and upgrades, and \$1.5 million for landfill projects.

The County’s capital improvement plan has been restructured in 2012 to account for decreasing trends in major support revenues. Debt issuance is still projected to remain within acceptable levels, as fees, tax revenues, and pay-go funds are expected to support the requirement for the capital investment program. Cash related revenue accounts for over \$30.2 million in funding revenue or 61% of the funds needed to support the capital budget for fiscal year 2012.

The County’s total tax supported debt issuance for the capital plan is affordable based on the annual analysis, which was calculated at \$14 million annually. The 2012 Capital Improvement Plan reflects debt issuance at amounts below the projected affordable levels, reflecting the conservative nature of Washington County. The County’s debt capacity is measured against other Maryland counties and national standards, in which benchmarks are updated on an annual basis to keep them current. This ensures that the County consistently maintains affordable debt levels now and in the future.

Highway Fund

The Highway Fund accounts for road maintenance, snow removal, storm damage, and other road related costs. Its main funding source was Highway User Revenues distributed by the State of Maryland. Highway User Revenue was

eliminated due to State budget reductions. This reduction in Highway User revenue was anticipated and has been fully supplanted by the General Fund.

Water Quality Fund

The Water Quality Fund includes a revenue increase of 4% for fiscal year 2012. The Water Quality capital plan includes Enhanced Nutrient Removal projects mandated by the State of Maryland. This project will be funded by a combination of State grants, bonds, and cash. The remaining capital plan is related to line improvements, system upgrades, and new pumping stations. The fiscal year 2012-2017 capital plan is projected at \$37 million. Funding for this program includes grants, debt and cash. Average revenue increases for the next 10 years are projected at 3% to 4%.

The 10-year financial plan follows current management practices and policy objectives by providing operational funding, maintaining capital equipment, allowing for known mandates, and providing affordable rate increases. The plan also includes a 90-day operating reserve and a capital reserve.

The Water Quality fund currently receives a subsidy from the General fund. Rating agencies consider the Water Quality fund self-supporting due to the financial plan in effect and the current financial strength of the fund. After eight years of the plan implementation design, cash reserve funding, budgetary forecasts, and long-term revenue planning, the County's goal of removing the subsidy is on track and ahead of initial projections. It is programmed in the financial plan to remove the General Fund subsidy in fiscal year 2013.

Solid Waste

Solid Waste revenues reflect an increase of .11% for fiscal year 2012 as a result of the increased fees for programs not covering the current cost of service. In addition over the next fiscal year the County will evaluate a solution to the County's recycling program which currently operates at a significant cost to the County which affects various funding areas within the Solid Waste operations.

Although recent downturns in the waste stream have extended the landfill life, a balance must be maintained with the fixed operational costs. The County uses a cost of service analysis to determine the actual costs of programs and services for its solid waste operation, which includes operational cost, closure and post-closure cost, future construction cost, financing, and operating and capital reserves. The County evaluates trends in market price and tonnage activity on an on-going basis. The County has a financial plan in place to have operating, closure, post-closure, and future construction reserves funded within its cost of service model, which is used for rate setting.

Conclusion:

As the County prepared the fiscal year 2012 budgets, several priorities and issues were addressed. In addition to local development and sluggish revenue issues, the County also developed its long and short-term goals. During the Capital and Operating budget process the goals are articulated down to departmental goals. The highlights of the priorities, issues, and annual goals are summarized as follows:

Fiscal Year 2012 Budget Highlights:

- Provides maintenance of effort funding for the Board of Education.
- Provides capital funding for roads, education, and public utility projects even with reduced pay-go funding.
- Maintains manageable debt levels and ratios.
- No step increases or cola increases provided to County employees.
- Nineteen vacant and grant positions eliminated and restructured the Departments of Permits, Planning, and Engineering.
- Significant funding increase provided for public safety radio system and volunteer worker compensation package.
- Operational costs were reduced by .71%, with a five year average decrease of (1.71%).
- Lowest per capita expenditures by County in State of Maryland while still maintaining base line services.

Critical Challenges Faced in Preparing the Fiscal Year 2012 Budget:

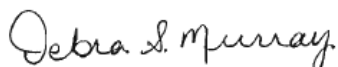
- Providing adequate emergency services for Washington County citizens has been and will continue to be an issue facing Washington County. The correct mix of paid personnel and volunteers along with adequate services in all areas of the County will affect the long-range management plans and operational budgets.
- Decreases in both State and local revenues have created challenges with the County's budget programs. Adjustments have been made to the County's operating and capital plans to account for decreases in revenue, decreased development, and level population growth projections.
- For the second year in a row the County experienced significant changes related to real estate. This change was the result of 1) the State of Maryland charged local counties for 90% of the local assessment office allocated cost and 2) market decreases in the 2011 re-assessment mainly within the corporate boundaries of the City of Hagerstown.
- Maintaining services amidst State structural deficit cuts has been challenging over the past several years and will continue to be a challenge in the foreseeable future. Washington County has been proactive in anticipating State reductions instead of reactive. As we continuously watch State budget issues we are concerned with any future cuts related to the State's structural deficits. While we are prepared for small to moderate reductions any significant cost shifting is a major concern.

Washington County Goals (Highlights):

- Evaluate opportunities by emergency service station and /or service area to determine what changes are necessary to capture maximum efficiencies for emergency response operations including needed funding levels.
- Construct Community Senior Center and construct new downtown library.
- Review and adopt Water Resources Element of the Comprehensive Plan.
- Approve program and revenue stream for County recycling plan.
- Approve Urban Rezoning Plan.
- Continue to provide support for reorganization for fiscal and operational efficiencies.
- Convene a local implementation team to develop strategies that allow compliance with tributary strategy initiatives.

As the County continues into 2012 and beyond, it will face challenges in both its short and long term plan development as the economy slowly emerges from the current recession. This recession has placed stress on governmental services, revenues, employment, education, and infrastructure improvements. This will continue to challenge Washington County in relation to providing baseline services, related programs and their delivery, as well as issues related to the State of Maryland structural budget deficit issues and the related fall out. This all must be kept in balance with revenue rates, debt issuance, and cost of services provided to the citizen. However, I believe with effectively managed policies, strong County management, and having a long-term vision, Washington County will meet those challenges in the future as it has in the past.

Respectfully,



Debra S. Murray, CPA
Director of Budget and Finance
Washington County, Maryland

Organization and Community Profile

- County Commissioners of Washington County
- Vision and Mission Statement
- Goals & Objectives
- Key Goals for Fiscal Year 2012
- Matrix of Primary County Goals by Department
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- Personnel Summary by Department
- Summary of Changes in Positions
- Community Profile



County Commissioners of Washington County



TERRY L. BAKER, a second-term County Commissioner, was first elected in 2006 and serves as President of the Board of County Commissioners. He is a 1973 graduate of Williamsport High School; a 1975 graduate of Hagerstown Junior College; and a 1978 graduate of Auburn University, with a Bachelor of Science degree in Education. Mr. Baker is employed as a Trades Instructor (carpentry) at the Washington County Technical High School. He was elected to serve on the municipality of Clear Spring as a Council Member (2002-2004), and then as Assistant Mayor (2004-2006). Mr. Baker and his wife, Katrina, reside in Clear Spring, MD, and are the proud parents of twin daughters Jessica and Jennifer.



JOHN F. BARR, a second-term County Commissioner, was first elected in 2006, and serves as Vice-President of the Board of County Commissioners. He was raised in Boonsboro, MD, and is a Master Electrician in five states. In high school, Mr. Barr worked for his father as a field electrician at M/L Electric, Inc., which began in 1927. In 1979, he formed the management team overseeing the service department. In 1984, Mr. Barr purchased the company from his father, changed the name to Ellsworth Electric. He has built the company from 75 to 150 employees. Mr. Barr is active in various service organizations and community projects. He married Teresa L. Myers in 1975 and together they have four children and six grandchildren.



RUTH ANNE CALLAHAM, a first-term Commissioner and has lived in Washington County since 1977. Retiring in 2003 from the federal governmental after 23 years of service, she joined Food Resources, a local non-profit, as Executive Director. She was elected to serve on the Washington County Board of Education (2006-2010). Ms. Callaham was appointed to the Housing Authority of Washington County Board of Commissioners (1999-2004) and the Washington County Commission for Women (2007-2010). She holds a Bachelor of Science degree from Texas State University and a Master of Business Administration from Mount St. Mary's University. Ms. Callaham and her husband, Art, have two children, Fr. Art Callaham and Ms. Samantha Wade, and three grandchildren, Ethan, Dominic and Hannah.



JEFFREY A. "JEFF" CLINE, a first-term County Commissioner, is a resident of Williamsport, MD. He is a graduate of Williamsport High School and Hagerstown Community College, and is currently seeking a Bachelor of Science degree in Organizational Leadership from Mountain State University. Mr. Cline has been a Realtor since 2003 and is employed by Roger Fairbourn Real Estate. He graduated from the Maryland Association of Realtor's 2008 Leadership Academy and received the Graduate of Realtor Institute (GRI) designation. Mr. Cline served on the Williamsport Town Council (2005-2009), is an affiliate member of the Williamsport Lions Club and attends the Boonsboro First Christian Church. His parents are Harry (Buck) and Elaine Cline and he has one daughter, Jessica.



WILLIAM B. "BILL" MCKINLEY is a first-term County Commissioner. He was an educator in Washington County Public Schools for 36 years, retiring in 2002 as Executive Director of Support Service. He has served as President of Saint Maria Goretti High School and Chairman of the Washington County Gaming Commission. He is a member of the Williamsport Lions Club and President of the Hagerstown Community College Hawk Booster Club. Mr. McKinley and his wife, Kathy, reside in Williamsport, MD, and are the proud grandparents of McKinley, Michael and Will.



Vision and Mission Statement

Vision Statement:

The vision of Washington County Government is to become the regional leader in providing and coordinating efficient and effective public services in an open and cooperative manner.

Mission Statement:

Supporting and strengthening individual and community self-reliance and responsibility; promoting education, economic opportunities, public health, safety, and welfare; protecting the environment and cultural resources we share and; planning for future urbanization and a culturally diverse population.

Goals & Objectives

The County has identified broad goals based on its assessment of the community it serves and its operating environment, which are stated under the County's Mission Statement. Broad goals define the priorities and preferred future state of the County. They provide a basis for making resource allocation decisions during the budget process and serve as a focal point for assessing and coordinating various long-range or strategic plans.

The County's broad goals are prioritized annually. Care is taken so the County has a clear understanding of the direction in which it is heading. Once the priority order of the Mission Statement is established, a more detailed action plan is developed and integrated with management and the budget process. The County Commissioner initiatives and annual goals are articulated down to departmental goals. Annual goals are mainly integrated throughout major departments such as Planning, Engineering, Water and Sewer, Education and Emergency Services. Smaller programs and or services tend to be narrower in focus for program related functions such as animal control, senior citizen programs, or recreational programming, as an example. The goals set by the County Commissioners reflect the associated mission statement, initiative, and responsible department for each goal.

Public Safety:

Goal: Protect and promote the general welfare of residents and visitors.

Objective: Ensure public health, safety and welfare of residents and visitors.

Education:

Goal: Provide the financial resources and facilities to promote a quality education.

Objective: Ensure that students have a safe and stimulating environment in which to learn and promote the availability of academic and technical education programs that prepare all students to compete in the global marketplace.

Quality of Life:

Goal: Preserve and enhance the County's quality of life for residents and visitors.

Objective: Provide and encourage diverse recreational, educational and cultural opportunities.

Environmental Stewardship:

Goal: Protect, preserve and enhance the County's natural resources.

Objective: Protect the environment through the acquisition and maintenance of environmentally sensitive lands and through the treatment of waste, stormwater management, and integrated waste management program. Appropriately use and promote the use of the County's natural resources in a manner that maximizes their natural functions and values.

Governmental Efficiency:

Goal: Provide effective planning and implementation of services, policies, laws and regulations.

Objective: Provide planning and delivery of services through orderly growth management, setting levels of service standards and promoting and pursuing a positive economic development environment. Provide for the efficient use of facilities and personnel in implementing services, policies, laws and regulations.

Economic Opportunity:

Goal: Promote economic development to grow and sustain the County's prosperity.

Objective: Foster an environment within government that encourages financial opportunity and supports private sector ventures that diversify Washington County's economic base in new and existing businesses.

Key Goals for Fiscal Year 2012

Public Safety: Protect and promote the general welfare of residents and visitors.

- Review of countywide “Fire Plan” for County Commissioners’ consideration and strategic planning.

Quality of Life: Preserve and enhance the County’s quality of life for residents and visitors.

- Complete construction of Senior Center.
- Construct new downtown library.

Environmental Stewardship: Protect, preserve and enhance the County’s natural resources.

- Approve specific programs and revenue sources for county recycling plan.
- Approve Urban Growth Area rezoning.
- Approve green energy alternatives.
- Support environmental programs required for compliance with Chesapeake Bay initiatives.

Governmental Efficiency: Provide effective planning and implementation of services, policies, laws and regulations.

- Provide continued support for reorganization for fiscal and operational efficiencies.
- Approve specific funding criteria for budgetary requests.
- Enhance County communications with citizens and media outlets.
- Evaluate opportunities for revenue enhancement and further cost reduction.

Economic Opportunity: Promote economic development to grow and sustain the County’s prosperity.

- Support enhanced economic development initiatives and further enhance employment opportunities in the County.

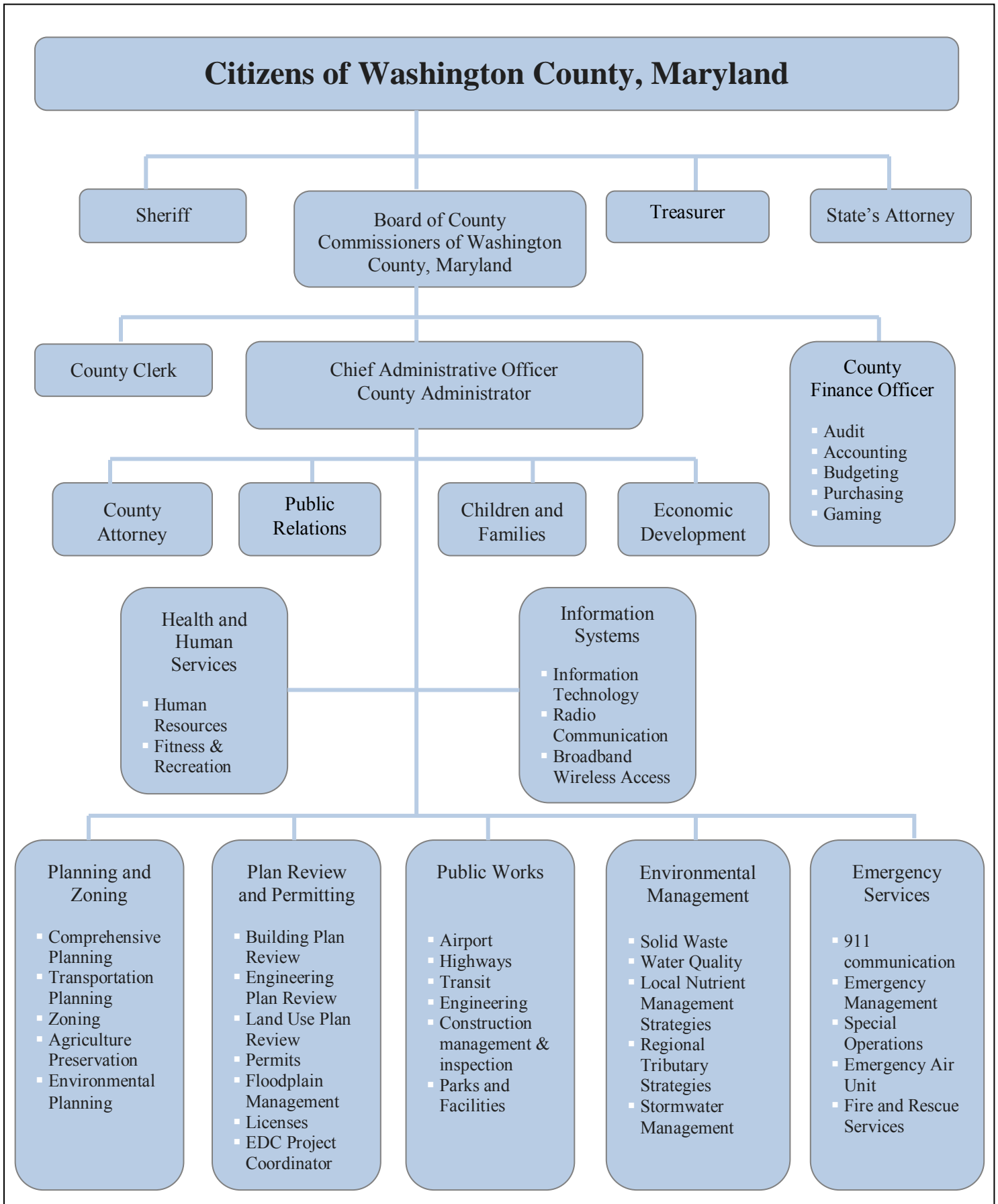
Matrix of Primary County Goals by Department

The table below indicates which departments are responsible for the implementation of FY 2012 key goals. Refer to the Budget Details section of this document for each department’s specific activities planned for FY 2012 in support of these goals.

Department/Division	Public Safety	Education	Quality of Life	Environmental Stewardship	Governmental Efficiency	Economic Opportunity
General Fund						
Education						
Board of Education						
Maintenance of Effort		✓				
School Health Nurses	✓	✓	✓			
Hagerstown Community College		✓				
Washington County Free Library		✓	✓			
Library Maintenance			✓			
Public Safety						
Sheriff- Judicial	✓					
Process Servers	✓					
Sheriff - Patrol	✓					
Sheriff - Central Booking	✓					
Sheriff - Detention Center	✓					
Narcotics Task Force	✓					
Civil Air Patrol	✓					
Fire & Rescue Volunteer Services	✓					
Fire & Rescue Operations	✓					
Air Unit	✓					
Special Operations	✓					
911 - Communications	✓					
Emergency Management	✓					
Communications Maintenance	✓					
Humane Society of Washington County	✓					
Court System						
Circuit Court	✓					
States Attorney	✓					
State Functions						
Health Department	✓		✓			
Social Services	✓		✓			
Agricultural Extension Service				✓		
Election Board					✓	
Soil Conservation				✓		
Weed Control				✓		
Non-Profits						
Tri-County Council of Western Maryland						✓
Historical Society			✓			

Department/Division	Public Safety	Education	Quality of Life	Environmental Stewardship	Governmental Efficiency	Economic Opportunity
Non-Profits (cont'd)						
Children's Village of Washington County	✓	✓				
Citizens Assisting and Sheltering the Abused	✓		✓			
Community Action Council			✓			
Commission on Aging			✓			
Senior Living Alternative			✓			
Museum of Fine Arts			✓			
Arts Council			✓			
Memorial Recreation			✓			
Maryland Symphony Orchestra			✓			
Leadership of Washington County		✓				
Discovery Station at Hagerstown		✓	✓			
C Safe Initiative			✓			
General Operations						
County Commissioners	✓	✓	✓	✓	✓	✓
County Administrator	✓	✓	✓	✓	✓	✓
Public Relations & Community Affairs					✓	
Budget and Finance					✓	
Purchasing					✓	
Treasurer					✓	
County Attorney					✓	
Human Resources					✓	
Central Services					✓	
Information Technology					✓	
Buildings						
Other						
Women's Commission			✓			
Historic District Commission			✓			
Public Works, Permitting & Planning						
Public Works Administration					✓	
Public Works Engineering & Construction					✓	
Plan Review & Permitting				✓	✓	
Planning & Zoning				✓	✓	
Zoning Appeals				✓	✓	
Parks & Facilities						
Buildings, Grounds & Parks			✓			
Martin L. Snook Pool			✓			
Fitness & Recreation			✓			
Economic Development		✓	✓	✓		✓
Highway Fund					✓	
Other Governmental Funds						
Agricultural Education Center		✓				
Community Partnership			✓			
Inmate Welfare	✓					
Gaming					✓	

Department/Division	Public Safety	Education	Quality of Life	Environmental Stewardship	Governmental Efficiency	Economic Opportunity
Other Governmental Funds (cont'd)						
Land Preservation				✓		
Contraband	✓					
HEPMPO	✓				✓	✓
Enterprise Funds						
Solid Waste				✓		
Water Quality				✓		
Transit			✓			
Airport			✓			✓
Golf Course			✓			



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Personnel Summary by Department

Summary of Budgeted Positions	2010	2011	2012	Change from 2011 to 2012	% of Employees
General Fund:					
County Commissioners	2.5	2.5	2.5		.25%
County Clerk	1	1	1		.10%
Circuit Court	22	23	23		2.34%
Orphans Court	1.5	1.5	1.5		.15%
States Attorney	35	35	35		3.55%
County Administrator	4	2	2		.20%
Public Relations & Community Affairs	1	1	2	1	.20%
Election Board	5	5.5	5.5		.56%
Budget & Finance	16.5	16	16		1.62%
Purchasing	6	6	6		.61%
Treasurer	7.5	7.5	7.5		.76%
County Attorney	5	5	5		.51%
Human Resources	7	7	7		.71%
Planning & Zoning	19.5	19.5	11.5	(8)	1.17%
Zoning Appeals	3	3	3		.30%
Buildings	5	5	5		.51%
Central Services	1	1	1		.10%
Information Technology	14	15	15		1.52%
Sheriff – Judicial	28	28	28		2.84%
Sheriff – Process Servers	2	2	2		.20%
Sheriff – Patrol	90.5	90.5	90.5		9.19%
Sheriff – Central Booking	10	10	10		1.02%
Sheriff – Detention	121	121	121		12.28%
Narcotics Task Force	5	6	6		.61%
Special Operations	5	5	5		.51%
911 – Communications	53	53	53		5.38%
Fire & Rescue Operations	28	9	9		.91%
Emergency Management	2	2.5	2	(.5)	.20%
Communications Maintenance	4	4	5	1	.51%
Permits	35	31	0	(31)	0.00%
Public Works	4	4	5	1	.51%
Public Works-Engineering & Construction	18	18	34	16	3.45%
Plan Review & Permitting	10	10	26	16	2.64%
Building, Grounds & Parks	31.5	31.5	29.5	(2)	2.99%
ML Snook Pool	11.5	13	13		1.32%
Fitness & Recreation	99.5	99.5	99.5		10.10%
Weed Control	4.5	5	5		.51%
Economic Development	6	6	7	1	.71%
Agricultural Marketing	1	1	0	(1)	0.00%

Personnel Summary by Department - Continued

Summary of Budgeted Positions	2010	2011	2012	Change from 2011 to 2012	% of Employees
Highway Fund	99.5	98.5	97.5	(1)	9.90%
Solid Waste Fund	28	28	27	(1)	2.74%
Foreign Trade Zone Fund	0	0	0		0.00%
Agricultural Education Center Fund	1	1	1		.10%
Community Partnership Fund	7	6	3	(3)	.30%
Inmate Welfare Fund	.5	.5	.5		.05%
Gaming Fund	3.5	3.5	3.5		.36%
Hotel Rental Tax Fund	0	0	0		0.00%
Land Preservation Fund	0	0	2	2	0.20%
Contraband Fund	0	0	0		0.00%
HEPMPO Fund	0	0	0		0.00%
Water Quality Fund	81	81	79	(2)	8.02%
Transit Fund	40	40	39	(1)	3.96%
Airport Fund	16.5	16.5	14.5	(2)	1.47%
Golf Course Fund	18	18	18		1.83%
Total	1,021	999.5	985	(14.5)	100.00%

Represents Change

Table above represents budgeted full-time equivalents per year.

Fiscal Year 2012 Summary of Changes in Positions

Function	Explanation of Change	Change
Public Relations & Community Affairs	The Director of Public Relations and Community Affairs was approved as part of the County's restructuring plan.	1
Emergency Management	The intern position was eliminated.	(.5)
Communication Maintenance	An additional Communications Electronic Technician position was approved due to Communication Maintenance taking over full system management and technical maintenance of new radio system.	1
Planning & Zoning	As part of the County's restructuring plan, a vacant Planner position was eliminated; 2 positions were transferred to Land Preservation; 4 positions transferred to Plan Review and Permitting; and 1 position moved to Engineering and Construction.	(8)
Permits	As part of the County's restructuring plan, positions Director and Building Inspector were eliminated. Eighteen positions transferred to Plan Review and Permitting and 11 positions transferred to Engineering & Construction.	(31)
Public Works	As part of the County's restructuring plan, the Transportation Engineer in Plan Review and Permitting transferred to Public Works as a Public Works Engineer.	1
Public Works – Engineering & Construction	As part of the County's restructuring plan, 11 positions transferred from Permits; 4 positions transferred from Plan Review & Permitting; and 1 transferred from Planning & Zoning.	16
Plan Review & Permitting	As part of the County's restructuring plan, 1 Engineering Inspector position was eliminated; 4 positions transferred to Engineering & Construction; 1 position transferred to Public Works; 4 positions transferred from Planning & Zoning; 18 positions transferred from Permits.	16
Buildings, Grounds & Parks	Two vacant Maintenance Workers positions were eliminated.	(2)

Fiscal Year 2012 Summary of Changes in Positions - Continued

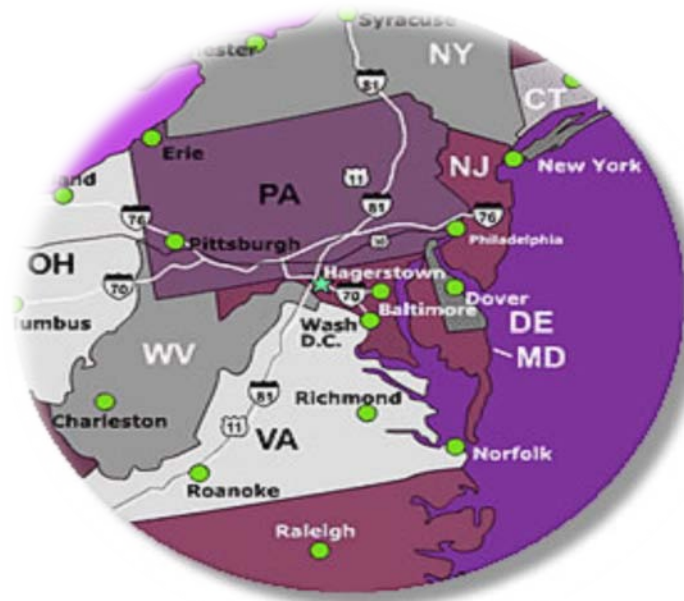
Function	Explanation of Change	Change
Economic Development	As part of the County's restructuring plan, the Marketing Specialist position was eliminated. The Agricultural Marketing Specialist from Ag Marketing and the Business Development Specialist from the Airport were consolidated into Economic Development.	1
Agricultural Marketing	As part of the County's restructuring plan, the Ag Marketing Specialist position was consolidated with Economic Development.	(1)
Highway	The vacant position of Equipment Operator II was eliminated.	(1)
Solid Waste	The vacant position Solid Waste Equipment Operator was eliminated.	(1)
Community Partnership	Due to the loss of grant funding, two project coordinators and one senior office associate were eliminated.	(3)
Land Preservation	New funds were created and the positions of Rural Preservation Planner and Land Preservation Planner were transferred from Planning & Zoning.	2
Water Quality Fund	The vacant positions System Construction Crew Leader, Office Associate, and Utilities Construction Inspector were eliminated. The new position Watershed Engineer was approved by the BOCC.	(2)
Transit Fund	The vacant position Office Associate was eliminated.	(1)
Airport Fund	The vacant position of Maintenance Worker was eliminated and the Business Development Specialist has been consolidated with Economic Development.	(2)
	Total Change in Positions	(14.5)

The Summary of Positions represents each departments personnel for the years listed. A detailed schedule, reflecting each position for the department can be found in appropriate sections of this budget document.

Community Profile

Location

Washington County is situated in northwestern Maryland, bordered by Pennsylvania to the north and West Virginia to the south. It is bordered on the east by Frederick County, Maryland and on the west by Allegany County, Maryland. Washington County is approximately 460 square miles in area. The County Seat, Hagerstown, is 70 miles northwest of Washington, D.C. Two major highways, Interstate 81 – running north and south, and Interstate 70 – running east and west, cross within the County's borders.



The major part of Washington County is fertile valley with rolling terrain. The lowland belt known as the Hagerstown Valley, which lies between the Blue Ridge Mountains to the west and the Appalachian ridges to the east, is an extension of the Shenandoah Valley of Virginia.

Washington County is a great place, not only for locating a business, but also for living and raising a family. The rural, friendly, community environment offers a taste of traditional values - and the close proximity to Baltimore and Washington DC offer access to metropolitan culture and lifestyle. It's the best of both worlds.

Founded in 1776, the very year our country declared its independence, Washington County is laced with parks, monuments and museums that tell America's story spanning three centuries.

Its thriving hub city, Hagerstown, founded in 1762, reaches into the

future, offering residents the latest services, shopping and entertainment, from the acclaimed Maryland Symphony Orchestra to nightlife and festivals.



Form of Government

The County is a body corporate and politic, which performs all local governmental functions in Washington County except those performed by the nine incorporated municipalities within Washington County. The executive offices of the County are located at 100 West Washington Street, Hagerstown, Maryland 21740.

Under the Code of the Public Local Laws of Washington County (1991 Edition), as amended, being Article 22 of the Code of Public Local Laws of Maryland (the "County Code"), both the executive and legislative functions of the County are vested in the elected, five-member Board of County Commissioners of Washington County (the "Board"). The Board may only exercise such powers as are conferred upon it by the General Assembly of Maryland, including authorization to issue debt to finance its capital projects. Commissioners are elected on a countywide basis and serve four-year terms.

Each member of the Board has one vote and a simple majority of the Board is sufficient to take action subject to the authority vested in the Board by the County Code. Emergency action also requires a simple majority vote. The Board elects its own officers. The General Assembly of Maryland must authorize powers not specifically authorized by the County Code.

Transportation

A variety of transportation avenues are available in Washington County. Hagerstown Regional Airport is a Part 139 Facility which provides scheduled commercial service on Cape Air and Direct Air. The airfield also offers fixed base operation services to general aviation, corporate and military aircraft. Over 20 businesses offer clients a variety of aviation services for all types of aircraft. The airport is part of the Washington County Foreign Trade Zone and is located in a County Enterprise Zone. More than 1,100 people are employed at the airport in various aviation-related businesses. In addition, Dulles International, Baltimore/Washington Thurgood Marshall International, and Ronald Reagan Washington National airports are located within 70 miles of Hagerstown.

Other transportation outlets include auto rental services, County bus service, commercial bus lines, intermodal container transfer, taxi, freight common carriers, and limousine service. The main lines of CSX and Norfolk Southern provide economical shipment to anywhere on the Atlantic Seaboard and are both located within Washington County.

Health Care Services

Meritus Medical Center is a new 278-bed acute care hospital that opened in 2010. Services include a special care nursery, a level III trauma program, a primary stroke center, a wound center, a center for bariatric surgery, as well as a cardiac diagnostic laboratory. State-of-the-art medical technologies at Meritus Medical Center include advanced 3T magnetic resonance imaging (MRI), single-photo-emission computed tomography (SPECT) scanners, and cardiac interventions. Hospital services that address outpatient needs include the John R. Marsh Cancer Center, Total Rehab Care, and the Center for Clinical Research. The hospital is conveniently located adjacent to Robinwood Professional Center, a medical mall operated by Meritus Enterprises. Robinwood, houses a pharmacy, medical laboratory, an urgent care clinic, surgery center, and diagnostic imaging services. In addition, there are numerous physician practices, offering a wide variety of medical specialties.

Meritus Enterprises is a leading provider in ambulatory healthcare services in the tri-state region and includes a number of businesses and medical practices. It maintains three urgent care clinics. Meritus Enterprises also manages Robinwood Professional Center and provides durable medical equipment, ambulance transport, retail pharmacy, and child care services. It continually evaluates the healthcare needs of the community and plans ways to best meet these needs. Additionally, Meritus Enterprises operates Health@Work, a comprehensive occupational health service for employers and employees.

There are nine privately owned licensed nursing homes with more than 1,124 beds and one State-owned licensed nursing home with 63 beds in Washington County. In addition there are 26 privately owned senior-assisted living facilities with a total of 705 beds. Other medical facilities include the Western Maryland Center, a 123 bed State-owned, chronic care facility, and the Brook Lane Psychiatric Center, a privately-owned psychiatric facility. None of these facilities receives funds from the County.

Demographic Information

Population (Census 2010)

<u>Year</u>	<u>County Total</u>
1980	113,086
1990	121,393
2000	131,923
2010	147,430
2015 projected	160,500
2020 projected	170,950

Population Statistics (Census 2010)

Age: 19 & under	25.5%
20-64 (workforce age)	60.3%
65 & older	14.2%
Median Age	39.1
Gender: Male	51.2%
Female	48.8%
Race: White	85.9%
Black	9.7%
Other	4.4%

Top 15 Employers in Washington County

<u>Rank</u>	<u>Employer</u>	<u>Employment</u>
1	Washington County Public Schools	2,958
2	Meritus Health, Inc.	2,860
3	State of Maryland	2,304
4	First Data	2,170
5	Citi	2,067
6	Volvo Powertrain North America	1,165
7	Washington County Government	1,149
8	FedEx Ground	734
9	Hagerstown Community College	695
10	The Bowman Group, LLP	689
11	Federal Government	642
12	Staples Distribution Center	567
13	Merkle Response Services, Inc	541
14	City of Hagerstown	519
15	Unilever Ice Cream	442

Education Facilities in Washington County

Higher Education:

- Kaplan University - Hagerstown
- Hagerstown Community College
- University System of MD at Hagerstown
- Pittsburgh Institute of Aeronautics
- Barr Construction Institute

Primary Education:

- 26 Elementary Schools
- 7 Middle Schools
- 7 Senior High Schools
- 1 Middle/Senior High School
- 1 Technical High School
- 1 Evening High School
- 1 Outdoor Education
- 1 Special Education
- 24 Private Schools
- Pupil/Teacher Ratio: 23.1
- Enrollment: Public 21,899
- Private 2,288

County Income

Per Capita Income	\$ 35,130
Median Household Income	\$ 53,600
Average Household Income	\$ 67,800
Median Family Income	\$ 57,452

County Employment Statistics

Civilian Labor Force	66,715
Employed	59,864
Unemployed	6,851
Unemployment Rate	10.3%
State Average	7.4%

County Water Quality Systems

	<u>Total # of Services</u>
Full Service Water	1,347
Full Service Sewer	6,737
Collection Service Sewer	3,485
Wholesale Sewer	5
Total	11,574

County Business Patterns

<u>Industry</u>	<u>Total # Establishments</u>
Services	1,222
Retail Trade	648
Construction	448
Other	418
Finance, Insurance, Real Estate	327
Wholesale Trade	161
Transportation/Warehousing	158
Manufacturing	147
Information	52
Utilities	5
Agricultural	5
Mining	3
Total	3,594

County Building Permits (000's)

	<u>Number</u>	<u>Value</u>
Residential New	161	\$ 33,372
Other Permits	1,766	\$ 71,463
Total	1,927	\$ 104,835

Operational Overview

- Comprehensive Fiscal Policies
- Budget Practices and Process
- Fund Summaries
- Total Sources and Uses of County Funds
- Combined Statement of Revenue, Expenditures, and Changes in Undesignated Fund Balance

Comprehensive Fiscal Policies

The summaries of the County's fiscal policies below provide guidelines and goals that influence and guide the financial management practices of the County and are the cornerstone of sound financial management. By adhering to both short and long-term policies, the County will achieve fundamentally sound financial objectives of a successful organization. The following represents a summary of the County's fiscal policies, which require an annual review.

OPERATING POLICIES

1. The County will maintain timely collection systems and take a proactive approach in the collection of those accounts.
2. Revenues will be monitored regularly and compared to established trends to ensure collections are consistent with those trends.
3. The County shall strive to maintain a diversified and stable revenue structure to shelter it from short-term fluctuations in any one-revenue source.
4. The County will prepare multi-year projections of revenues and other sources.
5. The County shall attempt to optimize all appropriate revenue sources to achieve an effective mix of revenues, and shall strive to seek new sources of revenue to broaden its revenue base.
6. The County will periodically recalculate the full cost of activities currently supported by user fees and charges to identify the impact of inflation and other cost increases.
7. The County will attempt to set fees and user charges for each enterprise fund at a level that fully supports the total direct and indirect costs of operations and debt service.
8. The County will prepare annually a five-year forecast summary budget.
9. The County will adopt a balanced budget, by fund, for all funds maintained by the County using current revenues sources which could include reserves funds under the guidelines of the reserve policy.
10. Non-recurring revenue will be used for non-recurring expenditures or reserves only.
11. The County will depreciate all capital assets over the capitalization threshold of \$10,000 on a straight-line basis.
12. The County maintains control over assets that are not considered capital assets and classifies them as controllable assets, due to the fact that they fall under the capitalization limit of \$10,000.
13. Physical inventories are required on consumable inventories in excess of \$5,000 and all merchandising inventories.

**RESERVE
POLICIES**

1. It is the intention of the County to maintain a General Fund minimum reserve level at the peer group median. It is the goal of the County to maintain a 17 percent reserve. The benchmark median is included in the annual debt affordability analysis.
2. A reserve of 25 percent of the current year's operations and maintenance budget is required for Enterprise Funds.
3. The General Fund budget will provide for contingency reserves in order to provide for unforeseen expenditures or new opportunities throughout the year.
4. Self-insurance reserves shall be monitored monthly for trends, with an annual analysis by an actuary to determine the adequacy of those reserves.
5. The County shall maintain reserves for closure and post-closure cost for its Solid Waste operation. A portion of the fees shall be set aside for reserve for future closure and post-closure costs and for future construction costs.
6. A separate capital contingency account will be budgeted within each of the capital improvement funds to be used for capital project adjustments.
7. Annual surplus is used to accomplish three goals (1) meet reserve requirements (2) avoid issuance of debt (3) provide for pay-go funding.
8. The County shall use reserves only for emergencies, non-recurring expenditures, unexpected opportunities, system failures, temporary funding shortfalls, or major one-time capital purchases.
9. The Budget and Finance Office shall prepare an annual analysis of all reserves with projections of reserve requirements.
10. The County will maintain separation of funds in accordance with Generally Accepted Accounting Principles.
11. The County will maintain separate Solid Waste and Water Quality Funds. An annual evaluation of the user rates shall be performed through a cost of service model and necessary adjustments will be made to reflect inflation, construction needs, bond covenants, and other factors.

**DEBT
POLICIES**

1. The County will prepare a multi-year capital program and update it annually.
2. No County debt can be authorized by the County Commissioners unless an appropriation has been included in the Capital Improvement Plan or until it has been modified.
3. Debt capacity shall be evaluated on an annual basis. The evaluation includes statistical measures and comparisons with peer group medians to determine debt affordability.
4. The County's General Obligation Debt for Water Quality can not exceed 10 percent of the total assessed valuation of all of the property in the County that is subject to County taxation during the County's most recent fiscal year.
5. The County will not issue debt for periods exceeding the useful life or average useful lives of the project(s) to be financed.

6. Debt will not be issued to fund operating deficits. Net bonds proceeds shall be used and applied exclusively and solely for the acquisition, construction, improvement or development of public facilities for which the bonds are sold, in accordance with state law.
7. The County encourages the issuance of long-term, tax-exempt Revenue or General Obligation Bonds. Although circumstances may warrant from time to time the use of other debt instruments.
8. The County encourages competitive sale when seeking its annual capital funds, although other means are available.
9. The Department of Budget and Finance shall be responsible for establishing a solicitation and selection process for securing professional services that are required to develop and implement the County's debt program.
10. Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities.
11. All investments of bond proceeds will be consistent with those authorized by existing State law and County Investment policies.
12. The Department of Budget and Finance shall maintain a system of record keeping and reporting to meet the arbitrage compliance requirements of the federal tax code.
13. The Director of Budget and Finance in coordination with the County's financial advisor shall be responsible for maintaining relationships with the rating agencies that currently assign the ratings to the County's various debt obligations.
14. The County is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, comprehensive, and accurate financial information.

***INVESTMENT
POLICY***

General:

1. The primary objectives of investments are safety, liquidity, and return on investment.
2. The Department of Budget and Finance shall be responsible for all transactions under-taken and shall establish a system of controls to regulate the activities of subordinate officials.
3. Officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which would impair their ability to make impartial investment decisions.
4. The Department of Budget and Finance shall maintain a list of approved security broker/dealers selected by creditworthiness who are authorized to provide investment services in the State.
5. The County will diversify to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities.

6. All security transactions, including collateral for repurchase agreements, entered into by the County shall be conducted on a delivery-versus-payment basis.
7. Collateralization is required on certificates of deposits and repurchase agreements and must be equal to at least 102% of market value of principal and accrued interest.

Pension:

1. The portfolio's total value of assets should grow, net of payout, at a rate equal to or greater than the rate of inflation on a rolling three-year basis.
2. Performance and allocation is reviewed to determine if target weightings meet the current risk profile.
3. Investment managers will be reviewed on a quantitative basis in the form of quarterly reports to be provided by the advisor.
4. The pension committee and its advisor shall monitor the overall performance of the portfolio to insure that it is meeting objectives. Rebalancing will occur at least annually back to policy targets.
5. The custodian shall provide the pension committee with a report each month that lists all assets held in the portfolio, values of each asset and all transactions affecting assets within the portfolio, including additions and withdrawals.
6. The asset manager shall manage the asset in accordance with the policy guidelines and objectives expressed in the policy document.

***CAPITAL
IMPROVEMENT
POLICIES***

1. The County's capital investments will be targeted to support the goals of the Comprehensive Plan and other County functional plans.
2. The County will support capital investment for economic development.
3. Existing assets will be preserved and maintained to ensure continued service.
4. External funding possibilities should be considered when choosing among projects.
5. Intergovernmental funding should be sought for regional projects.
6. Debt should be used carefully and managed in accordance with the goals and objectives of County policies.
7. Projects become eligible for the Capital Improvement Plan when the project supports or improves infrastructure needs or the productive capacity of the County.
8. The County will adopt a balanced Six-year Capital Improvement Plan, appropriating the first year of the six-year program.
9. Each project will be reviewed to determine the best financing method based on useful life, benefit of asset, cost, etc. It is also the policy of the County to establish a pay-as-you-go funding strategy that best matches benefits streams to cost streams as closely as possible, while maximizing the contribution level.

10. The relationship between the operating and capital budget is considered during the budgeting process. The capital budget includes costs for long-term capital projects, which add to the capital asset base of the County. The operating budget assumes the cost of maintaining and operating new facilities that are built under the capital budget.
11. Self-supporting projects are determined by policy and by evaluation of financial information, including rate setting models, financial forecasts, and budgets and funding source evidence.
12. An annual contingency reserve will be funded in an amount of \$200,000. In the event that the contingency account has excess funds, annual appropriations may be reduced for that year. All project savings and funding excess shall remain within the specific fund to be used at a later time.
13. The Director of Budget and Finance is authorized to initiate interim and long-term borrowing measures, as identified in the capital improvement plan.
14. The annual capital budget shall include only those projects, which can reasonably be accomplished in the time frame indicated.
15. Capital projects will not be budgeted unless there are reasonable expectations that revenues will be available to pay for them.
16. Capital projects, which are not completed during the fiscal year, will be carried over to the next fiscal year.
17. A comprehensive inventory of all capital assets shall be maintained to include estimated values, depreciation and useful life. See Capital Asset Policy.
18. The Director of Budget and Finance shall review the project status and revenues before any issuance of debt. Any modifications to a project and or the total debt to be issued based upon this review shall be approved by the Board of County Commissioners either for an increase or decrease in the total borrowing amount or for a change in the borrowing source.
19. A Capital Improvement Status Report will be maintained so that all project managers can monitor project expenditures and funding sources in real-time using the County's financial system.
20. The County will adhere to established procedures for considering applications for development financing used for Economic development projects that provide improvements to public infrastructure in under-utilized areas in Washington County.

***SHORT-TERM
LONG-TERM
POLICIES***

1. The County will develop short and long-term fiscal management policies that link operational and capital budgeting together with organizational goals.
2. The County's strategic planning and budgeting decisions are based on a number of statistical analysis and financial modeling tools.
3. The County prepares and annually updates a long-range financial forecasting system, which includes projections of revenues, expenditures, future costs, financing of capital improvements and cost service plans.

4. Revenues shall be monitored on a monthly basis to identify any potential trends, which would significantly impact those revenue sources.
5. The County will annually update its financial ratios and trend information to determine a peer group median from historical data in the following areas: revenues; expenditures; operating position; debt structure; condition of capital; and environmental and external factors.
6. The County will protect its assets by maintaining adequate insurance coverage.

***FINANCIAL
REPORTING
POLICIES***

1. The County's accounting and financial reporting systems will be maintained in conformance with current accepted principles and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
2. The County will have an annual financial audit performed of the County finances.
3. The County will prepare an annual budget document that provides a basic understanding of the County's planned financial operations for the upcoming fiscal year.
4. In the County's Fund Financial Statement, governmental funds are prepared on a modified accrual basis of accounting, whereas, the proprietary funds are prepared on an accrual basis of accounting. For budgetary purposes, all funds are prepared on a modified accrual basis.
5. The County will seek the GFOA's Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award.

Budget Practices and Process

The County’s budgetary practices focus on long-term financial planning to ensure that budget decisions which affect multiple years are assessed as to whether program and service levels can be sustained over those years. The budget process requires the development of organizational goals, policies, and procedures to achieve the goals; and requires the allocation of resources to accomplish the goals.

Budget Calendar

Phase	Process	Time Frame
Fiscal Capacity/Analysis Phase	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 45%;">Update Economic and Financial Trend Analysis and Debt Affordability</div> <div style="border: 1px solid black; padding: 5px; width: 45%;">Update Five-Year Capital and Operational Forecast</div> </div>	October – January
Budget Development Start	<div style="border: 1px solid black; padding: 5px; width: 50%; margin: 0 auto;">Distribute Budget Package</div>	October - November
Budget Development Phase	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 45%;">Program/Service Goals are Reviewed and Identified</div> <div style="border: 1px solid black; padding: 5px; width: 45%;">Six-Year Capital Improvement Plan Developed</div> </div>	December - January
Review/Modification Phase	<div style="border: 1px solid black; padding: 5px; width: 50%; margin: 0 auto;">Management Team and Commissioners Review</div>	January - April
Adoption Phase	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 45%;">Operational Budgets</div> <div style="border: 1px solid black; padding: 5px; width: 45%;">Capital Improvement Budgets</div> </div>	May
Start Up Phase	<div style="border: 1px solid black; padding: 5px; width: 50%; margin: 0 auto;">Monthly Reporting and Monitoring</div>	July

Budget Process

The budget process involves activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.

Several essential features that characterize a good budget process are:

- Incorporates a long-term perspective
- Establishes linkages to broad goals
- Focuses budget decisions on results and outcomes

These characteristics of budgeting make clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget moves beyond the traditional concept of line item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.

The County's budget process is key to its long-range strategic plan. With the adoption phase ending in May, the entire budget process encompasses nine months of preparation time. Financial forecasts, economic trends, policy reviews, and citizen input are all part of this process and result in the development of the operating and capital budgets for the year. The following describes the phases mentioned in the budget calendar above:

Financial and Debt Capacity Analysis Phase

The County develops statistical analysis of major revenue sources through various resources available. The County prepares and annually updates a long-range (5 year) financial forecasting system, which includes projections of: revenues; expenditures; future costs; financing of capital improvements that are included in the Capital Improvement Budgets, Cost of Service Plans and the Operating Budget.

Revenue estimates are monitored to identify any potential trends, which would significantly impact the various revenue sources. The County reviews current construction trends, the number of building permits, mortgage rates, and other economic data that can impact revenue collections.

The County uses other financial modeling techniques to forecast impacts on the long-term operations and rates for the Water Quality and Landfill Funds.

The County annually updates its financial ratios and trends. Most of the financial trend analysis includes evaluation of historical data and comparison to calculated peer group medians. Trend indicators are tracked for specific elements of the County's fiscal policies for evaluation.

Debt capacity is evaluated on an annual basis prior to the adoption of the Capital Improvement Plan. The County examines statistical measures to determine debt capacity and compares these ratios to other counties, rating agency standards, and Washington County's historical ratios to determine debt affordability.

The economic and financial trend analysis is an integral part of the County's decision-making process that includes short and long-term forecasts. The County's current financial condition as well as future debt capacity, long-range plans, future goals and visions are evaluated. During this phase, forecasting of revenues, policy and reserve reviews, compensation adjustments, and inflation assumptions are made.

Budget Development Start

The development of the budget starts with the on-line release of Operational budgets and Capital Improvement budgets. Also provided are instructions for completing both budgets, due dates, and updated information on budgetary numbers, personnel positions, goals, and other pertinent information.

Budget Development Phase

The Capital Improvement Budget development begins in the winter after the development of the debt capacity and financial and economic trend analysis. The Capital Improvement Program (CIP) provides a comprehensive approach to planning and impacts all facets of County operations. The County Administrator, the Director of Budget and Finance, the Planning Director, and the Director of Public Works comprise the Capital Improvements Program Committee. From the time the CIP's initial annual review is

begun in October through its adoption in May of each fiscal year, there is constant interaction between departments, the CIP committee and the elected officials. This effort is characterized by cooperation and reflects a common goal of ensuring that the CIP meets the objectives of the County and remains affordable and achievable.

The CIP is reviewed in conjunction with the annual debt affordability analysis with revenue projections inclusive of rate analysis in order to determine funding availability. A financial analysis of funding sources and project costs is conducted for all proposed capital improvement projects.

It is the CIP committee's responsibility to review all requests that County departments and agencies submit. All projects are ranked based on established criteria for priority ranking. Considering current and future needs, as developed in the six-year capital plan, available funding sources, and the results of the priority ranking process, the committee determines which capital projects best meet established criteria for the current fiscal year Capital Improvement Budget and the five-year forecast. Operating impacts of current and proposed capital projects are also taken into consideration by staff when developing their Capital Improvement Budget.

Operating Budgets represent existing service levels and two years of prior historical information. Departments and Agencies request funding for the upcoming fiscal year. Any increases in program and services require justification, as do, all capital outlay requests. These requests are summarized with projected funding shortfalls or overruns.

Review/Modification Phase

The County Administrator presents the Operating and Capital Improvement Budgets to the County Commissioners. Preliminary recommendations are reviewed to ensure that preliminary budgets address the County's goals and fiscal management policies. The County Administrator and the Director of Finance work with the Commissioners on the proposed budget documents for adoption.

Adoption Phase

A Proposed Budget is voted on by the County Commissioners to take to a public hearing to communicate to the general public for all operating and capital funds. Advertisement is done in the local newspaper, handouts, and on the County web site. Documents and handouts are prepared for the public hearing.

Public hearings are held on the Proposed Budgets along with the current tax levy. A 10-day waiting period is held for public comment. Local Law requires a balance budget to be adopted by July 1st.

Start Up

Department Managers are responsible for their budgets throughout the fiscal year. Expenditures percentages are calculated and compared to budget. Corrective action, if necessary, is taken if serious negative trends exist. Management and the County Commissioners have real-time budgeting reports available on-line, as well as, up-dates on major events and/or issues.

Basis of Accounting and Budgeting

Budgeting Methods:

Washington County's budget is prepared on a cash basis of modified accrual basis for all fund types, which means certain transactions are recognized in the budget on a basis other than Generally Accepted Accounting Principles (GAAP), which is the basis used to prepare the County's financial report. The major differences between the budgetary and GAAP basis are:

Certain revenues, expenditures, and transfers are not included on the budget basis, but are accrued and reported on the GAAP basis. For example, increases or decreases in compensated absences are not reported for budget basis purposes, but are presented as revenues and expenditures on the GAAP basis.

Capital outlays in the Enterprise Funds are presented as expenses for budget basis, but are recorded as assets along with associated depreciation expenses on the GAAP basis.

Debt service principal payments in the Enterprise Funds are accounted for as expenses for budget purposes, but are reported as reductions of long-term debt liability on the GAAP basis.

Balanced Budget:

Under County code the County Commissioners annual budget shall have a figure for the total of all appropriations and a figure for the total of all revenues available to pay the appropriations. The figure for total appropriations shall not exceed the figure for total estimated revenues.

Costing of Services:

In addition to accrual basis budgeting, several enterprise funds utilize a cost of service approach. Cost of service is a method of accounting, which identifies both the cost of the program and the portion of the cost that will be recovered through fees and charges. By using this financial technique, the County is able to assess the true cost of providing a service. Currently water, sewer, and solid waste services use this approach to determine cost and rates.

Amendment to the Budget

The County's Operating Budgets are adopted at the program/service level and the Capital Improvement Budgets are adopted at the project level. Transfers between programs or projects in excess of \$25,000 require County Commissioner approval. Any transfer out of contingency requires the approval of the County Commissioners.

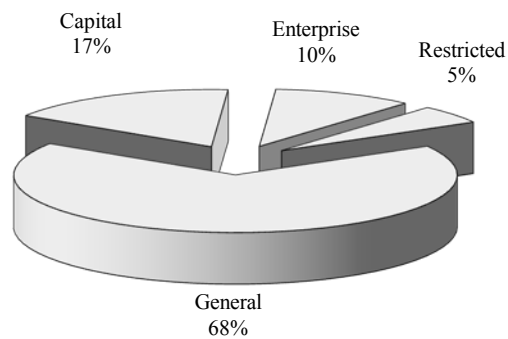
The Director of Budget and Finance reviews the project status and revenues before any issuance of debt. Any modifications to a project and or the total debt to be issued based upon this review is required to be approved by the County Commissioners either for an increase or decrease in total borrowing amount or for a change in the borrowing source.

Fund Summaries

The following is an overview of the County's legal compliance and financial management for various revenues and program expenditures and includes additional facts to help you understand how County programs and services are funded. The accounting and budget structure for a government unit are segregated into various self-balancing funds to account for restricted revenues, business like activities, and unrestricted resources similar to the General Fund.

All funds are subject to appropriation. An overview is presented below of the total revenues and expenditures, without regard to any fund type. This shows you the "total" County resources used to operate the governmental unit as a whole. However, the fund approach is meaningful from a restricted and non-restricted standpoint, as some revenues can only be used for specific operations and not for the governmental unit as a whole.

FY 2012 Funds



<i>General Fund:</i>	<i>Unrestricted</i>	<i>\$196,253,350</i>
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The General Fund is the primary operating fund of the County. It exists to account for a full range of countywide services traditionally associated with local government. These services include education, court system, public safety, parks and recreation, general administration, economic development, and any other activity for which a special fund has not been created. (Major Fund)

<i>Capital Improvement Fund:</i>	<i>Restricted</i>	<i>\$49,461,200</i>
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Capital Improvement Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The County maintains several Capital Improvement Funds to ensure legal compliance and proper financial management. (Major Fund)

Enterprise Funds: *Restricted* *\$29,893,910*

Enterprise funds are used to account for operations, including debt service that are financed and operated like a private business – where the intent is for the service to be self-sufficient, with all costs supported primarily by user charges. The County maintains eight Enterprise funds as follows:

- Water Quality Funds – The Water Quality Funds account for all operating activities necessary to provide water, wastewater, and pretreatment services. This includes, but is not limited to administration, operations and maintenance, financing, and related debt service. (\$16,322,250 – Major Fund)
- Solid Waste Fund – The Solid Waste Fund accounts for municipal solid waste operations on a cost of service basis. This includes operations and maintenance, administration, related debt service on operational sites, closure and post-closure costs, pre-development costs, future construction cost reserves, and closed landfill sites. (\$7,311,370 – Major Fund)
- Transit Fund – The Transit Fund accounts for the County public transit system funded mainly by Federal and State grants and include all operating activities necessary to provide that service. This includes, but is not limited to administration, operations and maintenance, and public assistance programs. (\$2,104,710 – Non-Major Fund)
- Airport Fund – The Airport Fund accounts for all operating activities necessary to provide air transportation needs to the Quad-State area. This includes, but is not limited to administration, operations and maintenance, financing, and related debt service. (\$2,960,750 – Major Fund)
- Golf Course – The Golf Course Fund accounts for all operating activities necessary to provide 18 holes of quality golf for residents of Washington County and surrounding areas. This includes, but is not limited to administration, operations and maintenance, and capital expenditures. (\$1,194,830 – Non-Major Fund)

Other Governmental Funds *Restricted* *\$15,144,850*

These funds are used to account for the proceeds of specific sources that are restricted to expenditures for specified purposes. The County maintains the following five separate restricted Governmental Funds:

- Highway Fund - The Highway Fund accounts for all the activities necessary to maintain the County road system. This includes, but is not limited to patching, stabilization, right-of-way, storm damage, snow and ice removal, line striping, signal maintenance, administration, and fleet maintenance costs. (\$8,614,960 – Non-Major Fund)
- Other Funds – The County maintains four other small funds that account for the activities associated with each of the funds mentioned and are immaterial in nature and total \$6,529,890 (Non-major). They are:

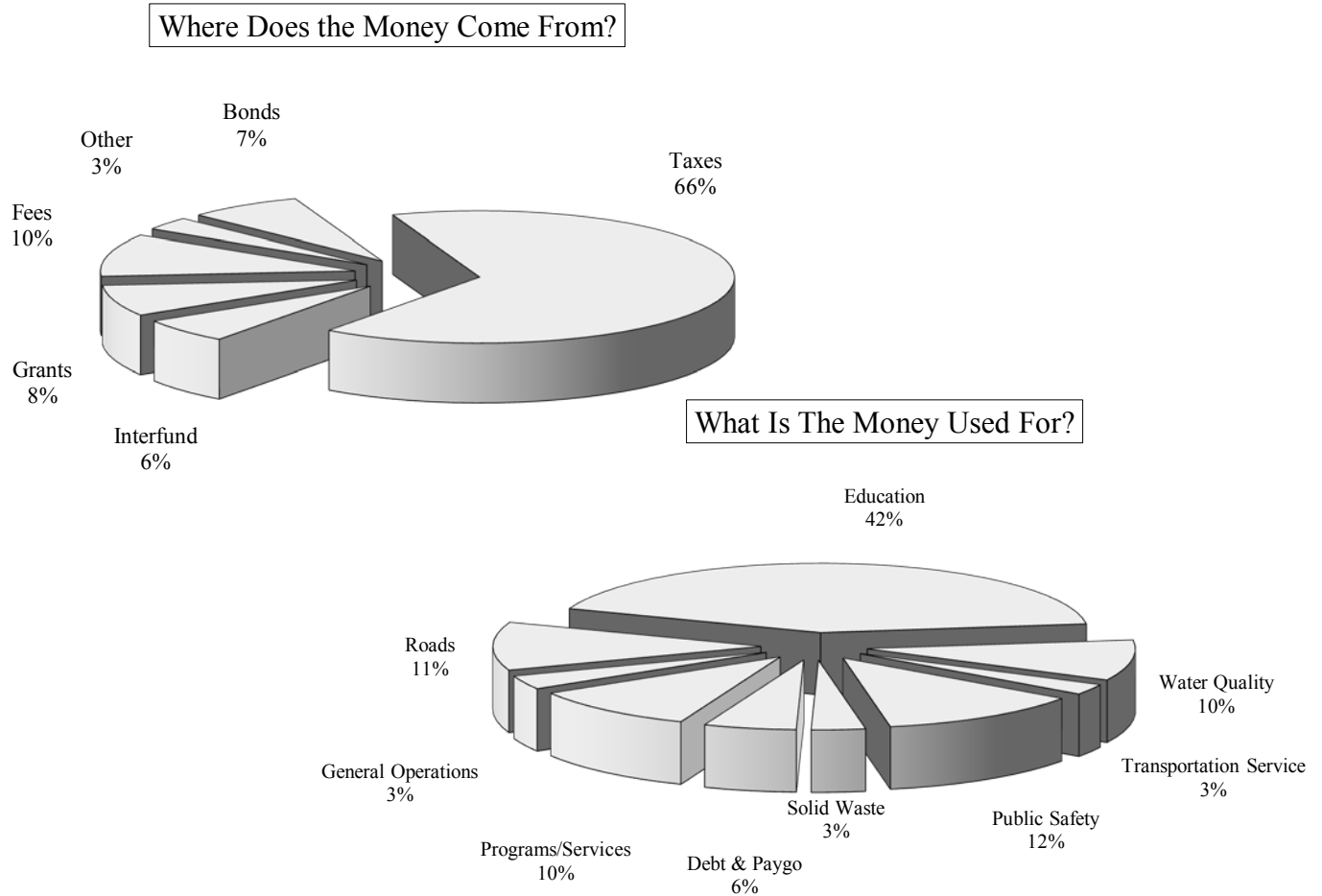
Foreign Trade Zone	\$	0
Agricultural Educational Center	\$	186,030
Community Partnership	\$	307,560
Inmate Welfare	\$	449,570
Land Preservation Fund	\$	1,556,920

Gaming Fund	\$ 2,083,480
Hotel Rental Tax Fund	\$ 1,500,000
Contraband Fund	\$ 36,120
HEPMPO	\$ 410,210

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Total Sources and Uses of County Funds

The following represents total County revenues and expenditures, which are used to provide services and programs to the citizens of Washington County. The graph below depicts the total resources and uses of the County for the fiscal year 2012.



The County’s three major funds are the General, Capital Improvement, and the Enterprise Funds. The following schedule summarizes the revenues and expenditures of those funds for the FY 2012. Also included is a column for the restricted funds.

The forecasted fund balances represent the non-capital portion of net assets, in which the County refers to as Unreserved Fund Balance. This Fund Balance is the excess of revenues over expenditures and transfers and is reserved in order to protect the County from unexpected adversity and to preserve its financial strength. The County unlike most governmental units requires all of its funds to maintain minimum operating reserves. Funds that do not meet the minimum amount are required to budget for the deficiency within their operating budgets.

The County is expected to meet its reserve target at June 30, 2011. This reserve protects the County against unanticipated revenue cuts or economic downturns. The reserve target rate is 17%, while the national peer group median for AA Counties with populations of 100,000-250,000 is 27%.

Combined Statement of Revenues, Expenditures, and Changes in Undesignated Fund Balance Summary by Year

Description	Fiscal Year		
	2010	2011	2012
Revenue (By Major Type):			
Property Tax	129,253,647	125,823,260	124,284,530
Income Tax	57,025,046	60,000,000	59,800,000
Other Local Taxes	6,301,574	4,945,000	4,930,000
Interest	529,693	813,170	432,130
Fees	30,583,200	29,887,020	28,156,430
Grants	18,834,496	26,867,680	23,975,160
Other	398,065	10,097,160	9,317,240
Bonds	18,898,841	16,654,300	19,246,600
Subtotal	262,179,021	275,087,590	270,142,090
Transfers	19,606,021	18,170,650	16,919,250
Reserves	0	2,067,770	3,691,970
Total Revenue	281,785,083	295,326,010	290,753,310
Expenditures (By Function):			
Education	116,153,504	132,660,810	122,235,930
Public Safety	40,544,940	35,445,110	35,989,860
State/Non-profit	7,161,487	6,007,920	5,797,430
Court System	3,582,634	3,749,530	3,824,400
General Government	23,194,431	24,364,840	24,595,900
Parks and Recreation	2,875,519	2,529,650	2,808,470
Water Quality	15,406,022	17,921,680	27,558,650
Roads/Infrastructure	17,930,302	22,510,990	22,521,060
Solid Waste	12,155,483	12,649,680	8,842,770
Transit System	3,183,469	2,600,700	2,256,210
Airport	5,670,620	3,410,610	4,407,550
Golf Course	1,264,563	1,239,760	1,194,830
Subtotal	249,122,974	265,091,010	260,033,060
Transfers	33,108,198	30,235,000	28,720,250
Total Expenditures	282,231,172	295,326,010	290,753,310
Excess (Deficiency) of Revenues over Expenditures	(446,089)		
Other Financing Sources (Uses):			
Principal amount of new debt for advance refunding	10,831,145		
Deposit of escrow fund for advance refunding and repayment of loans	(10,800,891)		
Transfers to set up new funds			
Increase (Decrease) in Fund Balance	(416,472)		
GAAP Basis Adjustments	(3,146,666)		
Beginning Fund Balance/Net Equity	349,827,401	346,264,263	346,264,263
Ending Fund Balance/Net Equity	346,264,263	346,264,263	346,264,263

Combined Statement of Revenues, Expenditures, and Changes in Undesignated Fund Balance
Fiscal Year 2012 Budgets – All Funds

Description	Funds				
	General	Capital	Enterprise	Restricted	Total
Revenue (By Major Type):					
Property Tax	124,284,530				124,284,530
Income Tax	59,800,000				59,800,000
Other Local Taxes	4,930,000				4,930,000
Interest	432,130				432,130
Fees	3,810,690	988,400	20,405,380	2,951,960	28,156,430
Grants	1,796,000	18,482,600	2,422,100	1,274,460	23,975,160
Other		4,158,100	2,860,880	2,298,260	9,317,240
Bonds		19,246,600			19,246,600
Subtotal	195,053,350	42,875,700	25,688,360	6,524,680	270,142,090
Transfers		4,380,000	4,205,550	8,333,700	16,919,250
Reserves	1,200,000	2,205,500		286,470	3,691,970
Total Revenue	196,253,350	49,461,200	29,893,910	15,144,850	290,753,310
Expenditures (By Function):					
Education	104,279,230	17,956,700			122,235,930
Public Safety	35,303,690	236,600		449,570	35,989,860
State/Non-profit	5,797,430				5,797,430
Court System	3,824,400				3,824,400
General Government	15,869,880	2,645,700		6,080,320	24,595,900
Parks and Recreation	2,458,470	350,000			2,808,470
Water Quality		11,236,400	16,322,250		27,558,650
Roads/Infrastructure		13,906,100		8,614,960	22,521,060
Solid Waste		1,531,400	7,311,370		8,842,770
Transit System		151,500	2,104,710		2,256,210
Airport		1,446,800	2,960,750		4,407,550
Golf Course			1,194,830		1,194,830
Subtotal	167,533,100	49,461,200	29,893,910	15,144,850	262,033,060
Transfers	28,720,250				28,720,250
Total Expenditures	196,253,350	49,461,200	29,893,910	15,144,850	290,753,310
Beginning Fund Balance/Net Equity	36,798,797	85,579,828	222,693,838	1,191,800	346,264,263
Estimated Increase (Decrease)					
Ending Fund Balance/Net Equity (forecast)	36,798,797	85,579,828	222,693,838	1,191,800	346,264,263

Combined Statement of Revenues, Expenditures, and Changes in Undesignated Fund Balance
Fiscal Year 2011 Budgets – All Funds

Description	Funds				
	General	Capital	Enterprise	Restricted	Total
Revenue (By Major Type):					
Property Tax	125,823,260				125,823,260
Income Tax	60,000,00				60,000,000
Other Local Taxes	4,945,000				4,945,000
Interest	813,170				813,170
Fees	3,683,760	2,885,300	20,194,880	3,123,080	29,887,020
Grants	1,883,390	22,540,500	2,443,790		26,867,680
Other		5,219,700	2,916,190	1,961,270	10,097,160
Bonds		16,654,300			16,654,300
Subtotal	197,148,580	47,299,800	25,554,860	5,084,350	275,087,590
Transfers		5,381,700	4,322,170	8,466,780	18,170,650
Reserves		1,571,000		496,770	2,067,770
Total Revenue	197,148,580	54,252,500	29,877,030	14,047,900	295,326,010
Expenditures (By Function):					
Education	104,037,710	28,623,100			132,660,810
Public Safety	34,471,300	229,500		744,310	35,445,110
State/Non-profit	6,007,920				6,007,920
Court System	3,749,530				3,749,530
General Government	16,117,740	3,432,600		4,814,500	24,364,840
Parks and Recreation	2,529,650				2,529,650
Water Quality		1,738,100	16,183,580		17,921,680
Roads/Infrastructure		14,021,900		8,489,090	22,510,990
Solid Waste		5,346,300	7,303,380		12,649,680
Transit System		418,000	2,182,700		2,600,700
Airport		408,000	3,002,610		3,410,610
Golf Course		35,000	1,204,760		1,239,760
Subtotal	166,913,580	54,252,500	29,877,030	14,047,900	265,091,010
Transfers	30,235,000				30,235,000
Total Expenditures	197,148,580	54,252,500	29,877,030	14,047,900	295,326,010
Beginning Fund Balance/Net Equity (forecast)	36,798,797	85,579,828	222,693,838	1,191,800	346,264,263
Ending Fund Balance/Net Equity (forecast)	36,798,797	85,579,828	222,693,838	1,191,800	346,264,263

**Combined Statement of Revenues, Expenditures, and Changes in Undesignated Fund Balance
Fiscal Year 2010 Actuals – All Funds**

Description	Funds				
	General	Capital	Enterprise	Restricted	Total
Revenue (By Major Type):					
Property Tax	129,253,647				129,253,647
Income Tax	57,025,046				57,025,046
Other Local Taxes	4,749,635			1,551,939	6,301,574
Highway User				418,693	418,693
Interest	465,500				465,500
Fees	3,861,685	3,740,269	19,852,868	3,128,378	30,583,200
Grants	6,550,815	8,426,506	2,470,722	1,386,453	18,834,496
Other		206,351		191,714	398,065
Bonds		18,898,841			18,898,841
Subtotal	201,906,328	31,271,967	22,323,590	6,677,177	262,179,062
Transfers		12,402,488	4,386,390	2,817,143	19,606,021
Total Revenue	201,906,328	43,674,455	26,709,980	9,494,320	281,785,083
Expenditures (By Function):					
Education	104,783,690	11,369,814			116,153,504
Public Safety	33,454,995	6,045,676		1,044,269	40,544,940
State/Non-profit	7,161,487				7,161,487
Court System	3,524,823	57,811			3,582,634
General Government	17,319,259	477,820		646,474	18,443,553
Parks and Recreation	2,502,788	201,277		171,454	2,875,519
Community Promotion				4,040,985	4,040,985
Water Quality		1,444,624	13,961,398		15,406,022
Roads/Infrastructure		9,189,377		8,740,925	17,930,302
Land Preservation				709,893	709,893
Solid Waste		2,417,057	9,738,426		12,155,483
Transit System		951,919	2,231,550		3,183,469
Airport		2,907,148	2,763,472		5,670,620
Golf Course		63,377	1,201,186		1,264,563
Subtotal	168,747,042	35,125,900	29,896,032	15,354,000	249,122,974
Transfers	33,108,198				33,108,198
Total Expenditures	201,855,240	35,125,900	29,896,032	15,354,000	282,231,172
Excess(Deficiency) of Revenues over Expenditures	51,088	8,548,555	(3,186,052)	(5,859,680)	(446,089)
Other Financing Sources (Uses):					
Principal amount of new debt for advance refunding	10,831,145				10,831,145
Deposit to escrow fund for advance refunding and repayment of loans	(10,800,891)				(10,800,891)
Transfers of additional funds to Gaming	(637)				(637)
Increase (Decrease) in Fund Balance	80,705	8,548,555	(3,186,052)	(5,859,680)	(416,472)
GAAP Basis Adjustments		(6,768,908)	3,622,242		(3,146,666)
Beginning Fund Balance/Net Equity	36,718,092	83,800,181	222,257,648	7,051,480	349,827,401
Ending Fund Balance/Net Equity	36,798,797	85,579,828	222,693,838	1,191,800	346,264,263

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Capital Program and Debt Management

- Capital Budgeting and Outstanding Debt
- Debt Affordability Analysis
- Six-year Capital Improvement Plan

Capital Budgeting and Outstanding Debt

Washington County government is responsible for providing infrastructure improvements to its citizens. To provide for these improvements on a continuing basis, the Board of County Commissioners established a Capital Improvement Program that forecasts the future needs and priorities of the community. Through sound planning and programming of capital projects the County can provide many improvements while utilizing the prescribed amount of funds available for this purpose.

A major purpose of the Capital Improvement Program is to provide a means for coordinating and consolidating all departmental and agency project requests into one document. The projects can then be examined and prioritized based on established criteria that includes County plans and policies.

A Six-year Capital Improvement Plan (“CIP”) is developed each fiscal year and includes scheduling and financing of future community facilities such as public buildings, roads, bridges, parks, water and sewer projects, and educational facilities. The plan itself covers six years with the first year being the Capital Improvement Budget. Funds for each project are allocated from federal, state, and local sources by the County Commissioners.

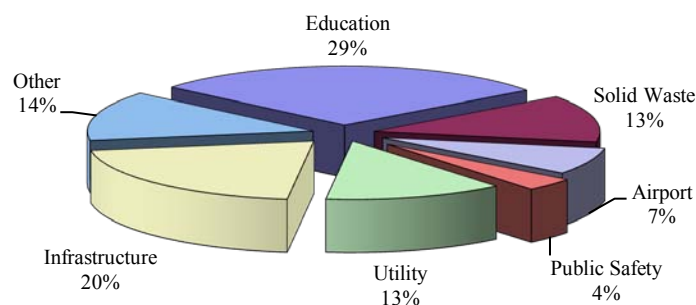
The Capital Improvement Plan accounts for the acquisition, expansion, and rehabilitation of infrastructure and other capital assets, and incorporates the following basic underlying principles of the County:

- Capital projects are targeted to support the goals of the Comprehensive Plan and other County functional plans.
- Capital investments are made for economic development.
- Existing assets are preserved and maintained to ensure continued service.
- External funding possibilities are considered when reviewing and prioritizing projects.
- Intergovernmental funding is sought for regional projects.
- Debt is used carefully and managed in accordance with the goals and objectives of County policies.

One of the major sources of funding for capital projects is debt. Debt is issued to match the cash flow requirements of the Capital Improvement Plan, while considering the affect on the tax burden of the citizens. Therefore, along with the development of the Capital Improvement Plan, an annual debt affordability analysis is performed to evaluate the affect of debt service costs on operating budgets and to utilize long-term financial planning.

The following graph illustrates the percentage of total debt outstanding at June 30, 2011 by project category:

Percentage of Debt Outstanding by Project Category



The impact of the Capital Improvement Budget on the Operating Budget is evaluated during the budget process. The Capital Improvement Budget includes costs for long-term capital projects, which add to the capital asset base of the County. The Operating Budget includes the principal and interest cost associated with those assets and pay-go financing of capital projects. The following table shows the estimated impact of debt service on the Operating Budget for FY 2012 and the current outstanding balance at June 30, 2011.

Current Debt Balance and FY 2012 Principal and Interest Costs				
	Current Balance	FY 2012 Principal	FY 2012 Interest	FY 2012 Total Debt Service
General Fund:				
2002 Public Improvement Bonds	\$ 972,833	\$ 476,489	\$ 48,642	\$ 525,131
2002 Public Improvement & Refunding Bonds	4,034,945	1,265,506	182,485	1,447,991
2003 Public Improvement Bonds	4,104,614	330,938	169,614	500,552
2003A Public Improvement & Refunding Bonds	7,049,268	1,612,987	203,521	1,816,508
2005 Public Improvement & Refunding Bonds	21,636,147	2,452,032	853,186	3,305,218
2006 Public Facilities Bonds	8,540,000	420,000	355,781	775,781
2007 Public Improvement Bonds	11,941,324	490,113	497,091	987,205
2008 Public Improvement Bonds	13,712,954	564,720	545,050	1,109,770
2009 Public Improvement & Refunding Bonds	13,186,291	803,676	455,411	1,259,087
2010 Ser A Public Improvement Bonds	5,009,887	442,986	119,131	562,117
2010 Ser B Build America Bonds	6,957,113	0	226,879	226,879
2010 Refunding Bonds	10,480,555	76,681	299,029	375,710
2011 Public Improvement Bonds	10,949,900	87,202		87,202
MD Water Quality Solid Waste Refinancing	1,755,596	33,360	17,560	50,920
MD Water Quality Resh Capping Ph 1	4,271,137	247,490	42,710	290,200
Total General Fund Existing Debt	\$ 124,602,564	\$ 9,304,180	\$ 4,016,090	\$ 13,320,270
2012 Planned Debt:				
2012 Public Improvement Bonds	14,182,100	0	0	0
Total General Fund Debt	\$ 138,784,664	\$ 9,304,180	\$ 4,016,090	\$ 13,320,270
Highway:				
2008 Public Improvement Bonds	\$ 2,647,368	\$ 109,020	\$ 105,230	\$ 214,250
Total Highway Existing Debt	\$ 2,647,368	\$ 109,020	\$ 105,230	\$ 214,250
Solid Waste:				
2002 Public Improvement Bonds	\$ 7,167	\$ 3,511	\$ 358	\$ 3,869
2002 Public Improvement & Refunding Bonds	365,055	114,494	16,510	131,004
2003 Public Improvement Bonds	50,386	4,062	2,082	6,144
2003A Public Improvement & Refunding Bonds	355,732	137,013	12,552	149,565
2005 Public Improvement & Refunding Bonds	643,853	72,968	25,389	98,357
2007 Public Improvement Bonds	2,433,676	99,887	101,309	201,196
2009 Public Improvement & Refunding Bonds	2,926,606	248,932	99,079	348,011
2010 Ser A Public Improvement Bonds	1,983,106	175,351	47,157	222,508
2010 Ser B Build America Bonds	2,753,894	0	89,807	89,807
2010 Refunding Bonds	3,309,445	53,319	92,271	145,590

Current Debt Balance and FY 2011 Principal and Interest Costs				
	Current Balance	FY 2012 Principal	FY 2012 Interest	FY 2012 Total Debt Service
2011 Public Improvement Bonds	\$ 3,220,100	\$ 113,863	\$ 67,406	\$ 181,269
MD Water Quality Solid Waste Refinancing	4,823,165	91,645	48,232	139,877
MD Water Quality 40 West Cell 3	1,877,136	128,185	20,648	148,833
Total Solid Waste Existing Debt	\$ 24,749,321	\$ 1,243,230	\$ 622,800	\$ 1,866,030
2012 Planned Debt:				
2012 Public Improvement Bonds	1,480,900	0	0	0
Total Solid Waste Debt	\$ 26,230,221	\$ 1,243,230	\$ 622,800	\$ 1,866,030
Airport:				
2003A Public Improvement & Refunding Bonds	\$ 615,000	\$ 35,000	\$ 25,930	\$ 60,930
MD Industrial Commercial Redevelopment	790,811	138,620	47,625	186,245
MD Industrial Land Act	616,773	37,240	33,165	70,405
2006 Runway Extension Project Bonds	12,225,000	595,000	520,910	1,115,910
Total Airport Existing Debt	\$ 14,247,584	\$ 805,860	\$ 627,630	\$ 1,433,490
Water Quality:				
1996 Series A Project & Refunding Bonds	\$ 5,274,828	\$ 540,639	\$ 745,133	\$ 1,285,772
2008 Public Improvement Bonds	1,244,678	51,258	49,472	100,730
2009 Public Improvement & Refunding Bonds	3,432,102	142,392	120,423	262,815
2010 Ser A Public Improvement Bonds	867,007	76,663	20,617	97,280
2010 Ser B Build America Bonds	1,203,993	0	39,264	39,264
MD Water Quality Series 93A	225,976	72,899	7,439	80,338
MD Water Quality Series BNR	1,941,804	179,784	33,011	212,795
MD Water Quality Cono. Refunding 2004	4,715,000	1,290,000	18,860	1,308,860
MD Water Quality Pretreatment Refunding 2004	5,146,063	420,000	20,584	440,584
MD Water Quality Halfway I & I	456,734	26,465	4,567	31,032
Total Water Quality Existing Debt	\$ 24,508,185	\$ 2,800,100	\$ 1,059,370	\$ 3,859,470
2012 Planned Debt:				
2012 Public Improvement Bonds	5,696,900	0	0	0
Total Water Quality Debt	\$ 30,205,085	\$ 2,800,100	\$ 1,059,370	\$ 3,859,470
Total Existing and 2012 Planned Debt	\$ 212,114,922	\$ 14,262,390	\$ 6,431,120	\$ 20,693,510

Bonded Limit Summary as of June 30, 2011

The County may only issue general obligation and revenue bonds under authority conferred by the Maryland General Assembly, excluding those issued for education. No referendum is required. As of June 30, 2011 the unused authorization available for issuance of general obligation bonds was \$ 39,906,122.

By State law, the total bonded indebtedness of the County for Water, Wastewater, and Pretreatment purposes may not exceed 10% of the assessed value of all property in Washington County subject to unlimited County taxation. See following table.

Schedule of Legal Debt Margins – Department of Water Quality Estimated as of June 30, 2011	
Assessed Value of Property in Washington County	\$ 14,198,081,000
Debt Limit: % of Assessed Value	10%
Water Quality Borrowing Limitation	1,419,808,100
Water Quality Debt	24,508,185
Debt Margin	1,395,299,915
Ratio of Water Quality Debt to Assessed Value	.17%

Debt Affordability Analysis

The key factor in the issuance of debt is the understanding that effective debt management is critical to the overall financial management of the County. Therefore, the issuance of debt is done in conformance with the County's Debt Policy, which is an integral component of the County's financial management program. Accordingly, critical to sound financial and debt management is the continuing evaluation of the County's ability to afford, and plan for the issuance of debt. In this regard the County has instituted a self-imposed requirement that an annual debt affordability analysis be performed. The analysis provides a method by which the County's debt position can be evaluated, tested for stress and affordability, and compared to other jurisdictions, "Peer Group", that are considered comparable to the County. The analysis provides the County Commissioners and citizens with a way to assess the impact of bond issuance and allows for informed decisions regarding financing proposals and capital spending priorities.

The County undertakes the debt capacity analysis on an annual basis in conjunction with the issuance of bonds and the formulation of the long-range Capital Improvement Plan. This comprehensive and routine analysis of debt capacity provides assurance that the amount of debt issued by the County is affordable. It also ensures that an appropriate balance is maintained between the County's capital needs and its ability to pay for them.

To determine the County's debt affordability, a peer group was established for comparison. Our Peer Group consists of the following Maryland counties: Washington, Howard, Frederick, Harford, Carroll, Charles, St. Mary's, Cecil, Wicomico, and Calvert. These counties share similar characteristics as Washington County in various areas, including but not limited to, population, region, bond rating, and budget thresholds. Our sample of counties was based on size and income indicators, such as per capita income, property values, population, access to interstate highways, and revenue generation.

As with any business, including County government, it is important to develop strategic objectives, including prudent borrowing limits. The debt ratios used by the County are relevant benchmarks used to measure its debt position. Establishing an acceptable range for the debt ratios has allowed the County to continually monitor its debt position and provide a mechanism for calculating debt capacity. The information provided by the ratios assists the County in the capital budgeting decision process, including prioritizing capital spending.

Measures of debt affordability are sensitive as they are impacted by the amount of outstanding debt and changes in both the demographic and economic factors. Changes in demographic factors such as population growth and personal income affect debt ratios. Economic cycles can have major impacts both positive and negative on targeted ratios and debt capacity. This volatility demonstrates the need for assessing changes in projected debt capacity on an annual basis.

Decisions regarding the use of debt is based on a number of factors including, but not limited to, the long-term needs of the County and the amount of resources available to repay the debt. Flexibility is required to enable the County's management team to respond to unforeseen emergencies or opportunities in the operational budget. In order to provide for that flexibility, the most important ratio – Debt Service as a Percent of Revenue – is included in the analysis. Comparing debt ratios of the County's Peer Group and national medians is useful in evaluating the County's debt position. Evaluating the change in ranking over time also indicates a strengthening or weakening of the County's debt position relative to the Peer Group and to national averages. Below is a four-year comparison of the County's debt ratios for the tax-supported debt portion.

Ratio and Peer Group Median Comparisons								
Fiscal Year	Debt Per Capita		Debt as Percent of FMV		Debt Service as a % of General Fund Revenue		Debt Service per Capita as a % of Income Per Capita	
	County Amount	Peer Group Median	County Ratio	Peer Group Median	County Ratio	Peer Group Median	County Ratio	Peer Group Median
2007	772	1,181	1.13%	1.51%	6.03%	7.55%	.24%	.33%
2008	842	1,302	1.13%	1.45%	5.93%	7.37%	.24%	.34%
2009	888	1,483	1.08%	1.39%	6.90%	8.07%	.26%	.36%
2010	855	1,650	.98%	1.46%	6.60%	8.16%	.27%	.37%
2011 projected	867	1,650	1.02%	1.46%	6.67%	8.16%	.25%	.37%

When the County compares its debt ratios to its Peer Group and national medians, it provides a snapshot of our debt position at a single point in time. However, to fully understand the County's debt position, it is important to evaluate ratios over a long period of time so that trends can be ascertained, analyzed and evaluated.

In completing the debt affordability analysis the estimated debt capacity ceiling is established and policy guidelines are applied to the debt capacity calculations. The ratio of Debt Service as a Percentage of Revenue is considered the most critical criteria in establishing debt capacity, in part because the County controls both components of the ratio and the impact of the change is most pronounced in the budget and potentially the tax burden carried by our citizens.

Projections are based on net tax-supported debt currently outstanding plus average debt that is anticipated to be issued over the next twenty years. The projections are intended only to provide a method for assessing the impact of issuing debt. The County's debt affordability analysis is designed to: ensure that anticipated future debt is manageable from a fiscal and budgetary perspective, meet peer group ratio targets, avoid negative treatment by the rating agencies in the form of a rating downgrade, and keep borrowing costs to a minimum. The following table illustrates the impact of long-term debt issuance as it relates to various Peer Group targets that the County monitors.

Debt Capacity Analysis – Effect of Debt Issuance on Debt Ratios								
Fiscal Year	Debt Per Capita		Debt as a Percent of FMV		Debt Service as a % of General Fund Revenue		Debt Service Per Capita as a % of Income Per Capita	
	Projected	Target	Projected	Target	Projected	Target	Projected	Target
2012	893	1,650	1.04%	1.46%	7.03%	8.16%	.27%	.37%
2013	916	1,650	1.04%	1.46%	7.32%	8.16%	.28%	.37%
2014	936	1,650	1.05%	1.46%	7.37%	8.16%	.28%	.37%
2015	955	1,650	1.05%	1.46%	7.39%	8.16%	.29%	.37%
2016	973	1,650	1.06%	1.46%	7.29%	8.16%	.28%	.37%
2017	990	1,650	1.06%	1.46%	7.32%	8.16%	.29%	.37%
2018	1,007	1,650	1.06%	1.46%	7.14%	8.16%	.28%	.37%
2019	1,025	1,650	1.06%	1.46%	7.01%	8.16%	.28%	.37%
2020	1,038	1,650	1.05%	1.46%	7.21%	8.16%	.28%	.37%
2021	1,047	1,650	1.04%	1.46%	7.36%	8.16%	.29%	.37%
2022	1,058	1,650	1.04%	1.46%	7.13%	8.16%	.28%	.37%
2023	1,065	1,650	1.03%	1.46%	7.24%	8.16%	.29%	.37%
2024	1,068	1,650	1.01%	1.46%	7.38%	8.16%	.30%	.37%
2025	1,067	1,650	.99%	1.46%	7.46%	8.16%	.30%	.37%
2026	1,065	1,650	.98%	1.46%	7.39%	8.16%	.30%	.37%
2027	1,061	1,650	.96%	1.46%	7.32%	8.16%	.30%	.37%
2028	1,053	1,650	.93%	1.46%	7.43%	8.16%	.30%	.37%
2029	1,053	1,650	.92%	1.46%	6.80%	8.16%	.28%	.37%
2030	1,052	1,650	.90%	1.46%	6.73%	8.16%	.28%	.37%
2031	1,045	1,650	.88%	1.46%	6.93%	8.16%	.29%	.37%

Credit Ratings

Credit ratings are the rating agencies' assessment of the County's ability and willingness to repay debt on a timely basis. Credit ratings are an important indicator in the bond market and can influence the County's long-term interest rates that it must pay. Rating agencies believe that debt management is an important factor in evaluating the County and assigning credit ratings.

The County's credit ratings are AA by Standard & Poor's, AA by Fitch and an Aa2 by Moody's Investors Service. The County's credit ratings reflect strong financial management, continued economic development and diversification, strong financial position, strong financial policies, manageable capital needs, low debt, and strong reserves.

Changes in Economic Assumptions

In addition to analyzing the impact of the capital program on debt ratios and capacity, to remain prudent, the County analyzes the impact of changing economic conditions on the recommended maximum level of annual debt issuance. Three economic scenarios were created:

- Base case reflects future economic conditions based on historical and projected trends.
- Best case reflects the best economic conditions based on historical high trends.
- Worst case reflects the worst economic conditions based on historical low trends.

The assumptions used in determining debt capacity in each scenario are based on historical trends, judgment, and projected economic conditions. Each case assumption is applied to the twenty-year projection.

The base case projects the most affordable program. It achieves the goal of meeting the Peer Group medians. The best and worst case scenarios assume major changes in economic conditions for the twenty-year period that is projected and could require adjustments to the Capital Improvement Plan and the debt issuance plan. However, planning to issue debt on the best-case scenario every year is not advisable because some bonding capacity should be kept in reserve in anticipation of sudden unexpected economic downturns.

Final Analysis

There are multiple factors that can affect the County's affordability to incur future indebtedness, including the County's economy and the availability of adequate financial resources. For that reason the financial ratios and analysis used, take into account the entire County financial condition, as other factors can effectively deteriorate the County's financial posture and affect its ability to incur debt. In addition, these managerial and unpredictable scenarios have been considered and tested in the model used, so that the known effects of worst and best-case results could be examined, as explained earlier. It is important for the County to monitor its financial condition, the economic trends, and debt affordability results on a regular basis, in order to continue to evaluate the County's credit position to determine whether annual issuance of debt should be adjusted to reflect a changing financial outlook for the County under altered circumstances.

The estimated maximum debt capacity is not intended to be an absolute limit or a recommendation on the amount of debt that can be incurred. It should be used as a guide for better long-term financial planning and improving capital budgeting. Debt capacity estimates can assist long-term capital planning by showing the resources available to fund needed infrastructure. The estimates can then be used to allocate restricted resources to priority projects. The County's annual debt review analyzes the projected debt issuances to assure that long-term financial stability will remain intact.

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Six-Year Capital Improvement Plan

The Six-year Capital Improvement Plan (CIP) is developed and updated on an annual basis for both project costs and funding sources. The plan is flexible and covers six years with the first year being the Capital Improvement Budget. Along with the development of the Capital Improvement Plan, an annual debt affordability analysis is performed to evaluate the affect of debt service costs on operating budgets and to utilize long-term financial planning. As part of the annual review process, certain projects are closed out due to completion and others are added as the re-sequencing of project priorities occur.

Capital Project Definition

Capital Projects are included in the Capital Improvement Plan when the project supports or improves infrastructure needs and/or the productive capacity of the County. Projects should have a useful life greater than 10 years and an estimated cost of \$25,000 or more, and should also meet one or more of the following criteria:

- Projects having restricted funding sources, including grants, that require them to be included in the Capital Improvement Budget;
- Systematic acquisitions over an extended time period to complete implementation of a major functional or operating system;
- Rehabilitation or replacement projects of governmental or agency facilities;
- Projects that require bond financing because of significant costs associated with acquisition or construction of the project;
- Planning and feasibility studies that support the acquisition, construction, or improvement of the items listed above. (These are not required to meet the useful life test).

Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, large equipment, infrastructure, and all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a two-year reporting period. Assets not meeting the criteria above are budgeted as capital outlay in the Operating Budget.

Development of the Capital Improvement Plan

Capital Improvement Plan development begins in the winter after the development of the debt affordability analysis. The Capital Improvement Program provides a comprehensive approach to planning and impacts all facets of County operations. The County Administrator, the Finance Director, the Planning Director, and the Director of Public Works comprise the Capital Improvement Plan Committee, ("CIP Committee"). From the time the CIP's initial annual review begins in October through its adoption in May of each year, there is constant interaction between departments, the CIP Committee, and the elected officials. This effort is characterized by cooperation and reflects a common goal of ensuring that the CIP meets the objectives of the County and remains affordable and achievable. The CIP Committee reviews the project submissions to ensure:

- The plans are properly coordinated with other projects, entities, etc.
- Long-term operating impacts are included in estimates (including staffing, utility, maintenance, and debt);
- Timeframes for construction activity and cash flow are realistic;
- Projects are reviewed to determine the adequacy of the budget and appropriate funding source;
- Projects are prioritized based on County goals, department priorities, and anticipated funding sources.

The CIP is reviewed in conjunction with the annual debt affordability analysis and revenue projections, inclusive of rate analysis, in order to determine funding availability. A financial analysis of funding sources and project costs is conducted for all proposed capital improvement projects. It is the CIP Committee's responsibility to review all requests that County departments and agencies submit. All projects are ranked based on established criteria for priority ranking. Considering current and future needs, as developed in the six-year plan, available funding sources, and the results of the priority ranking process, the CIP Committee determines which capital projects best meet established criteria for the current fiscal year Capital Improvement Budget and the five-year forecast.

The Board of County Commissioners reviews the Six-year Capital Improvement Plan in regular public working sessions and at the public hearing. Following this review and before the end of the fiscal year, the Board formally approves and adopts the Six-year Capital Improvement Plan for the established projects.

Capital Project Priority Ranking System

During the review process the CIP committee prioritizes projects based on the County's broad goals, department priorities, anticipated funding sources, and the priority-ranking matrix. The priority-ranking matrix is composed of fourteen scored and weighted criteria, which is the basis for assigning projects into one of the five priority-ranking categories.

The fourteen scored and weighted ranking criteria used by Washington County are:

1. Legal Mandates – This criterion assesses the risk with legal issues required by federal or state statute, court order, or regulation, or a project that moves the County into further compliance with such mandates.
2. Public Health and Safety – This criterion includes health related impacts like increases in traffic accidents, injuries, and deaths.
3. Environmental Impact – This criterion includes health related impacts like sickness due to poor water quality, health hazards due to sewer problems, or contamination from landfill sites.
4. Conformity to County Commissioners Goals and Plans - If a capital project directly addresses the County Commissioner's goals and plans, the relative attractiveness of that project increases. It should tie into the Comprehensive plans or other written plans and goals of the County.
5. Conformity to Agency, Department and Jurisdictional Plans – If a capital project directly addresses the written plans of the agency, department or jurisdiction, the value of the project increases.
6. Community Support – This criterion refers to interest group advocacy and/or opposition and conformity to County master and strategic plans.
7. Project Cost – This criterion is for the total cost of constructing or installing the proposed project. The higher the cost the lower the weight. However the forced score should not be considered adversely with respect to an individual project as it simply identifies the financial issues within the CIP Budget. A project will rank high if warranted by other evaluation criteria when scored if appropriate.
8. Funding – This criterion evaluates available funding sources to be contributed towards the proposed project. Taking into consideration if the project is continuing from the prior year, in which funding would be required, or if there is proposed self-supporting funds, or if significant outside funding sources are available.
9. Operating Budget Impact: Cost/Benefit – This criterion reflects other costs relative to the proposed project, including operation and maintenance, start-up costs, personnel, and debt service, as well as cost savings and potential revenues generated by the completed project
10. Preservation of Facility – Measures the possible effect of deferring the project, such as complete replacement of facility or equipment, major repair costs if not replaced, or added cost for new facility.
11. Project Life – This criterion measures the type of “bricks and mortar” spending that is proposed in the long-term capital plan. It places higher value on longer-term infrastructure assets.

12. Economic Impact – Measures the impact such as property value, future tax base, added jobs, income to citizens, changes in business income, and stabilization of neighborhoods. Such impacts may apply more to capital projects related to growth and expansion than to infrastructure maintenance although deteriorating structures can adversely affect business.
13. Recreational, Cultural or Aesthetic Value – A catch –all criteria for other significant quality-of-life related impacts that includes community appearance, recreational opportunities, and cultural improvements.
14. Percent of Population Benefiting – Estimates the number of persons likely to be affected by the project and nature of the impact.

After the projects are scored and weighted using above criteria, the projects are then categorized based on the score into Priority 1 through Priority 5. The priority category definitions are as follows:

- | | |
|------------|--|
| Priority 1 | Projects needed to comply with a court order or legislative mandate, and/or projects that are critical to the health, safety, and general welfare of County citizens. |
| Priority 2 | Projects important to the general welfare of the community, operating or maintaining of a physical facility, and/or not critical relative to other projects. |
| Priority 3 | Projects that provide a public operational improvement and/or projects not critical or important in relation to the County financial capabilities, needs, or other program requirements. |
| Priority 4 | Projects that conflict with the master plan and/or projects for which there are concerns related to serious need, cost, justification, or timing. |
| Priority 5 | Projects that will not be started until the completion of a study or submission of additional data, and/or projects on hold indefinitely. |

After all proposed projects are prioritized using these criteria, the CIP Committee (1) reviews the project ranking report for reasonableness, (2) checks for any projects that appear out of order, (3) determines if there are any linkages between projects, (4) evaluates if there are any advantages to having projects done concurrently (5) ascertains if there are any projects dependent on one another, and (6) reviews the project's impact on the operating budget. Adjustments to the final ranking may be necessary based on this extensive CIP prioritization process.

The CIP Committee provides an enterprise-wide view and prioritizes proposed projects while balancing project requests against known County objectives. After their review is complete the CIP Committee presents the Six-year Capital Improvement Plan to the Board of County Commissioners. The County Commissioners review the recommended Six-year Capital Improvement Plan during budget workshops and at a public hearing prior to budget adoption.

Program priorities, long-term service needs, and planning – like multidimensional ranking systems - complement rather than replace, the judgment that County officials must exercise in ranking requests for capital projects and acquisitions and developing the CIP and Capital Budget.

Operating Impact of Capital Improvement Projects

The operating impact of capital projects are reviewed and considered during the CIP review process. Estimated new revenues and or operational efficiency savings associated with projects are also taken into consideration. The operating costs of the projects are identified and considered during the ranking evaluation. The operating costs of projects to be completed and in-service during the budget year are identified and justified as part of the operating budget process. Departmental staff plans, significant start-up costs, as well as operation and maintenance costs of the new facilities are included in the operating budget. These conservative operating cost estimates represents personnel, equipment maintenance, building maintenance, debt service, and other major costs anticipated at the completion of the project. An important consideration in the County's Capital Improvement Budget is the fiscal impact on the Operating Budget due to the additional debt service cost. Total debt service cost for fiscal year 2012 is approximately \$20.7 million.

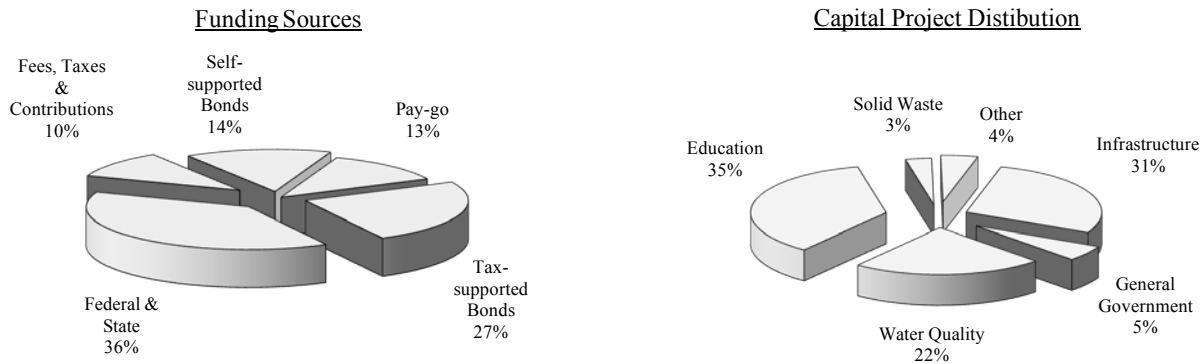
The six-year operating budget impact forecasts for individual projects approved in the fiscal year 2012 Capital Budget are presented in the project detail schedule located in the next section. Operating cost include personnel, supplies, maintenance, debt service, and other major operational costs.

The summarized table below presents a six-year summary forecast of capital project impact on the operating budget, by category, for fiscal years 2012 to 2017.

Six-year Capital Improvement Plan Estimated Operating Impact						
Project Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Airport	\$ 400	\$ 400	\$ 15,400	\$ 15,400	\$ 15,400	\$ 15,400
Bridges	57,838	125,018	125,018	125,018	125,018	201,398
Drainage	0	0	0	0	59,009	59,009
Education	736,597	1,727,192	2,401,861	2,846,729	3,613,241	3,820,521
General Government/Parks	440,389	440,389	478,239	486,089	493,989	501,839
Public Safety	0	0	0	0	99,075	218,387
Railroad Crossings	0	22,820	93,015	93,015	93,015	93,015
Road Improvement	1,337,550	1,987,531	2,626,050	3,490,837	4,378,500	5,271,029
Solid Waste	122,813	158,023	160,143	306,364	282,291	299,087
Transit	0	1,000	0	1,000	0	1,000
Water Quality	561,924	1,074,684	1,619,389	1,867,627	1,967,396	1,888,227
Total	\$ 3,257,511	\$ 5,537,057	\$ 7,519,115	\$ 9,232,079	\$ 11,126,934	\$ 12,368,912

Capital Improvement Budget Overview

A graphic illustration of planned capital project distribution and funding sources for fiscal year 2012 is shown below. The fiscal year 2012 Capital Improvement Budget is funded mainly from: tax supported and self-supported bonds, pay-go funds, federal and state funds, and developer based fees.



Capital Improvement Plan Funding Sources

Funding sources in the Capital Improvement Plan are budgeted in each fiscal year in which they will be received. All potential funding sources are considered when developing the Capital Improvement Plan to ensure that projects are funded with appropriate revenue streams. Some projects are funded with project-specific revenues that benefit particular projects and/or users, as is the case with development fees. The other information considered when funding the Capital Improvement Plan are the results of the debt affordability analysis, cash flow requirements of each project, and the financial costs associated with each funding source. Following are descriptions of the funding sources for the Capital Improvement Budget:

- *Tax-supported Bonds* are General Obligation Bonds secured by the full faith and credit of the issuer. General Obligation Bonds issued by the County are secured by a pledge of the County's property taxing power, and must be authorized by legislative authority. The amount to be issued in this fiscal year is based on the County's debt affordability guidelines, debt policies, and future project costs.
- *Self-supported Bonds* are issued for enterprise funds and the debt service is paid from user fees.
- *Pay-Go Funds* represent cash contributions from various operating funds for specific capital projects without a dedicated funding source. The fiscal year 2012 amount is based on available cash resources and was determined by maximizing the contribution level to best match funding strategies, useful lives, benefit of assets, and the cost.
- *Federal and State Funds* are for specific projects and are restrictive in nature. These funds are inconsistent from year-to-year and are not used as a base revenue stream.
- *Fees and Taxes* is the other major funding source. Excise tax is assessed for residential construction at \$3 per sq foot (SF), and \$1.5 SF for additions to residential properties. Excise tax for nonresidential non-retail is assessed at \$1 SF and nonresidential retail at \$3 SF. Budgeted excise tax is based on projected growth and development. Transfer tax is charged on recorded real property transfers in the County at a rate of .5%. Transfer tax revenue for fiscal year 2012 is based on projected home sales and recordation activity. In addition, the County has an Adequate Public Facilities Ordinance Fee. It is used to generate revenue so that public facilities and services needed to support new development will be available concurrently with the impacts of the new developments.

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Six-year Capital Improvement Plan Summary

Project Category	Prior Approp.	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Airport	0	1,446,800	3,315,400	123,600	2,315,300	5,563,500	191,100
Bridges	2,649,900	3,653,900	5,728,600	1,521,600	2,757,700	367,900	1,583,500
Drainage	40,800	681,400	420,200	337,000	533,400	1,197,200	891,700
Education	71,505,000	17,956,700	15,716,000	11,857,600	14,291,800	16,583,100	14,307,300
General Government	3,994,300	2,645,700	884,800	1,205,200	724,300	730,700	683,900
Parks & Recreation	0	350,000	0	0	0	0	0
Public Safety	0	236,600	316,000	126,800	0	1,366,300	1,593,300
Railroad Crossing	50,100	0	346,800	1,167,200	0	0	0
Road Improvement	28,742,183	9,570,800	10,168,200	9,818,900	13,353,900	13,928,700	15,199,500
Solid Waste	793,400	1,531,400	193,800	51,500	1,885,100	52,600	265,400
Transit	813,823	151,500	690,200	80,400	86,200	199,300	105,000
Water Quality	2,172,370	11,236,400	10,051,360	10,887,100	2,526,700	1,266,500	962,000
Total	110,761,876	49,461,200	47,831,360	47,831,360	37,176,900	41,255,800	35,782,700

Project Funding Source	Prior Approp.	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General Fund	22,224,974	2,715,000	4,798,000	4,798,000	4,939,800	5,037,200	5,134,600
Water Quality Funding	786,600	1,102,900	155,000	157,600	108,300	110,400	112,700
Solid Waste Fund	646,800	50,500	51,000	51,500	52,000	52,600	53,100
Airport Fund	0	75,000	0	0	0	0	0
Tax Supported Bonds	15,460,151	12,068,800	14,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Self Supported Bonds	425,470	7,177,800	6,674,760	6,384,400	2,977,800	1,156,100	1,061,600
Federal Grants	3,460,108	3,954,500	7,272,500	178,300	3,922,800	5,122,400	255,000
State Grants	38,649,207	15,067,200	10,719,600	9,188,100	7,642,600	10,930,100	9,878,100
Transfer Tax	6,211,373	800,000	0	0	1,200,000	1,300,000	1,300,000
Excise Tax – Non Residential	1,415,000	0	85,000	185,000	285,000	385,000	485,000
Excise Tax - Schools	3,348,200	0	1,150,000	708,300	841,600	1,108,300	1,296,100
Excise Tax - Roads	1,019,400	141,300	141,300	174,100	206,800	272,300	337,800
Excise Tax - Other	47,300	30,700	30,700	37,000	0	104,200	73,400
Excise Tax - Library	383,154	16,400	16,400	20,200	24,000	31,700	39,300
Capital Reserve	11,080,340	1,903,000	1,471,400	250,000	0	0	0
APFO Fees - Roads	0	200,000	0	0	0	0	0
Contributions	5,519,700	4,158,100	1,265,700	0	1,273,700	645,500	756,000
Total	110,761,876	49,461,200	47,831,360	37,176,900	38,474,400	41,255,800	35,782,700

Fiscal Year 2012 Capital Improvement Budget - Project Detail

Project Name	Project Description	Project Budget	Operating Impact
Capital Equipment - Airport	Replace 1985; 1,500 ton per hour Snow Blower that has reached the end of its useful life. Addition of new equipment; Boom Bank Flail Mower for maintenance of Storm Water Management ponds and steep grades around the airport.	\$ 569,300	\$ 400
Terminal Modification	Hold room and baggage claim expansion; additional restrooms in hold room; relocation of existing administrative offices. Approximately 5,000 square foot addition to the east end of the Terminal.	252,500	-
Northwest Quadrant Site Preparation	Site work grading and drainage in the northwest quadrant of the airfield to develop "Pad-Ready" sites for future development.	400,000	-
Fuel Tank and Pumping System Upgrades	Upgrade existing Aviation gasoline storage tank to Jet A storage and combine pumping systems.	75,000	-
Airport Layout Plan Update	Airport Layout Plan will be updated to include future development recommendations.	150,000	-
Marble Quarry Road Bridge W6083	Bridge is located in the 19900 block of Marble quarry Road (ADC Map 32, Grid A-13). Replace deteriorated single land concrete bridge. Structure is considered eligible for the National Register of Historic Places. Rating is 36.2 out of a maximum possible score of 100.	80,000	-
Coffman Farms Road Bridge W6371	Bridge is located in Keedysville, near Main Street (ADC Map 31, Grid G-7). Rehabilitate stone arch structure. Structure is considered eligible for the National Register of Historic Places. Rehabilitation will include concrete fill, traffic barrier upgrades, scour repair, and repointing. Bridge sufficiency rating is 36.2 out of a maximum possible score of 100.	765,600	-
Bridge Inspection & Inventory	Ongoing bridge inspection program for both major (bridges greater than 20 feet in length) and minor (bridges greater than 6 but less than 20 feet in length) structures. Federal regulations govern the Major Structures inspection program.	171,700	13,478
Old Forge Road Bridge W2382	Bridge is located in the 20800 block of Old Forge Road (ADC Map 22, Grid D-1). Rehabilitate stone arch structure. Structure is considered eligible for the National Register of Historic Places. Rehabilitation will include concrete fill, traffic barrier upgrades, scour repair, and repointing. Bridge Sufficiency Rating is 37.4 out of a maximum possible score of 100.	1,298,900	-

Project Name	Project Description	Project Budget	Operating Impact
Burnside Bridge Road Culvert 01/02	This project is located in the 18500 block of Burnside Bridge Road (ADC Map 34, Grid D-2). Replace single lane steel stringer bridge with two lane precast box culvert and make traffic barrier approach road improvements.	\$ 50,500	\$ -
Garis Shop Road Bridge W4021	Bridge is located in the 10000 Block of Garis Shop Road (ADC Map 26, Grid F-2). Rehabilitate stone arch structure. Structure is considered eligible for the National Register of Historic Places. Rehabilitation will include concrete fill, traffic barrier upgrades, scour repair, and repointing. Bridge Sufficiency Rating is 40.1 out of a maximum possible score of 100.	70,800	-
Leiters Mill Road Bridge W2292	This project is in the 21300 block of Leiters Mill Road (ADC Map 11, Grid H-8). Repair existing stone arch bridge. Structure is eligible for the National Register of Historic Places. Although undetermined at this time, repair will most likely consist of concrete fill, traffic barrier upgrades, scour repair, riprap placement, and repointing the stone masonry. Bridge Sufficiency Rating is 30.7 out of a maximum possible score of 100.	70,800	-
Poffenberger Road Bridge W4011	This project is located in the 19000 block of Poffenberger Road (ADC Map 26, Grid F-1). Rehabilitate single span stone arch structure. Structure is considered eligible for the National Register of Historic Places. Rehabilitation will include concrete fill, traffic barrier upgrades, scour repair, and repointing. Bridge Sufficiency Rating is 41.0 out of a maximum possible score of 100.	156,600	-
Locust Grove Road Culvert 08/03	This project is located in the 22200 block of Locust Grove Road (ADC Map 35, Grid C-4). Replace deteriorated single lane steel stringer structure with new two lane precast concrete box culvert. Project also includes the widening of Locust Grove Road to two lanes from the structure out to MD 67, a distance of approximately 250 feet.	285,800	24,437
Beaver Creek Road Culvert 16/01	This project is located in the 19000 block of Beaver Creek Road (ADC Map 21, Grid H-11). Replace existing single lane concrete structure with a two lane precast box culvert. Upgraded traffic barrier will be added to improve safety.	228,300	19,923
Poffenberger Road Bridge W4012	This project is located in the 19000 block of Poffenberger Road (ADC Map 26, Grid F-1). Rehabilitate three span stone arch structure. Structure is considered eligible for the National Register of Historic Places. Rehabilitation will include concrete fill, traffic barrier upgrades, scour repair, and repointing. Bridge Sufficiency Rating is 41.0 out of a maximum possible score of 100.	207,100	-

Project Name	Project Description	Project Budget	Operating Impact
Mt. Lena Road Culvert 16/05	This project is located in the 21300 block of Mt. Lena Road (ADC Map 27, Grid H-7). Replace deteriorated two lane concrete slab bridge with a precast box culvert. Upgraded traffic barrier will be added as well to improve safety.	\$ 15,200	\$ -
Trego Road Culvert 08/06	This project is located in the 4100 block of Trego Road (ADC Map 35, Grid A-4). Replace existing concrete slab bridge with precast concrete box culvert. Upgraded traffic barrier will be added as well to improve safety.	37,400	-
Benevola Newcomer Road Culvert 06/04	This project is located in the 19600 block of Benevola Newcomer Road (ADC Map 26, Grid J-10). Eliminate existing deteriorated concrete slab culvert used as a cattle crossing. Replace with an at grade road section.	215,200	-
Charles Mill Road Culvert	This project is located in the 11300 block of Charles Mill Road (ADC Map 18, Grid B-8). Replace small concrete structure with concrete pipe and new headwalls. Upgraded traffic barrier will be added as well to improve safety. This structure is adjacent to culvert 04/05.	131,300	-
Trego Road Culvert, 4000 Block	This project is located in the 4000 block of Trego Road (ADC Map 35, Grid B-5). Replace the existing concrete slab bridge with a reinforced concrete pipe and headwalls.	11,200	-
Stream Restoration at Various Locations	Restore stream banks at various locations on the Antietam Creek and Conococheague Creek to improve water quality.	404,000	-
Kilarney Drive Culvert	This project is located at the intersection of Kilarney Drive and Heather Drive (ADC Map 20, Grid A-5). Slip line existing culvert with HDPE pipe and grout void space.	40,000	-
Capital Maintenance – Board of Education	Projects vary depending on the conditions, safety, security, and utility requirements. The Comprehensive Maintenance Plan outlines specific projects over the next five years. Projects include improved lighting, sidewalk replacements, paving repairs, flooring repairs, door replacement, large painting projects, locker replacement, interior renovations, and security system installations. Projects are targeted to reduce deferred maintenance.	958,000	-
Renovation and Expansion of the Central Library	Acquire land, demolish buildings, relocate public utilities and construct surface parking lot. Renovate existing library and construct an expansion for a total building square footage of 84,357 square feet.	8,232,800	186,861

Project Name	Project Description	Project Budget	Operating Impact
Ruth Ann Monroe Primary (New School)	New school construction of an 81,000 square foot primary school building to house pre-kindergarten through second grade. The school will be sistered with Eastern Elementary which will house third through fifth grade. Provisions have been made in this budget request to include an expanded gymnasium in partnership with the Buildings, Grounds, and Parks Department.	\$4,886,700	\$ -
Bester Elementary (Replacement School)	Construct a new school to replace the existing Bester Elementary on the existing site. The new school is planned as a four-round school, increasing the student capacity of this school from 511 students to 608 students. Portions of the existing school building will be demolished to make room for appropriate drives and play fields. Provisions have been made within this budget request to include an expanded gymnasium for community use in partnership with the Buildings, Grounds, and Parks Department.	693,200	47,563
Arts and Sciences Complex	The Arts and Science Complex (ASC) is a two-phased project consisting of three buildings. Phase I is the construction of a new 63,000 square foot GSF Science, Technology, Engineering, and Mathematics (STEM) Building. Phase II of the ASC will renovate the current Science Building into the Leaning Center. This phase will also include the renovation of the current Classroom Building that will remain an academic building with classrooms, foreign language lab, and faculty offices.	1,781,000	397,988
Student Center and Campus Store	The College/Student Center currently houses student service functions such as the Bookstore, Food Service, meeting space, student activities, and student government. With the anticipated enrollment growth over the next several years, these spaces will need to be expanded to continue to provide these basic services.	482,200	6,853
Performing & Visual Arts Education Center	The purpose of this project is to renovate the Kepler Theater and add a Performing & Visual Arts Education Center. The project will be the last phase of the Arts & Sciences Complex. The project will expand the lobby to include a gallery and create an educational space for the performing and visual arts.	922,800	97,332
Bond Issuance Costs	Costs associated with the sale of bonds. The costs include fees for printing, financial advisor, bond counsel, discounts, and rating agency fees.	100,000	19,861
Financial System Management & Upgrades	Integrated financial system (general ledger, human resources, payroll, financials, purchasing, utility, and budget) is used for County-wide operations to process all financial, human resources, payroll, and purchasing functions for the County.	151,500	-

Project Name	Project Description	Project Budget	Operating Impact
Chiller Replacement, 100 W. Washington Street	Replace 40-ton chiller at 100 W. Washington Street that provides air conditioning to the first floor and basement offices. Project includes engineering, demolition, and removal of the existing unit, installation, and re-plumbing. Replace 2 - 40-ton chillers that provide air conditioning to the second and third floors. Project includes engineering, demolition, and removal of existing units, installation, and re-plumbing.	\$ 40,000	\$ -
Air Conditioning System – County Office Building	First year of a two year phase that will replace 120-ton chiller located in the basement that provides air conditioning to the first, second, and third floors. Project includes engineering, demolition, and removal of existing unit, installation, and re-plumbing.	40,600	-
Information Systems Replacement Program	Funding set aside for software and hardware development to improve the efficiencies and streamline government operations.	50,500	-
Senior Community Center	Construction of Senior Community Center to provide focal point for services for senior adults in Washington County in order to maintain independence and quality of life. Centers offer information and assistance, health education, wellness/fitness opportunities, resource counseling, meals, socialization, recreation, and civic engagement.	2,233,100	419,828
Demolition of Structures on Various County Properties	Washington County has acquired properties at various locations in the County for future capital improvements. These properties have associated buildings/structures that are expected to be demolished for upcoming County projects.	30,000	-
Rural Heritage Transportation Museum	The project consists of construction of a 60 foot x 120 foot building to house the Rural Heritage Transportation Museum.	350,000	700
Communications System Narrowbanding	Software and hardware upgrades and possible construction of a new public safety communications site. The extent of this project has not been fully determined at this point.	50,000	-
Public Safety Fleet Replacement Program	Replacement of public safety fleet inventory. Replacement would focus on such factors as age, mileage, repair history, etc. Review and recommendation of existing replacement policy would be done on vehicles considering funding levels that exist. Recommend review by committee and compare with other government operations, policies, and practice.	186,600	-

Project Name	Project Description	Project Budget	Operating Impact
Equipment Replacement Program	Replacement of heavy and specialized equipment for maintenance and construction activity. Replacement would focus on such factors as age, mileage, hours, repair history, etc. Review and recommendation of existing replacement of policy would be done on both vehicles and heavy equipment considering funding levels that exist. Recommend review by committee and compare with other government operations, policy, and practice.	\$ 410,900	\$ -
Pavement Maintenance and Rehabilitation	Modification of County-wide pavement maintenance program targeting rehabilitation of County highway pavement as required. Techniques may include but not be limited to, road reclamation, bituminous concrete overlay, crack sealing, and surface treatment. Individual projects will be determined on an annual basis consistent with the County's overall Pavement Management Program.	3,000,000	449,805
Robinwood Corridor II	Widen Robinwood Drive to four lanes between Medical Campus Drive and Hagerstown Community College (approximately 5,800 feet). New road section will consist of two 12 foot wide lanes in each direction with a raised grassed median and closed storm drain system. This proposed section will terminate at the intersection of HCC campus. To accommodate the proposed section at this intersection, a new traffic signal will be required.	436,300	15,700
Shawley Drive	Project involves the relocation of the northern most end of Shawley Drive between Label Lane and Murgans Avenue, so that it aligns with Oliver Drive and is removed from close proximity to the ramps from and onto I-81. The road will be a two lane open section roadway.	1,093,200	85,816
Eastern Boulevard Widening Phase I	Widen Eastern Boulevard from MD Rt. 64 (Jefferson Boulevard) to Security Road from the existing 2 lane roadway to a 4 lane divided roadway. Including drainage improvements, and traffic signal modifications.	2,686,600	379,571
Garis Shop/Poffenberger Roundabout	Realign the intersection of Garis Shop Road/Poffenberger Road and Alternate 40. Project involves the construction of a traffic roundabout at the intersection of Garis Shop Road and Poffenberger Road.	909,600	78,861

Project Name	Project Description	Project Budget	Operating Impact
Transportation ADA	Upgrades to existing street crossings and facilities to comply with Americans with Disabilities (ADA) requirements. This includes providing pavement markings, signs, sidewalks, ramps, and accessible pedestrian signals as necessary to bring the existing conditions into compliance.	\$ 92,200	\$ -
Eastern Boulevard at Antietam Drive Intersection Improvement	Intersection improvements at Antietam Drive. This project will connect the Eastern Boulevard Widening Phase II project with the Eastern Boulevard Extended project. Two intersection configurations are being evaluated at this location, a traditional four-legged signalized intersection and a roundabout intersection.	202,000	18,024
Yale Drive – Phase II	Project involves the expansion of Yale Drive Extended – Phase I (Project RDI053) from a 2 lane road to a 4 lane roadway with a grassy median. Road length is approximately 4,600 linear feet.	600,000	-
Crayton Boulevard Signal	Install a traffic signal at the intersection of Crayton Boulevard and Maugans Avenue. New poles for traffic signals will utilize concrete foundations already in place.	140,000	-
Contingency – Solid Waste	A budgetary reserve to provide for emergency of unanticipated expenditures.	50,500	-
Leachate Pump Station and Force Main	Design and construct a landfill leachate pump station and approximately 2,100 foot of force main to discharge leachate into the domestic wastewater transmission lines from the Forty West Landfill and possibly the former City/County Landfill. This project is contingent upon completion of the wastewater transmission system to be constructed by private developers (Powers Estates) and the Cedar Springs Pump Station. Other expenses are for construction, management, and inspection services.	697,300	54,738
Hancock Landfill – Gas Flares	Replace gas vents with gas flares at the Hancock Landfill.	195,800	21,933
City/County Leachate Upgrades	Upgrade the existing leachate pump stations and storage tanks at the City/County Landfill. Inspection of the existing leachate conveyance and storage system by County Division of Environmental Management staff concluded the system has exceeded its useful operational life, and requires upgrade and replacement.	587,800	46,142
Vehicle Preventative Maintenance	Funding source to use for preventative maintenance and repairs of transit vehicles and facilities.	151,500	-
Contingency – Utility Administration	A budgetary reserve to provide for emergency of unanticipated expenditures.	25,500	-

Project Name	Project Description	Project Budget	Operating Impact
Contingency - Sewer	A budgetary reserve to provide for emergency of unanticipated expenditures.	\$ 51,000	\$ -
Winebrenner Wastewater Treatment Plant Upgrade	Upgrade facility to comply with Maryland Department of the Environment's (MDE) Enhanced Nutrient Removal (ENR) strategy and improve operational efficiency.	10,757,100	516,750
Wright Road Sewer Force Main Rehabilitation Project	The existing force main has become exposed to the surface due to erosion caused by storm flow in the stream. The Department is proposing to encase the exposed section in concrete which will prevent further erosion and potential damage to the pipe and the environment. This method of correction has been discussed with MDE staff.	150,000	11,775
Contingency – Water	A budgetary reserve to provide for emergency of unanticipated expenditures.	25,500	-
Highfield Water System	Rehabilitation of the existing water treatment plants to meet future MDE permit requirements and extend life of the facility.	176,800	-
General Water Treatment Plant Improvements	General upgrades to Water Treatment Plants including electrical systems and equipment.	50,500	-
Brookfield Avenue Drainage	This project is located at the end of Brookfield Avenue (ADC Map 20, Grid B-4). Provide channel and culvert improvements to correct road and property flooding.	94,900	-
		\$49,461,200	\$2,913,939

Summary of Major Capital Improvement Plan for FY 2013-2017

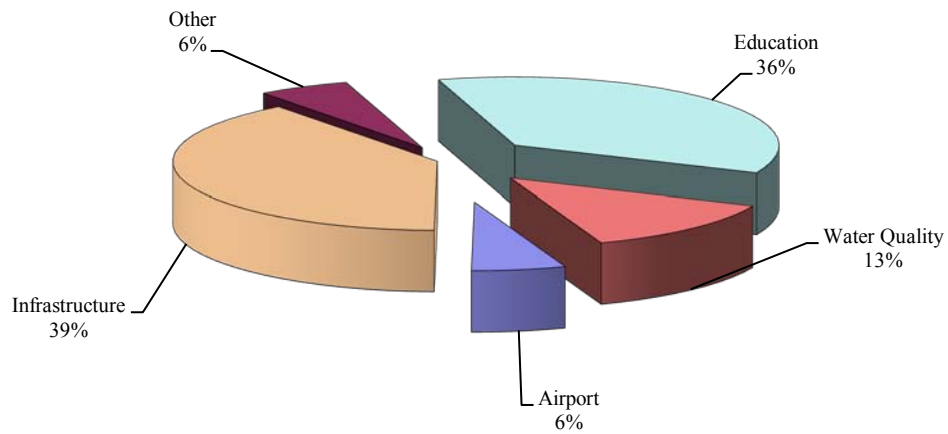
Discussed below are several of the major projects scheduled in the Capital Improvement Plan for FY 2013 –2017.

Project Name	Project Description	Total Project Budget
Ruth Ann Monroe Primary (New School) Began in FY 2009	New school construction of an 81,000 square foot primary school building to house pre-kindergarten through second grade. The school will be sistered with Eastern Elementary which will house third through fifth grade. Provisions have been made in this budget request to include an expanded gymnasium in partnership with the Buildings, Grounds, and Parks Department.	\$ 24,963,800
East City High (New School) Beginning in FY 2016	Provides a new 155,280 square foot high school with a capacity of 848 students, and core space(s) to support future enrollment up to 1,200 students. This project will cover the projected seating deficit of five other high schools.	49,899,080
Bester Elementary (Replacement School) Beginning in FY 2012	Construct a new school to replace the existing Bester Elementary on the existing site. The new school is planned as a four-round school, increasing the student capacity of this school from 511 students to 608 students. Portions of the existing school building will be demolished to make room for appropriate drives and play fields. Provisions have been made within this budget request to include an expanded gymnasium for community use in partnership with the Buildings, Grounds and Parks Department.	22,446,000
South County Elementary School – Phase I Beginning in FY 2014	3-round, pre-kindergarten through 5 th grade school. School will be 56,818 square foot and house 471 students with a core space sized for a 5-round school to accommodate future expansion. Provisions have been made within this budget request to include an expanded gymnasium for community use in partnership with the Buildings, Grounds, and Parks Department.	18,791,300
Smithsburg Wastewater treatment Plant – Facility Improvements Beginning in FY 2010	Upgrade of facility to address Maryland Department of the Environment strategy for Enhanced Nutrient Removal and expand capacity to address growth needs of the area.	15,110,130
Winebrenner Wastewater Treatment Plant Upgrade Began in FY 2005	Upgrade facility to comply with Maryland Department of the Environment Enhanced Nutrient Removal strategy and improve efficiency.	15,738,200

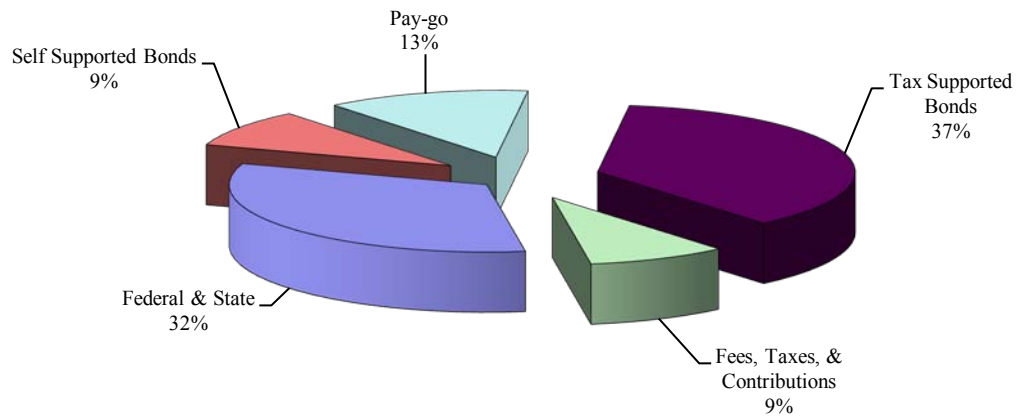
Project Name	Project Description	Total Project Budget
Phase 2 – Detention Center Expansion Begin in 2016	Phase 2 of the Detention Center expansion involves the building of a secure corridor between the existing Detention Center and the old Phoenix Color building. It also includes the moving of Administration, Food, Commissary, and laundry services to the old Phoenix Color building along with the building of two male 48 bed housing units. These housing units will house the kitchen trustees, work release inmates, and other trustees in the Detention Center.	\$ 21,941,100

The following charts illustrate the projects by category and the funding sources that are currently scheduled for FY 2013 thru FY 2017. The ‘Other’ category includes projects for: Parks & Recreation, Solid Waste, Transit, General Government, and Public Safety. The ‘Education’ category includes projects for the Board of Education, the Hagerstown Community College and Public Libraries, including the Renovation and Expansion of the Central Library. The total for all projects represented in the chart is \$200,521,160.

Capital Improvement Plan for FY2013 thru FY2017



Funding Sources for FY2013 thru FY2017



General Fund

- General Fund Revenue Summary
- General Fund Revenue Detail
- General Fund Expenditure Summary
- General Fund Expenditure Detail by Department and Agency that includes:
 - Functions
 - Accomplishments for Fiscal Year 2011
 - Goals for Fiscal Year 2012
 - Funding Sources and Program Expenditures
 - Staffing Summaries or Services Provided

General Fund – Revenue Summary

Category	2010 Actual	2011 Budget	2012 Budget	\$ Change	% Change
Property Tax	129,253,647	125,823,260	124,284,530	(1,538,730)	(1.22%)
Local Taxes	61,774,681	64,945,000	64,730,000	(215,000)	(0.33%)
Interest Earnings	465,500	813,170	432,130	(381,040)	(46.86%)
Charges for Services:					
Permitting	933,894	1,066,950	1,038,360	(28,590)	(2.68%)
Planning	86,019	97,000	67,000	(30,000)	(30.93%)
Parks and Recreation	413,744	418,000	424,500	6,500	15.55%
Public Safety	1,475,137	1,284,090	1,425,160	141,070	10.99%
Other	952,891	817,720	855,670	37,950	4.64%
Grants for Operations	6,581,069	1,883,390	1,796,000	(87,390)	(4.64%)
Excess Fund Balance Reserve	0	0	1,200,000	1,200,000	100.00%
Total	201,936,582	197,148,580	196,253,350	(895,230)	(0.45%)

General Fund Revenue Structure

The General Fund major functions are to provide funding for education, public safety, courts, planning, permits, public works, parks and recreation, general operations, and economic development. To provide these programs and services for the public, the above revenue sources are used to fund related expenditures for those programs and services.

Major revenue categories are Property Tax, Local Taxes, Interest Earnings, Charges for Services, and Grants for Operations, which can be seen in the table above. Property Tax and Income Tax represent the two major revenue sources in the General Fund, as they comprise 96% or \$189 million of total General Fund revenues. Detail of the revenue sources and the underlying assumptions can be read on pages 75-80:

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General Fund – Revenue Detail

Property Tax					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Real Estate Tax	115,539,880	112,529,230	111,560,210	(969,020)	(0.86%)
Corporate Personal Property Tax	13,919,735	13,597,880	13,580,270	(17,610)	(0.13%)
State Administrative Fees	0	0	(600,000)	(600,000)	(100.00%)
Interest on Property Taxes	575,686	510,000	580,000	70,000	13.73%
Payment in Lieu of Taxes	126,349	136,150	131,920	(4,230)	(3.11%)
Enterprise Tax Reimbursement	381,782	331,600	352,930	21,330	6.43%
Service Charge – Semi-Annual	122,979	120,000	120,000	0	0.00%
Tax Sale Penalty and Other Fees	75,236	45,000	45,000	0	0.00%
Enterprise Zone Tax Credit	(845,882)	(698,100)	(705,870)	(7,770)	1.11%
Agricultural Tax Credit	(341,612)	(340,000)	(350,000)	(10,000)	2.94%
New Jobs Tax Credit	0	(10,000)	(37,220)	(27,220)	272.20%
Historical Tax Credit	(2,950)	(6,000)	(6,000)	0	0.00%
County Homeowners Tax	0	(100,000)	(100,000)	0	0.00%
Other Credits	(2,165)	(2,500)	(2,500)	0	0.00%
Discount Allowed- Property Tax	(316,186)	(305,000)	(305,000)	0	0.00%
Federal Payment in Lieu of Taxes	20,795	15,000	20,790	5,790	38.60%
Total	129,253,647	125,823,260	124,284,530	(1,538,730)	(1.22%)

Property Tax is estimated at \$124.3 million for FY 2012 and is mainly generated from Real Estate and Corporate Personal Property Tax. Real Estate tax is assessed at \$.948 per \$100 of assessed value. Property Tax revenue decreased by \$1.5 million or 1.22%. The majority of the decrease is due to a 12% reduction in the City of Hagerstown's tax base which is the result of reassessments.

Local Taxes					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Income Tax	57,025,046	60,000,000	59,800,000	(200,000)	(0.33%)
Income Tax Reserve	0	(420,000)	(420,000)	0	0.00%
Admissions and Amusement Tax	369,953	390,000	360,000	(30,000)	(7.69%)
Recordation Tax	3,933,626	4,550,000	4,550,000	0	0.00%
Trailer Tax	446,056	425,000	440,000	15,000	3.53%
Total	61,774,681	64,945,000	64,730,000	(215,000)	(0.33%)

Local Taxes are projected to decrease by \$215 thousand or .33% in FY 2012. The Local Income Tax rate is set at 2.8% of taxable income. Income and Recordation Tax account for 98% of this category. Income Tax was based on several factors including projected personal income trends, unemployment history, unemployment projections, job growth, state budgetary actions, and trend analysis. In the evaluation, income tax projections are being reduced for 2012.

Recordation Tax rate is set at \$3.80 per \$500 and is set on instruments conveying title, articles of transfers, and amounts securing debt. Recordation revenue is projected at \$4.6 million and is based on current trends and projected economic outlooks, excluding one-time revenues.

Interest Earnings					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Interest Income - Investments	230,574	600,000	300,000	(300,000)	(50.00%)
Interest Income – Municipal Investment	214,931	200,000	120,000	(80,000)	(40.00%)
Interest Income - Other	19,995	13,170	12,130	(1,040)	(7.90%)
Total	465,500	813,170	432,130	(381,040)	(46.86%)

Budgeted interest earnings are based on the current year's investment amount with the expected interest rates, which are expected to remain relatively stable. The County has worked with investment bankers to realize as much interest as possible through investing in longer term investments and laddering maturity dates.

Charges for Services – Permitting					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Miscellaneous Licenses	900	1,000	1,000	0	0.00%
Building Permits - Residential	146,001	200,000	170,910	(29,090)	(14.55%)
Building Permits - Commercial	97,866	120,500	120,500	0	0.00%
Municipal Fees	16,341	20,000	18,000	(2,000)	(10.00%)
Electrical Licenses Fees	12,000	12,000	78,500	66,500	554.17%
Electrical Permit - Residential	167,482	200,290	175,290	(25,000)	(12.48%)
Electrical Permit - Commercial	138,726	100,160	100,160	0	0.00%
HVAC Registration Fees	14,060	2,000	2,000	0	0.00%
HVAC - Residential	80,424	106,750	96,750	(10,000)	(9.37%)
HVAC - Commercial	44,103	29,500	35,500	6,000	20.34%
Other Permit Fees	50,013	70,000	60,000	(10,000)	(14.29%)
Plumbing Licenses Fees	28,090	25,000	15,000	(10,000)	(40.00%)
Plumbing Permits – Residential	90,749	116,750	106,750	(10,000)	(8.57%)
Plumbing Permits – Commercial	30,504	40,500	35,500	(5,000)	(12.4%)
Zoning Appeals	16,625	22,500	22,500	0	0.00%
Total	933,894	1,066,950	1,038,360	(28,590)	(2.68%)

Permitting revenue is projected to decrease by \$28,590 for FY 2012. Residential permit revenue assumes a continued slow down in home building within the area, while commercial fees are expected to remain stable. Electrical licenses are renewed bi-annually with FY 2012 being a renewal year.

Charges for Services – Plan Review					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Reimbursed Expenses	4,578	0	0	0	0.00%
Rezoning	2,800	4,000	4,000	0	0.00%
Development Fees	75,739	90,000	60,000	(30,000)	(33.33%)
Other Planning Fees	2,902	3,000	3,000	0	0.00%
Total	86,019	97,000	67,000	(30,000)	(30.93%)

Plan review fees are projected to total \$67,000. The major revenue source in this category is development fees, which generates \$90,000. Development fees include site plan and subdivision review. Fees vary from project to project depending on the number of lots or acres in the subdivision. Development fees are expected to remain at the same level as FY2011 actuals.

Charges for Services – Parks and Recreation					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Parks:					
Sale of Wood	17,310	10,000	13,000	3,000	30.00%
Rental Fees	34,505	35,000	35,000	0	0.00%
Ball Field Fees	9,075	5,000	7,500	2,500	50.00%
Ball Field Lighting Fees	2,198	3,500	3,500	0	0.00%
Concession Stands	6,956	5,500	6,500	1,000	18.18%
Contributions	501	1,000	1,000	0	0.00%
Program Fees	9,083	8,000	8,000	0	0.00%
Martin L. Snook Pool:					
Pool Fees	54,073	55,000	55,000	0	0.00%
Concession Fees	20,058	20,000	20,000	0	0.00%
Recreation:					
Program Fees	259,985	275,000	275,000	0	0.00%
Total	413,744	418,000	424,500	6,500	15.55%

Parks and Recreation revenue are projected to produce \$424,500 for FY 2012. A majority of this revenue source comes from program fees, rental fees and pool fees. Program fees are generated from recreation programs such as summer camps, which raise approximately \$275,000 and are based on the cost of the program. Rental fees are estimated at \$35,000 and are generated from pavilion usage. Pool fees are estimated at \$55,000 and are generated from the County owned pool, which is operated during summer months. All three revenue estimates were based on current revenue, normal weather patterns, and projected trends.

Charges for Services – Public Safety					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Sheriff – Judicial:					
Sheriff Fees	40,558	40,000	40,000	0	0.00%
Peace Order Service	4,480	4,000	4,000	0	0.00%
Sheriff - Process Servers:					
Peace Order Service	209,880	200,000	205,000	5,000	2.50%
Sheriff – Patrol:					
Parking Violations	551	1,000	400	(600)	(60.00%)
Reimbursed Expenses	192,248	177,000	117,000	(60,000)	(33.90%)
Sheriff – Central Booking:					
Rental Income	0	23,870	15,720	(8,150)	(34.14%)
Sheriff – Detention:					
Housing State Prisoners	208,575	0	200,000	200,000	100.00%
Home Detention Fees	49,639	59,800	46,580	(13,220)	(22.11%)
Prisoners Release Program Fees	44,431	43,040	53,900	10,860	25.23%
Alien Inmate Reimbursement	24,098	25,000	25,000	0	0.00%
Social Security Income	10,722	18,000	18,000	0	0.00%
Reimbursed Expenses	11,052	10,730	9,430	(1,300)	(12.12%)
Narcotics Task Force:					
Reimbursed Expenses	250,962	259,920	258,900	(1,020)	(0.39%)
Emergency Services:					
EMCS Salary Reimbursement	15,600	15,600	15,600	0	0.00%
False Alarm Fines	0	500	10,000	9500	1900.00%
Reimbursed Expenses	412,341	405,630	405,630	0	0.00%
Total	1,475,137	1,284,090	1,425,160	141,070	10.99%

Public Safety is projected to generate fees of \$1.4 million for FY 2012. The reimbursed expense for Emergency Services is the largest single source of revenue in this category. The County and City consolidated their 911 centers and the City will reimburse the County 85% of the previous City employees' wages.

Charges for Services – Other					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Circuit Court:					
Reimbursed Jurors	97,755	85,000	85,000	0	0.00%
Reimbursed Expense	8,497	58,380	8,500	(49,880)	(85.44%)
States Attorney					
Reimbursed Expense	66,984	66,990	66,990	0	0.00%
Animal Control:					
Animal Licenses	25,683	25,000	0	(25,000)	(100.00%)
Purchasing:					
Sale of Publications	7,860	7,000	9,000	2,000	28.57%
Public Works – Engineering & Construction:					
Reimbursed Expense	7,860	5,000	5,000	0	0.00%
Review Fees	109,213	90,000	168,200	78,200	86.89%
Drawings/Blue Line Prints	4,645	1,000	1,000	0	0.00%
Information Technology:					
Digital Data Fees	3,670	5,000	5,000	0	0.00%
Economic Development Commission:					
Marketing Promotions	3,029	3,000	3,000	0	0.00%
Weed Control:					
Weed Control Fees	186,656	118,630	118,630	0	0.00%
General:					
Gain/Loss- Sale of Asset	39,184	25,000	25,000	0	0.00%
Rental - Building	215,079	189,320	190,080	760	0.40%
Rental – Utilities	2,670	600	300	(300)	(50.00%)
Rental – Other	0	0	11,970	11,970	100.00%
Reimburse Administrative	39,326	20,000	20,000	0	0.00%
Election Filing Fees	480	600	500	(100)	(16.67%)
Miscellaneous	90,325	75,000	95,000	20,000	26.67%
Sheriff Auxiliary	34,711	40,000	40,000	0	0.00%
Fuel	1,269	1,000	1,300	300	30.00%
Bad Check Fee	1,073	1,200	1,200	0	0.00%
Cash Drawer Over (Under)	(47)	0	0	0	0.00%
Total	952,891	817,720	855,670	37,950	4.64%

Other Charges for Services accounts for fees generally related to general operational costs or minor categories and are small in nature. The major revenue sources in this section are Rental - Building and Reimbursed Expenses for the courts. The County owns various properties that are rented for various rates. Reimbursed expenses for the court system represents (1) reimbursement from the State of Maryland for jurors, based on the number of days and (2) reimbursement for the use of the facility and (3) reimbursement for salaries of court personnel.

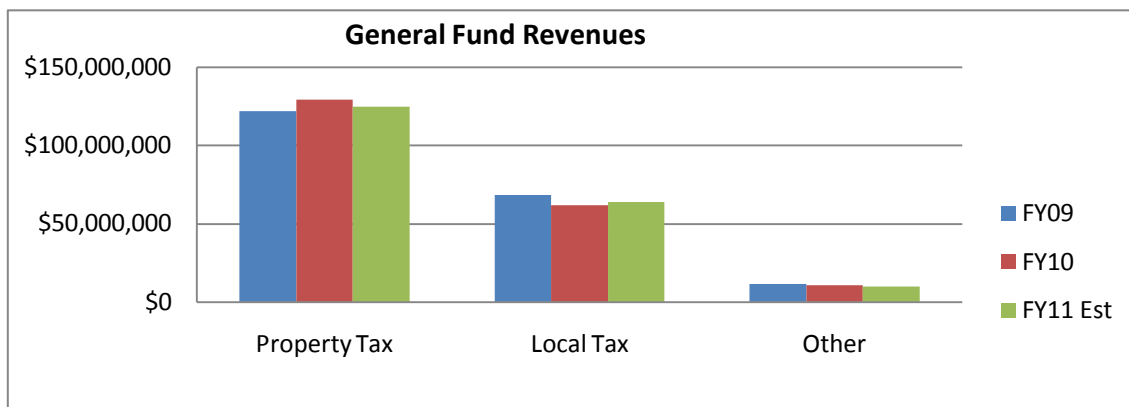
Grants for Operations					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Judicial - Nonsupport	154,944	155,000	150,000	(5,000)	(3.23%)
Patrol:					
State Aid for Police	388,156	393,100	388,000	(5,100)	(1.30%)
State:					
Alcoholic Beverage Licenses	9,200	8,000	9,000	1,000	12.50%
Trader's Licenses	216,807	250,000	225,000	(25,000)	(10.00%)
Court Costs and Fines	165,235	35,000	35,000	0	0.00%
Marriage Ceremony Fees	3,780	4,000	4,000	0	0.00%
911 Fees	977,799	950,000	930,000	(20,000)	(2.11%)
Marriage Licenses	52,525	55,000	55,000	0	0.00%
Operating Grant- 911 Communications	0	33,290	0	(33,290)	(100.00%)
Other	4,612,623	0	0	0	0.00%
Total	6,581,069	1,883,390	1,796,000	(87,390)	(4.64%)

State Aid for Police Protection and 911 Fees represent the two major revenue sources in this category. State Aid for Police Protection is a grant received from the State of Maryland. Revenues are determined by formula, administered and calculated by the State of Maryland Police. The formula accounts for agency size, number of sworn officers, county population, net taxable income, and police protection expenditures per capita.

911 fees are set at \$.75 per call to help defray County operating cost on all stationary and cellular residential and commercial telephone accounts. The telephone companies collect the tax and remit it to the State. The State in turn distributes the income to the counties plus interest.

Other					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Excess Fund Balance Reserve	0	0	1,200,000	1,200,000	100.00%
Total	0	0	1,200,000	1,200,000	100.00%

GRAND TOTAL	201,936,582	197,148,580	196,253,350	(895,230)	(0.45%)
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General Fund – Expenditure Summary

Category	2010 Actual	2011 Budget	2012 Budget	\$ Change	% Change
Education	104,783,690	104,037,710	104,279,230	241,520	0.23%
Public Safety	33,454,995	34,471,300	35,303,690	832,390	2.41%
Transfers	33,108,198	30,235,000	28,720,250	(1,514,750)	(5.01%)
Court System	3,524,823	3,749,530	3,824,400	74,870	2.00%
State Functions	3,636,664	4,238,880	4,029,390	(209,490)	(4.94%)
Non-Profits	1,803,790	1,769,040	1,768,040	(1,000)	(0.06%)
General Operations	8,425,896	8,284,270	8,274,420	(9,850)	(0.12%)
Buildings	1,355,874	1,453,350	1,438,210	(15,140)	(1.04%)
Other	2,825,680	2,950	2,450	(500)	(16.95%)
Medical	18,690	19,400	19,400	0	0.00%
Public Works	1,748,328	1,654,780	2,940,190	1,285,410	77.68%
Permitting	2,568,966	2,678,060	1,218,460	(1,459,600)	(54.50%)
Planning	1,344,520	1,301,820	1,149,340	(152,480)	(11.71%)
Parks & Facilities	2,502,788	2,529,650	2,458,470	(71,180)	(2.81%)
Economic Development	752,338	722,840	827,410	104,570	14.47%
Total	201,855,240	197,148,580	196,253,350	(895,230)	(0.45%)

General Fund expenditures are classified first by function or program, such as, education, public safety, courts, etc. This representation can be seen above, with the largest category being education, public safety, and operating and capital transfers. You will see that total appropriations decreased by .45% or \$895,230 million from FY11. Each category is shown in detail following this page.

Within each program or function, expenditures are categorized by salaries and benefits, operating costs, and capital outlay.

Salaries and benefits are costs related to employees in connection with services performed. Operating costs are things such as, maintenance, repairs, supplies, transfers, debt service, and utilities. Capital outlay includes land, improvements to land, easements, buildings, building improvements, vehicles, machinery, and equipment that are used in operations and that have initial useful lives extending beyond a two year reporting period and that do not qualify for the Capital Improvement Fund.

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General Fund – Education Summary

Category	2010 Actual	2011 Budget	2012 Budget	\$ Change	% Change
Board of Education:					
Maintenance of Effort	87,829,920	88,433,730	89,518,310	1,084,580	1.23%
Other Funding	1,748,620	396,060	0	(396,060)	(100.00%)
School Health Nurses	3,485,580	3,485,580	3,310,580	(175,000)	(5.02%)
Hagerstown Community College	9,045,010	9,045,010	8,865,010	(180,000)	(1.99%)
Free Library	2,641,830	2,641,830	2,549,830	(92,000)	(3.48%)
Library Branch Maintenance	32,730	35,500	35,500	0	0.00%
Total	104,783,690	104,037,710	104,279,230	241,520	0.23%

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Board of Education – Maintenance of Effort

Fund:	General Fund	Category:	Education
Program Code:	90000	Contact:	Dr. Clayton Wilcox

Agency Function:

Washington County Public Schools is a countywide system serving just over 21,000 students in twenty-six elementary schools, seven middle schools, one middle-senior high school, seven senior high schools, one outdoor education center, one special education center, one technical high school, one early childhood center, one alternative learning academy, and one evening high school. In addition, four of the elementary schools and three of the middle schools offer magnet programs for gifted and talented education, and many high schools offer academies and signature programs.

Accomplishments in Fiscal Year 2011	Goals for Fiscal Year 2012
<ul style="list-style-type: none"> ✓ Developed a K-12 college and career readiness initiative. ✓ Met the four Federal Race-to-the-Top Assurances by adopting high quality standards and assessments. ✓ Recruited, developed, and retained effective teachers and leaders. ✓ Continued the momentum that the school system has developed in academic performance across all subgroups, using data to inform instruction and implementing interventions to prevent low-achieving schools. ✓ Provided the taxpayers of Washington County the best educational value while maintaining a high quality workforce. 	<ul style="list-style-type: none"> ✓ Continue to implement the K-12 college-going and career readiness initiatives. ✓ Pilot the new teacher and principal evaluation program at selected schools under the Teacher Incentive Fund grant. ✓ Continue to implement the system’s Scope of Work Plans under the Race to the Top grant. ✓ Work collaboratively with the Maryland State Department of Education in designing the Maryland Common Core State Curriculum and provide professional development locally to ensure a smooth transition to the new curriculum and aligned assessments. ✓ Continue to offer the best educational value while maintaining a high quality workforce and world-class educational opportunities for all students.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	87,829,920	88,433,730	89,518,310	1,084,580	1.23%
Grants/Intergovernmental					
Fees/Charges					
Total	87,829,920	88,433,730	89,518,310	1,084,580	1.23%

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits					
Operating	87,829,920	88,433,730	89,518,310	1,084,580	1.23%
Capital Outlay					
Total	87,829,920	88,433,730	89,518,310	1,084,580	1.23%

Summary of Maintenance of Effort Appropriations			
Fiscal Year	Maintenance of Effort Requirement	Local Funding	Excess of MOE Requirement
2010	86,229,916	87,829,920	1,600,004
2011	88,433,725	88,433,730	5
2012	89,505,898	89,518,310	12,412

Composite Cost Per Pupil			
Fiscal Year	Budgeted Cost	Enrollment	Cost Per Pupil
2010	280,916,293	21,407	13,123
2011	273,612,319	21,664	12,630
2012	278,338,358 (est.)	21,922	12,697

Board of Education – Other Funding

Fund:	General Fund	Category:	Education
Program Code:	90010, 90030, 90035	Contact:	Dr. Clayton Wilcox

Agency Function:

In addition to the Maintenance of Effort funding, the County also funds several other programs directly related to the Board of Education. They include One-time costs, Disparity Grant, Crossing Guards and the Judith Center.

One time cost funding is used to purchase capital items that are allowable according to the State Department of Education. The County and the Board agree upon what qualifies as one-time cost expenditure and then a letter is sent to the State for approval.

The Crossing Guard program plays an important role in the traffic safety program in Washington County. The primary duty of the guards is to supervise the safe crossing of school children at designated crossing areas.

The Judith Center funding provides funding of the salary of the manager of the Judith P. Hoyer Early Childhood Center at Bester Elementary School.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	1,748,560	396,060	0	(396,060)	(100.00%)
Grants/Intergovernmental					
Fees/Charges					
Total	1,748,560	396,060	0	(396,060)	(100.00%)

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits					
Operating	1,748,560	396,060	0	(396,060)	(100.00%)
Capital Outlay					
Total	1,748,560	396,060	0	(396,060)	(100.00%)

Category Funding Breakdown					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
One-Time Cost	1,352,500	0	0	0	0.00%
Crossing Guards	324,650	324,650	0	(324,650)	(100.00%)
Judith Center	71,410	71,410	0	(71,410)	(100.00%)
Total	1,748,560	396,060	0	(396,060)	(100.00%)

Board of Education – School Health Nurses

Fund:	General Fund	Category:	Education
Program Code:	90020	Contact:	Earl Stoner

Agency Function:

The Washington County Health Department manages the School Health Program. The School Health staff works in cooperation with Washington County Public School personnel as part of a multi-disciplinary team. The program promotes optimal learning opportunities for the students by supporting, maintaining and improving their physical, emotional, and mental health. Working from a cluster model, all 45 schools in the county have a Health Assistant or a LPN staffing the health room. A cluster RN provides delegation supervision of the Health Assistants and LPN's. All staff is certified in CPR and first aid and is required to participate in continuous staff development. The Washington County School Health Program staff is committed to promoting wellness and providing the highest quality of student health services.

Accomplishments in Fiscal Year 2011	Goals for Fiscal Year 2012
<ul style="list-style-type: none"> ✓ Continued to ensure the health and safety of the students by providing medication administration, nursing treatments, etc. in compliance with COMAR 13A.05.05.08E&F. ✓ Provided needed vaccinations to students enrolled in school-based wellness services. ✓ Provided flu vaccine to elementary students. ✓ Provided 45 day nursing assessments to all students on routine medications in compliance with COMAR 10.27.11. ✓ Identified students with mental health, substance use, and social and/or emotional issues and refer to appropriate services. ✓ Continued to ensure compliance with immunization requirements, lead testing documentation, and hearing and vision screenings per COMAR. 	<ul style="list-style-type: none"> ✓ Continue providing 45 day nursing assessments to all students on routine medications in compliance with COMAR 10.27.11. ✓ To continue to ensure the health and safety of the students by providing medication administration, health education, and health promotion. ✓ Participate in emergency preparedness drills. ✓ Continue to ensure compliance with immunization requirements, lead testing documentation, and hearing and vision screenings per COMAR regulations. ✓ Provide Flu Mist Vaccines to elementary school students. ✓ Implement an Asthma-Friendly Schools Initiative by starting with the schools with the highest percentage of students with asthma. ✓ Implement a modified nit policy to improve attendance in some schools.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	3,485,580	3,485,580	3,310,580	(175,000)	(5.02%)
Grants/Intergovernmental					
Fees/Charges					
Total	3,485,580	3,485,580	3,310,580	(175,000)	(5.02%)

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits					
Operating	3,485,580	3,485,580	3,310,580	(175,000)	(5.02%)
Capital Outlay					
Total	3,485,580	3,485,580	3,310,580	(175,000)	(5.02%)

Services Provided or Clients Served		
Programs	FY 2010	FY 2011* (03/31/11)
Students receiving Health Office Care	17,559	16,399
Health Office Visits	100,530	75,708
# Returned to Class	85,999	64,163
# Sent Home	13,773	10,906
# Transported by Emergency Vehicle	71	79
Students taking medication	1,507	1,420
Doses of medication administered	61,184	35,398
First aid administered	73,531	56,604
Home visits	41	13
Hearing Screenings Preschool - Grade 12	4,858	5,041
Vision Screenings Preschool - Grade 12	8,487	9,434

* FY 2011 includes first 3 quarters only.

Hagerstown Community College

Fund:	General Fund	Category:	Education
Program Code:	90040	Contact:	Dr. Guy Altieri

Agency Function:

Hagerstown Community College strives to be a learner-centered, accessible, life-long learning institution dedicated to student and community success. The College will maintain a wide spectrum of college programs and services, with a special emphasis on teaching excellence as measured by verifiable student academic achievement. HCC is committed to staff success through planning and learning, shared campus governance, the promotion of internal and external partnerships and making the necessary strategic changes that will assure that the College successfully addresses its mission.

Accomplishments in Fiscal Year 2011

- ✓ Completed work with community members serving on the Commission of the Future of HCC.
- ✓ Successfully secured state and federal grants to assist with costs associated with STEM programs.
- ✓ As a result of the new Cybersecurity program, HCC was invited by the National Security Agency to become a National Center of Academic Excellence.
- ✓ Developed an AAS Degree in Digital Instrumentation and Process Control.
- ✓ Improved completion rates by graduating a record number of students with certificates or degrees.
- ✓ Updated the Facilities Master Plan and completed the Campus Development Plan.
- ✓ Worked with local emergency services agencies to complete a concept paper to explore a Combined Public Safety Training Center in Washington County.

Goals for Fiscal Year 2012

- ✓ Increase program completion rates and improve student success.
- ✓ Continue the curriculum excellence project with an emphasis on outcomes assessment and student perception of academic rigor in courses.
- ✓ Pursue strategically valuable grants and continue the development of an institutional system to successfully manage individual grant budgets and related outcomes.
- ✓ Based on the recommendations of the Commission of the Future of HCC, update, revise, and extend the Strategic Plan to 2016.
- ✓ Complete the existing facilities projects currently under construction and further shape those projects currently in the planning phase and / or funding solicitation phase.
- ✓ Review and make improvements to the annual planning and performance review system.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	9,045,010	9,045,010	8,865,010	(180,000)	(1.99%)
Grants/Intergovernmental					
Fees/Charges					
Total	9,045,010	9,045,010	8,865,010	(180,000)	(1.99%)

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits					
Operating	9,045,010	9,045,010	8,865,010	(180,000)	(1.99%)
Capital Outlay					
Total	9,045,010	9,045,010	8,865,010	(180,000)	(1.99%)

Services Provided or Clients Served			
Programs	2010	2011*	Projected 2012
Students served:			
Credit	6,523	6,907	7,183
Non-Credit	9,888	10,184	10,490
Total	16,411	17,091	17,673

Unduplicated

*Unofficial

Washington County Free Library

Fund:	General Fund	Category:	Education
Program Code:	93400	Contact:	Mary Baykan

Agency Function:

Washington County Free Library is continually striving to improve services to the public by providing free access to library materials in a variety of formats. The Library tries to promote community enrichment, economic vitality and individual achievement through reading and lifelong learning. They try to help people of all ages find information that meets their diverse personal, educational, and professional needs. The Library recognizes their responsibility to balance available resources to serve everyone in the community. They supply the local government with state, national and worldwide connectivity along with providing leadership in cooperative and innovative library service.

Accomplishments in Fiscal Year 2011

- ✓ Began construction on the Renovation and Expansion of a new Central Library.
- ✓ Continued to work with the County, State, and City on the construction of the new central branch.
- ✓ Continued to work on raising funds for the new central branch including state, county, city, grants, and capital campaign.
- ✓ Continued to provide public library service through temporary branches during construction of Central Library.

Goals for Fiscal Year 2012

- ✓ Continue working with County, State, and City on construction of new central branch.
- ✓ Continue fundraising for new branch through Capital Campaign.
- ✓ Continue to provide public service through temporary branches during construction of Central Library.
- ✓ Develop new Strategic Plan in FY 2012.
- ✓ Evaluate/upgrade software systems prior to occupying new Central Library.

Funding Sources

Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	2,641,830	2,641,830	2,549,830	(92,000)	(3.48%)
Grants/Intergovernmental					
Fees/Charges					
Total	2,641,830	2,641,830	2,549,830	(92,000)	(3.48%)

Program Expenditures

Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits					
Operating	2,641,830	2,641,830	2,549,830	(92,000)	(3.48%)
Capital Outlay					
Total	2,641,830	2,641,830	2,549,830	(92,000)	(3.48%)

Services Provided or Clients Served		
Programs	2011	2012
Circulation of library materials	1,189,453	828,518
Children's Story Hours and	1,474	1046
Informational Programs for Adults	423	328
Registration of new borrowers	15,920	14,209
Reference questions answered	146,180	91,460
Number of computer center users	35,007	32,147

Library Maintenance

Fund:	General Fund	Category:	Education
Program Code:	10990, 10991, 10992	Contact:	James Sterling

Departmental Function:

The department is responsible for the maintenance and operation of the following facilities:

Clear Spring Library
 Smithsburg Library
 Boonsboro Library

Accomplishments in Fiscal Year 2011

- ✓ Continued to work with library staff to improve maintenance procedures and efficiencies.

Goals for Fiscal Year 2012

- ✓ Provide continued support to 3 satellite locations and their temporary location at Phoenix Color.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	32,730	35,500	35,500	0	0.00%
Grants/Intergovernmental					
Fees/Charges					
Total	32,730	35,500	35,500	0	0.00%

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits					
Operating	32,730	35,500	35,500	0	0.00%
Capital Outlay					
Total	32,730	35,500	35,500	0	0.00%

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General Fund – Public Safety Summary

Category	2010 Actual	2011 Budget	2012 Budget	\$ Change	% Change
Sheriff - Judicial	1,966,163	2,048,850	2,061,190	12,340	0.60%
Process Servers	107,483	115,370	115,230	(140)	(0.12%)
Sheriff - Patrol	7,870,081	7,855,300	7,853,520	(1,780)	(0.02%)
Sheriff- Central Booking	363,489	736,900	730,110	(6,790)	(0.92%)
Sheriff - Detention Center	11,112,912	11,321,660	11,409,500	87,840	0.78%
Narcotics Task Force	570,394	584,760	569,270	(15,490)	(2.65%)
Civil Air Patrol	3,600	3,600	3,600	0	0.00%
Fire & Rescue Volunteer Services	3,383,599	5,176,030	5,502,230	326,200	6.3%
Fire & Rescue Operations	652,328	936,430	958,950	22,520	2.40%
Air Unit	21,767	20,650	21,340	690	3.34%
Special Operations	340,416	321,920	340,770	18,850	5.86%
911 – Communications	5,384,642	3,505,800	3,513,930	8,130	.23%
Emergency Management	94,833	126,500	115,230	(11,270)	(8.91%)
Communications Maintenance	393,941	557,280	955,230	397,950	71.41%
Humane Society of Washington County	1,160,692	1,160,250	1,153,590	(6,660)	(0.57%)
Sheriff Auxiliary	28,655	0	0	0	0.00%
Total	33,454,995	34,471,300	35,303,690	832,390	2.41%

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Sheriff – Judicial

Fund:	General Fund	Category:	Public Safety
Program Code:	11300	Contact:	Sheriff Doug Mullendore

Departmental Function:

The Washington County Sheriff’s Office Judicial Division provides court house and courtroom security for the Circuit Court. The Judicial Division also provides service of the various civil and criminal process issued by the District and Circuit Courts, as well as private attorneys. The Judicial Division also receives process service for other Sheriff’s Offices throughout the State for service in Washington County.

Accomplishments in Fiscal Year 2011

- ✓ Improved the working relationship with all agencies working in the court house.
- ✓ Continued to train and implement new policies in the court house.
- ✓ Continued to have a low Non-Est rate compared to other Sheriff’s Offices across the State.

Goals for Fiscal Year 2012

- ✓ Improve Court House and Courtroom Security.
- ✓ Work on developing Court House Security Standards.
- ✓ Select a Supervisory Employee to attend the National Center for Judicial Security Fellowship Program.
- ✓ Improve service of process, warrants and domestic violence orders.

Funding Sources

Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	1,766,181	1,849,850	1,867,190	17,340	0.94%
Grants/Intergovernmental	154,944	155,000	150,000	(5,000)	(3.23%)
Fees/Charges	45,038	44,000	44,000	0	0.00%
Total	1,966,163	2,048,850	2,061,190	12,340	0.60%

Program Expenditures

Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits	1,846,099	1,903,540	1,915,140	11,600	0.61%
Operating	100,522	145,310	146,050	740	0.51%
Capital Outlay	19,542	0	0	0	0.00%
Total	1,966,163	2,048,850	2,061,190	12,340	0.60%

Staffing Summary (FTE's)			
Positions	2010	2011	2012
Major	1	1	1
Sergeant	2	2	2
Deputy First Class	12	13	13
Deputy Sheriff	2	1	1
Court Security Deputy	4	4	4
Administrative Assistant	1	1	1
Senior Office Associate	3	3	3
Guards	3	3	3
Total	28	28	28

Process Servers

Fund:	General Fund	Category:	Public Safety
Program Code:	11305	Contact:	Sheriff Doug Mullendore

Departmental Function:

The Washington County Sheriff's Office Constable Program is responsible for serving all of the summons and eviction notices issued by the District Court pertaining to landlord-tenant disputes. The Civil Process Servers may also assist the Judicial Division in the service of other civil process from time to time.

Accomplishments in Fiscal Year 2011

- ✓ Continued to be an efficient and profitable operation.

Goals for Fiscal Year 2012

- ✓ Improve upon the timeliness of service of process of evictions.
- ✓ Review the service of process and how we can continue to improve and become more efficient.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	(102,397)	(84,630)	(89,770)	(5,140)	(6.07%)
Grants/Intergovernmental					
Fees/Charges	209,880	200,000	205,000	5,000	2.50%
Total	107,483	115,370	115,230	(140)	(0.12%)

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits	102,594	108,180	109,640	1,460	1.35%
Operating	4,889	7,190	5,590	(1,600)	(22.25%)
Capital Outlay					
Total	107,483	115,370	115,230	(140)	(0.12%)

Staffing Summary (FTE's)			
Positions	2010	2011	2012
Senior Office Associate	1	1	1
Process Server	1	1	1
Total	2	2	2

Sheriff – Patrol

Fund:	General Fund	Category:	Public Safety
Program Code:	11310	Contact:	Sheriff Doug Mullendore

Departmental Function:

The Washington County Sheriff's Office Patrol Division is the chief law enforcement agency for Washington County. The Patrol Division responds to citizen's complaints for violations of criminal or traffic law and arrests offenders as necessary. The Patrol Division also enforces a number of County Ordinances and is the primary security division for the Hagerstown Regional Airport. In addition, some of the other responsibilities of the Patrol Division include warrant services, executive protection, crime prevention, canine patrols, service of domestic violence orders, etc.

Accomplishments in Fiscal Year 2011

- ✓ Implemented Mobile Data and Field Reporting.
- ✓ Renovation of Old Communications Center.
- ✓ Assessment of calls for service based on MOU and Maryland State Police.

Goals for Fiscal Year 2012

- ✓ Work on the reduction of crimes and traffic crashes through the implementation of the DDACTS program and other methods.
- ✓ Improve upon the RMS, Field Reporting and xMobile systems.
- ✓ Prepare a plan for the renovation and recovery of the space used by the old communications area.
- ✓ Review and update the Agency's Disaster Preparedness Plan.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	7,289,126	7,284,200	7,348,120	63,920	0.88%
Grants/Intergovernmental	388,156	393,100	388,000	(5,100)	(1.30%)
Fees/Charges	192,799	178,000	117,400	(60,600)	(0.34%)
Total	7,870,081	7,855,300	7,853,520	(1,780)	(0.02%)

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits	6,656,238	6,948,640	6,912,140	(36,500)	(0.53%)
Operating	819,359	906,660	941,380	34,720	3.83%
Capital Outlay	394,484	0	0	0	0.00%
Total	7,870,081	7,855,300	7,853,520	(1,780)	(0.02%)

Staffing Summary (FTE's)			
Positions	2010	2011	2012
Sheriff	1	1	1
Colonel	1	1	1
Major	2	2	2
Captain	1	1	1
Lieutenant	5	5	5
Sergeant	10	10	10
Tech. Corporal	3	3	3
Deputy First Class	31	31	31
Deputy	24	24	24
Office Manager	1	1	1
Administrative Assistant	1	1	1
Senior Office Associate	3	3	3
Auto Services Technician	1	1	1
Public Safety Systems Manager	1	1	1
Property/Planning/Fleet Management/Grants Coordinator	1	1	1
Training and Accreditation Coordinator	1	1	1
Sex Offender Compliance Officer	1	1	1
Sex Offender Registrar	1	1	1
GIS/Crime Analyst	1	1	1
Investigator/Property Clerk	.5	.5	.5
Total	90.5	90.5	90.5

Sheriff - Central Booking

Fund:	General Fund	Category:	Public Safety
Program Code:	11315	Contact:	Sheriff Doug Mullendore

Departmental Function:

The Central Booking Unit is the collection point for all arrested individuals within Washington County. Law Enforcement Officers produce charging documents or serve charging documents on arrested individuals while at the Booking Unit. The arrested individual is then placed in the custody of a Central Booking Officer for processing and delivery to a District Court Commissioner for an initial appearance for bond.

Accomplishments in Fiscal Year 2011

- ✓ Finalized the Operational Manual for Central Booking.
- ✓ Established a workable budget for Central Booking Operations.
- ✓ Collected statistics on the utilization of Central Booking.

Goals for Fiscal Year 2012

- ✓ Review and analyze information on the number of individuals booked through Central Booking.
- ✓ Look for ways to streamline the Central Booking process.
- ✓ Work with the District Court Commissioners to identify and resolve any issues involving their portion of the Central Booking process.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	363,489	713,030	714,390	1,360	0.19%
Grants/Intergovernmental					
Fees/Charges	0	23,870	15,720	(8,150)	(34.14%)
Total	363,489	736,900	730,110	(6,790)	(0.92%)

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits	336,293	693,880	705,450	11,570	1.67%
Operating	25,966	38,020	23,160	(14,860)	(39.08%)
Capital Outlay	1,230	5,000	1,500	(3,500)	(70.00%)
Total	363,489	736,900	730,110	(6,790)	(0.92%)

Staffing Summary (FTE's)			
Positions	2010	2011	2012
Lieutenant	1	1	1
Deputy First Class	5	5	4
Deputy	4	4	5
Total	10	10	10

Sheriff – Detention Center

Fund:	General Fund	Category:	Public Safety
Program Code:	11320	Contact:	Sheriff Doug Mullendore

Departmental Function:

The Washington County Detention Center maintains custody and control of all inmates, who have been arrested in Washington County, yet were unable to post a bond to secure their release. These inmates are held until they either post bond or go to trial on their charges. The Detention Center also houses those inmates sentenced by a judge to serve their sentence in the local Detention Center. Inmates will be provided access to rehabilitative programs during period of incarceration at the Detention Center. Other services that must be provided to the inmate during their incarceration include food services, medical services, laundry services, and recreational activities.

Accomplishments in Fiscal Year 2011

- ✓ Started the design and construction of the Emergency Housing Unit.
- ✓ Started to place cameras in housing units.
- ✓ Began to install a video visitation system in the new housing unit and start instillation in the main jail.
- ✓ Initiated the new inmate phone system.

Goals for Fiscal Year 2012

- ✓ Continue to work on the development of a Day Reporting Center.
- ✓ Achieve ACA re-accreditation.
- ✓ Work on the expansion of the capabilities of the Commissary System.
- ✓ Upgrade Program Unit Inmate Tracking System.
- ✓ Assess facility security and implement priority upgrades to improve security of all facilities.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	10,764,365	11,165,090	11,056,590	(108,500)	(0.97%)
Grants/Intergovernmental		0	0	0	0.00%
Fees/Charges	348,547	156,570	352,910	196,340	125.40%
Total	11,112,912	11,321,660	11,409,500	87,840	0.78%

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits	8,273,759	8,577,960	8,618,730	40,770	0.48%
Operating	2,803,878	2,743,700	2,790,770	47,070	1.72%
Capital Outlay	35,275	0	0	0	0.00%
Total	11,112,912	11,321,660	11,409,500	87,840	0.78%

Staffing Summary (FTE's)			
Positions	2010	2011	2012
Major	1	1	1
Captain	1	1	1
Lieutenant	3	3	4
Sergeant	14	14	13
Corporal	2	2	2
Detention Officer First Class	52	52	51
Detention Officer	37	37	38
Classification Counselor	3	3	3
Senior Building Maintenance Mechanic	1	1	1
Building Maintenance Mechanic	2	2	2
Senior Office Associate	3	3	3
Administrative Assistant	1	1	1
Inmate Account Administrator	1	1	1
Total	121	121	121

Narcotics Task Force

Fund:	General Fund	Category:	Public Safety
Program Code:	11330	Contact:	Sheriff Douglas Mullendore

Departmental Function:

The Narcotics Task Force conducts and coordinates covert investigations involving illegal drug transactions that affect the citizens of Washington County.

Accomplishments in Fiscal Year 2011

- ✓ Standardized archived and current cases to Laserfiche format.
- ✓ Upgraded GPS tracking capabilities.

Goals for Fiscal Year 2012

- ✓ Obtain additional surveillance equipment to improve upon services and quality.
- ✓ Work to reduce the number of cases involving the abuse of prescription drugs.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	319,432	324,840	310,370	(14,470)	(4.45%)
Grants/Intergovernmental					
Fees/Charges	250,962	259,920	258,900	(1,020)	(0.39%)
Total	570,394	584,760	569,270	(15,490)	(2.65%)

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits	293,212	336,600	338,470	1,870	0.56%
Operating	238,315	248,160	230,800	(17,360)	(7.00%)
Capital Outlay	38,867	0	0	0	0.00%
Total	570,394	584,760	569,270	(15,490)	(2.65%)

Staffing Summary (FTE's)			
Positions	2010	2011	2012
Assistant States Attorney III	1	1	1
Assistant States Attorney II	1	1	1
Intelligence Analyst	1	1	1
Senior Office Associate	2	1	1
Legal Secretary	0	1	1
Gang Analyst	0	1	1
Total	5	6	6

Civil Air Patrol

Fund:	General Fund	Category:	Public Safety
Program Code:	93110	Contact:	Barry McNew

Agency Function:

The Civil Air Patrol is an organization that teaches its members, youths, and adults, leadership skills, organizational management, and search and rescue techniques. We also provide training in communications, financial control, aerospace education, administration, public relations and other fields.

Accomplishments in Fiscal Year 2011

- ✓ Started an aerospace library to store all books for the cadets and senior members.
- ✓ Increased the cadet program with 11 new members.
- ✓ Trained 1 senior for mission pilot.

Goals for Fiscal Year 2012

- ✓ Increase membership for both cadets and seniors to 100.
- ✓ Train two seniors for mission pilot.
- ✓ Increase our retention rate to 60 percent.
- ✓ Finish upgrading all purpose building.

Funding Sources

Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	3,600	3,600	3,600	0	0.00%
Grants/Intergovernmental					
Fees/Charges					
Total	3,600	3,600	3,600	0	0.00%

Program Expenditures

Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits					
Operating	3,600	3,600	3,600	0	0.00%
Capital Outlay					
Total	3,600	3,600	3,600	0	0.00%

Services Provided Clients Served			
Programs	2010	2011	2012
Aerospace Education and Leadership	X	X	X
Development Cadet Program			
Each cadet is provided 5 hours of flying in our	X	X	X
Cessna 172 and 5 glider flights			
Our plane stands ready to serve Washington	X	X	X
County Department of Emergency			
Services 24 hours/7 days for missing persons			

Fire and Rescue Volunteer Services

Fund:	General Fund	Category:	Public Safety
Program Code:	93130	Contact:	Glen Fishack, President

Agency Function:

The Association will strive to enhance the protection of life and properties by disseminating information regarding fire suppression, prevention, Emergency Medical Services (EMS), rescue and related subjects. Also, to cultivate fraternal fellowship among its members and to promote the best interest of the volunteer fire, EMS and rescue personnel of Washington County by coordinating and cooperating with the Department of Emergency Services and the Board of County Commissioners. The Association will represent the interest of volunteer fire, EMS and rescue personnel to the County, State and Federal Governments. Association members will serve in an advisory capacity to the Board of County Commissioners relating to Fire and Rescue Communications and emergency services in Washington County. The Association will provide financial assistance to authorized fire and rescue companies who provide fire and emergency services to the citizens of Washington County.

Accomplishments in Fiscal Year 2011

- ✓ Supported the establishment of EMS staffing agreements.
- ✓ Supported and assisted with development of consolidated training center initiative.
- ✓ Developed, designed and purchased replacement Rehab Unit for support of fire, EMS and Law Enforcement incidents.
- ✓ Initiated strategies for reduction of volunteer injuries and increased costs associated with premiums.

Goals for Fiscal Year 2012

- ✓ Develop additional funding alternatives for emergency services delivery enhancement within various fire companies.
- ✓ Investigate and develop Length of Service Awards Program enhancements for recruitment and retention.
- ✓ Implement increased standards and accountability in volunteer member physical compliance.
- ✓ Implement programs specific to incident safety on emergency response situations.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	3,383,599	5,176,030	5,502,230	326,200	6.30%
Grants/Intergovernmental					
Fees/Charges					
Total	3,383,599	5,176,030	5,502,230	326,200	6.30%

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits	847,692	910,510	1,221,970	311,460	34.21%
Operating	2,535,907	4,265,520	4,280,260	14,740	0.35%
Capital Outlay	0	0	0	0	0.00%
Total	3,383,599	5,176,030	5,502,230	326,020	6.30%

Services Provided or Clients Served			
Programs	2010	2011	2012
Not Provided			
Total			

Fire and Rescue Operations

Fund:	General Fund	Category:	Public Safety
Program Code:	11520	Contact:	Kevin Lewis

Departmental Function:

This department handles oversight of all fire, rescue and emergency medical services (EMS) for the County. Currently, its primary mission involves management of the jurisdictional emergency medical services operational program as defined in COMAR Title 30. In addition to its responsibilities in EMS, the department will increase its involvement in fire and rescue operations as the system continues to grow.

Goals Accomplished in Fiscal Year 2011

- ✓ Implemented Fire and EMS portion of new communications system.
- ✓ Placed into service Paramedic 1820 for Southern portion of Washington County.
- ✓ Implemented additional EMS programs to include: “AutoPulse”, Continuous Positive Airway Pressure (CPAP).

Goals for Fiscal Year 2012

- ✓ Review of countywide “Fire Plan” for Commissioner’s consideration and strategic planning.
- ✓ Institute new Patient Care Reporting System.
- ✓ Complete countywide capabilities for cardiac rhythm transmission to Meritus Medical Center.
- ✓ Develop / Implement Fire Mobile.
- ✓ Develop additional EMS program for provision of Rapid Sequence Intubation.

Funding Sources					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	652,328	936,430	958,950	22,520	2.40%
Grants/Intergovernmental					
Fees/Charges					
Total	652,328	936,430	958,950	22,520	2.40%

Program Expenditures					
Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits	297,202	711,820	707,520	(4,300)	(0.60%)
Operating	274,852	224,610	251,430	26,820	11.94%
Capital Outlay	80,274	0	0	0	0.00%
Total	652,328	936,430	958,950	22,520	2.40%

Staffing Summary (FTE's)			
Positions	2010	2011	2012
Emergency Medical Services Specialist	1	1	1
Advanced Life Support Technician I	16	0	0
Assistant Chief	1	0	0
Advanced Life Support Technician II	1	8	8
Basic Life Support Technician	9	0	0
Total	28	9	9

Air Unit

Fund:	General Fund	Category:	Public Safety
Program Code:	11420	Contact:	Kevin Lewis

Departmental Function:

This department provides vital support to the County's fire and rescue system by providing purified compressed breathing quality air to support firefighting and rescue operations. Volunteer personnel provide all services.

Accomplishments in Fiscal Year 2011

- ✓ Increased volunteer recruitment and retention and investigate various staffing options.
- ✓ Developed / Revised Standard Operating Procedures within the Department.
- ✓ Performed building modifications and upgrades.

Goals for Fiscal Year 2012

- ✓ Continue with process for unit replacement and investigate possible funding options.
- ✓ Continue volunteer recruitment and retention.

Funding Sources

Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
General Fund Support	21,767	20,650	21,340	690	3.34%
Grants/Intergovernmental					
Fees/Charges					
Total	21,767	20,650	21,340	690	3.34%

Program Expenditures

Category	2010 Actual	2011 Budget	2012 Budget	Change	
				\$	%
Wages and Benefits					
Operating	21,767	20,650	21,340	690	3.34%
Capital Outlay					
Total	21,767	20,650	21,340	690	3.34%

Services Provided or Clients Served

Programs	2010	2011	2012
Not Provided			

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