

# Operating and Capital Budgets Fiscal Year 2014



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Washington County Government  
Maryland**

For the Fiscal Year Beginning

**July 1, 2012**

*Christopher P. Merrill*      *Jeffrey P. Swan*

President

Executive Director

*The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Washington County Commissioners, Maryland for its annual budget for the fiscal year beginning July 1, 2012. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan and a communications device.*

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# *Budget Message*

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July 1, 2013

To the Citizens of Washington County:

We are pleased to present to you the fiscal year 2014 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.

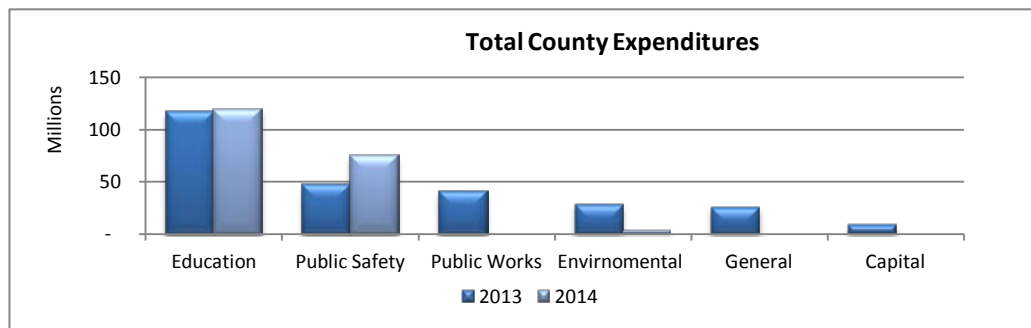
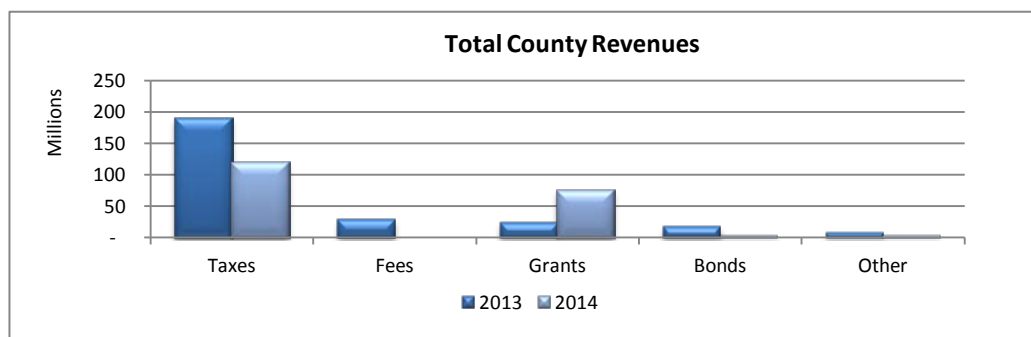
Summary of Approved Budgets for Fiscal Year 2014					
Page Reference	Fund Description	Approved Budget 2013	Approved Budget 2014	Increase (Decrease)	% Change
<b>Operating Funds:</b>					
87	General	\$ 196,312,520	\$ 201,189,270	\$ 4,876,750	2.48%
271	Solid Waste	6,873,470	6,792,140	(81,330)	(1.18%)
273	Water Quality	15,572,960	16,016,020	443,060	2.84%
245	Highway	8,973,080	9,371,820	398,740	4.44%
279	Airport	1,780,830	1,880,960	100,130	5.62%
277	Transit	2,203,650	2,297,130	93,480	4.24%
281	Golf Course	1,219,380	1,196,140	(23,240)	(1.91%)
		\$ 232,935,890	\$ 238,743,480	5,807,590	2.49%
<b>Restricted Funds:</b>					
261	Hotel Rental Tax	2,073,700	2,000,000	(73,700)	(3.55%)
253	Agricultural Education	194,500	198,270	3,770	1.94%
255	Community Grant Mgmt.	250,440	324,650	74,210	29.63%
257	Inmate Welfare	486,820	490,920	4,100	0.84%
259	Gaming	1,987,020	2,073,970	86,950	4.38%
263	Land Preservation	1,094,200	1,667,690	573,490	52.41%
267	Metropolitan Planning Org.	370,010	383,460	13,450	3.64%
265	Contraband	260,000	25,000	(235,000)	6.66%
		\$ 6,716,690	\$ 7,163,960	\$ 447,270	6.66%
68	<b>Capital Funds</b>	\$ 45,322,480	\$ 42,961,500	\$ (2,360,980)	(5.21%)
<b>Total Approved Budgets</b>		\$ 284,975,060	\$ 288,868,940	\$ 3,893,880	1.37%

The 2014 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 2014 increased by \$3.9 million or 1.37%. Operating funds increased \$5.8 million or 2.49%. The majority of the increase is related to the General Fund. The Board of Education funding increased by \$1.5 million for the increase in Maintenance of Effort and the State mandated pension. Operating transfers and capital reflect an increase of \$1.3 million, of which the majority is related to a \$.8 million increase in pay-go funding offset from disparity grant revenue provided by the State of Maryland. Public Safety budgets increased by \$1.7 million due to increases in insurance costs, inmate medical and food costs, and the approval to hire four full-time deputy sheriffs starting January 2014.

Restricted funds showed an increase of 6.66% mainly due to increases in Land Preservation based on the availability of grants. Capital funds were reduced by \$2.4 million over 2013. The change was a result of a reduction in excise tax fees, reduction in bond issuance, additional grant revenues, and restructuring and elimination of project requests with the ten year program mainly within the road and educational categories. A comparison of the County's current budget year to the approved budget is as follows.

The overall approved budget reflects an increase of \$3.9 million or 1.37%, in total operations. Property tax reflected a 1.80% decrease in 2014 compared to a 2.32% decrease in 2013, reflecting an improving trend. The inverse occurred in Income tax with a 10.01% increase in 2014 compared to a 4.47% increase in 2013. In addition, the County received a \$1.5 million disparity grant. Reflective of the revenue growth in Income Tax the County's unemployment rates have continued to improve along with projected overall wage growth. The Capital Improvement Fund addresses major road development, school construction, water & sewer, and other major infrastructure projects. Due to economic conditions and revenue restructuring, the Capital Improvement plan was adjusted showing a \$2.4 million decrease or 5.21%, with remaining net changes due mainly to self supporting service fee and grant revenue increases. Changes in total County revenues and expenditures are reflected in the tables below:



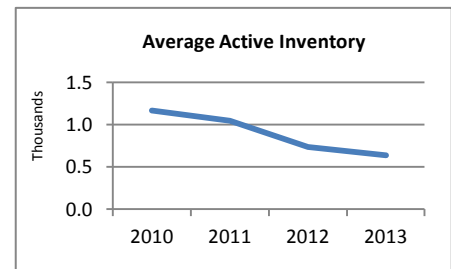
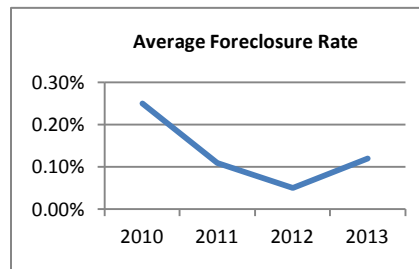
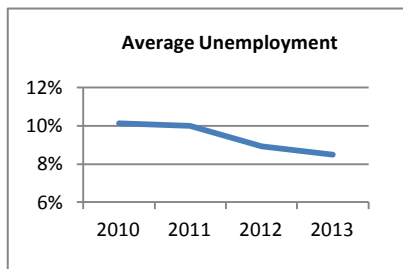
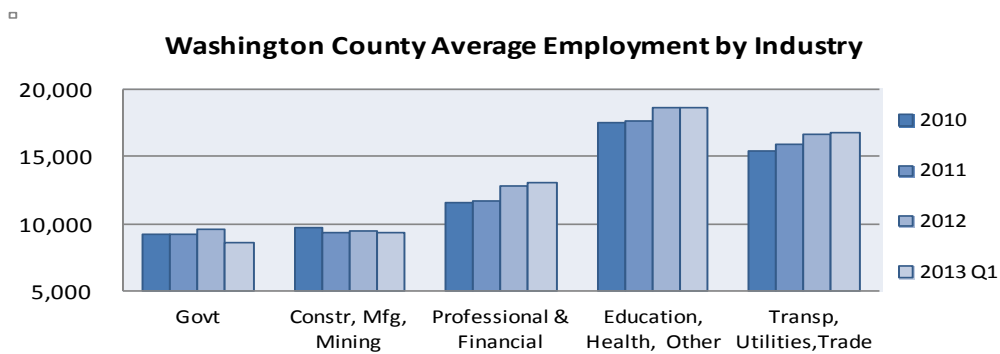
### Summary of the 2014 budget:

- No tax rate increases were passed. The last tax increased was in 2001.
- Absorbed State Teacher Pension cost of an additional \$.8 million. Total cost absorbed to date is \$3,921,880.
- Provides maintenance of effort funding increase for the Board of Education of \$.7 million.
- Provides capital funding for roads, education, and environmental projects with changes in source revenues.
- Utility rate increases of 3% - 4% as projected in the long range cost of service model.
- Grant increases in land preservation funding allowed for additional activity.
- Maintains a manageable debt program based on annual debt affordability analysis model.
- Maintains one of the lowest County costs per capita in the State of Maryland at \$3,516.
- Provided public safety with a 4.6% funding increase with four new public safety officers, funding increases for the detention center and emergency services.

The following discussion reflects a more in-depth analysis of the fiscal year 2014 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

Washington County's property tax base has seen negative growth in the residential area in the past several years and is projected to have decreased base in 2015. However that negative trend is improving with forecasts of flat or slight revenue increases for 2016 and out. Over the past several years home values and overall permit activity had declined, but are also now showing signs of positive sustained activity. The County has experienced new and expanding business highlighted by the creation of more than 375 new jobs with new investments of \$106.4 million. Significant projects announced in 2013 are expected to provide an additional 746 new jobs and an additional \$52.2 of new investments. As the County economy shows positive signs of modest recovery our unemployment trends have also followed this positive trend decreasing from a high of 11.9% in 2010 down to a low 7.8% in 2013. As shown below economic indicators are trending downward overall and are anticipated to continue on this track with slight changes over the course.



## 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. Washington County's operating performance and strong reserves reflect sound financial management and planning and closely monitored budgetary controls, all of which have served to control the effect of the prior recession, declining revenue base and now the recovery economy.

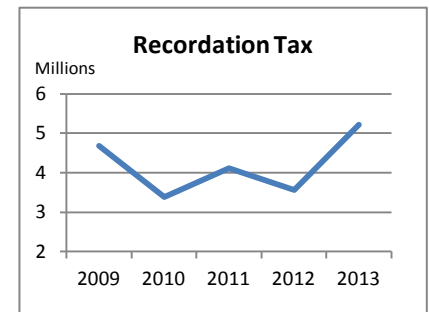
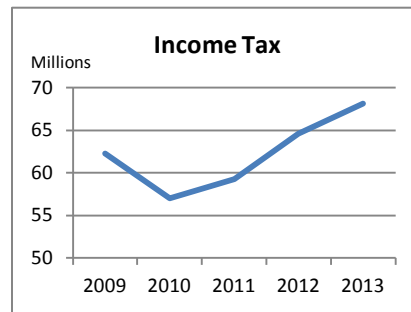
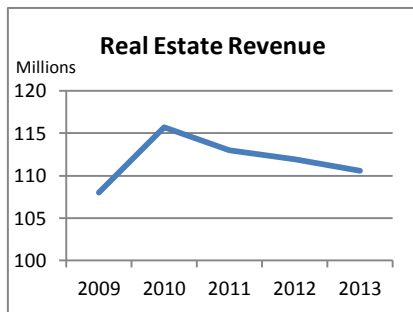
The County has outlined budget and fiscal practices to provide long-term financial management and be proactive, not reactive in our business approach to County operations. As a result the County has upheld its ratings given by Standard & Poor's of AA, Fitch Ratings of AA, and Moody's Investors Service 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 increased by \$4.9 million or 2.48% in fiscal year 2014. This change is summarized as follows:

Revenues which increased by \$4.9 million or 2.48%:

- Property Tax revenue decreased by \$2.2 million or 1.8%. This decrease was mainly related to 1) net changes in base assessments that reduced revenue by \$2.1 million; 2) decreased personal property of \$.4 million; and 3) \$.3 million in net changes in other fees and credits mainly due to the reduction in the State fee for administering the programs in the Department of Assessments and Taxation.
- Local revenues increased by \$6.8 million or 9.9% due to 1) an increase in income tax of \$6.3 million related to decreases in unemployment, projected overall wage growth and a \$1.5 million disparity grant; and 2) an increase in recordation tax based on the housing market and state law changes on controlling interest transactions.
- Other revenues increased by a net of \$.3 million due to 1) net increases of \$.2 million in program revenues; and 2) the net change in excess fund balance reserves of \$.2 million for use towards unanticipated state pension expense as a result of legislative changes from the State of Maryland.
- History of major revenue activity is reflect below:



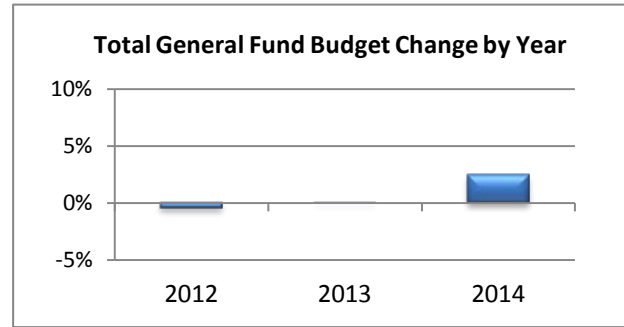
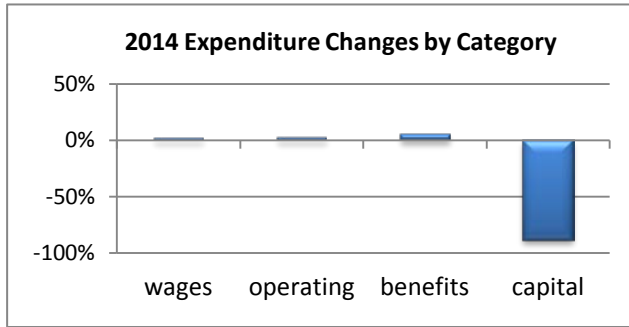
Expenditures which increased by \$4.9 million or 2.49%:

- Provides maintenance of effort funding for the Board of Education of \$.7 million or .8%.
- Funded state teacher pension cost increases of \$.8 million or 27%.
- Provided other educational funding increases of \$.2 million or 1.1%.
- Provided \$1.7 million or 4.6% in public safety for 1) four new law enforcement officers; 2) inmate service cost increases; 3) increased cost and programs for volunteer emergency services; and 4) maintenance cost for the County's radio communication system.
- Capital increases of \$1.3 million of 5.1% for pay-go fund for \$.8 million mainly for primary education and \$.4 million for debt service costs.
- All other programs and services increased by \$.2 million or 1% which include wages, operating, and capital funding.
- Washington County has one of the lowest expenditure per capita by County in the State of Maryland reflecting its conservative approach to increased costs and services.
- Overall category changes by percent were as follows:
  - Wages and benefits increased by 3.3%
  - Operating and allocations increased by 2.3%
  - Capital decreased by 88.2%
  - Overall net increase to budget was 2.5%

Economic recovery in Washington County has started, however the pace is modest. The County expects the current economic conditions to improve over time. This expected improvement can be seen in recent economic trend data that is collected and analyzed. Housing prices are improving, inventory has significantly dropped and permit activity has increased, albeit not as compared to 2005 but increasing. Due to the County's conservative fiscal management, strongly adhering to policies, and dedicated department leaders County finances have been strong throughout the downturn and still remain strong during recovery. The County has maintained services and employee base while also maintaining strong reserves.

During the past five years the County has kept operating base line costs at an average of 1% negative growth. Excess revenues over past years were placed in savings for anticipated downturns. These funds have been utilized for unanticipated cost increases, capital improvement funding, economic downturns and/or budget issues with the State of Maryland's structural deficit. Approximately \$5 million is being utilized for the 2014 Capital Improvement budget.

The charts below represent expenditure changes in the 2014 General Fund budget by category and total expenditure changes over the last three fiscal years.



The General Fund cash reserve will be funded for fiscal year 2013. This reserve of 17% or a 60-day reserve represents, but is not limited to, reserves for catastrophic events, economic downturns, financial liquidity, and unanticipated opportunities. This percentage makes the General fund in compliance with written County policy.

As it relates to County’s pension, LOSAP, and OPEB plans the County has proactively responded by funding the annual required contribution (ARC) in the amount of \$8.1 million for 2014.

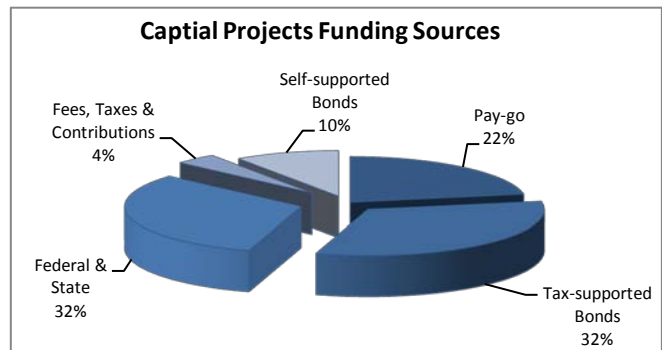
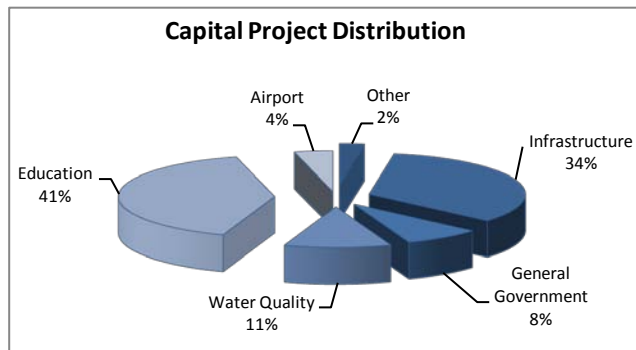
### Capital Improvement Budget

The Capital Improvement Budget includes funding for major infrastructure projects such as schools, roads, water, sewer, and airport projects. The County uses detailed project analysis, cash management, priority ranking system, and operating impacts to help prioritize, fund, and develop its capital improvement plan. The plan uses conservative financial and economic forecasts for its revenue estimates and uses debt affordability guidelines to stay within debt issuance limits. By adhering to cash management policies and self imposed debt affordability guidelines, and using a capital improvement budget plan that includes a priority ranking system, the County is able to forecast future needs and be prepared for any unforeseen future issues or opportunities.

The Capital Improvement Budget for fiscal year 2014 is \$43 million, representing a 5.2% decrease from the prior year. Major capital projects for fiscal year 2014 include: new schools and educational facility renovations of \$17.5 million for the Board of Education, Hagerstown Community College, and the public library system; \$14.5 million for road improvements, drainage and bridges; \$4.7 million for water and sewer improvements; and \$1.7 million for Airport projects.

The County’s Capital Improvement Budget for 2014 was prepared using conservative projections for major support revenues. Debt issuance is projected to remain within acceptable levels. Fees, tax revenues, and pay-go funds are expected to be sufficient to support the requirement for the Capital Improvement Budget. The Capital Budget for 2014 will be supported with 26% in cash related payments, 42% in borrowing, and 32% in grants.

The County’s total tax supported debt issuance for the Capital Improvement Budget is affordable based on the annual analysis, which was calculated at \$14 million for 2014. The Ten Year Capital Improvement Plan reflects an increasing debt issuance level in future years, assuming improved economic conditions. The County’s debt capacity is measured against other Maryland counties and national standards, in which benchmarks are updated on an annual basis keeping them current. This ensures that the County consistently maintains affordable debt levels now and in the future.



## Water Quality Fund

The Water Quality Fund includes projected revenue increases for the next ten years of 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 capital plan includes Enhanced Nutrient Removal projects mandated by the State of Maryland. These projects 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. Funding for the plan includes grants, debt and cash. The Capital Improvement Budget for fiscal year 2014 is \$4.7 million.

## Solid Waste

Solid Waste tipping fees reflect a decrease of 1.2% for fiscal year 2014 mainly resulting from decreased waste stream. This decrease is related to the diversion to out-of-state facilities. In addition, the County made adjustments related to the curbside recycling program.

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 is currently evaluating operational alternatives at the Solid Waste facility given recent and continued decreases in waste streams such as waste to energy alternatives and anticipates a plan of action within the next year.

## Conclusion:

As the County prepared the fiscal year 2014 County budget, several priorities and issues had to be addressed. In addition to local development and 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 2014 Budget Summary:*

- Provides maintenance of effort funding for the Board of Education.
- Meet funding requirements for State pension mandate.
- Funded education and public safety admit the third straight year of reduce real estate assessment bases.
- Increased pay-go capital funding for roads, education, and public utility projects with major assistance of capital reserve funding and State grants.
- Maintained manageable debt levels and ratios.
- Provided additional uniformed officers for public safety.
- Operational base costs have been reduced an average 1% over the last five years.
- One of the lowest per capita expenditures of \$3,516 by County in State of Maryland while still maintaining base line services.

### *Critical Challenges Faced in Preparing the Fiscal Year 2014 Budget:*

- The State of Maryland has mandated counties pay a required share of the State teacher's pension cost who is employed for the Boards of Education. This required cost will be phased in over four years with 50% in 2013; 65% in 2014; 85% in 2015; and 100% by 2016. The cost in millions to Washington County is estimated to be \$3.1 in 2013; \$3.9 in 2014; \$5.0 in 2015; and \$5.8 in 2016 which does not include federally funded teachers credit of \$1.8 if received.
- In addition as it relates to teacher's pension, the State of Maryland will require that the teacher pension cost become part of the calculated per student maintenance of effort starting in 2016.

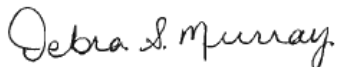
- Starting in 2015, the State of Maryland will now require counties to meet a 5 year moving State average in addition to the cost per pupil when calculating maintenance of effort.
- The County's solid waste operation decreased due to the diversion of waste to out-of-state facilities has seen continued negative financial trends. Several adjustments have been made to reverse this trend with no success. The County is currently evaluating alternatives at the facility given projected waste streams and operational activity, such as waste to energy options. The County expects to announce a plan of action within the next year.
- 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. 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 similar to the ones the County faced in 2014 is a major concern.

*Washington County Goals (Highlights):*

- Insure continuity of emergency service responses for fire and EMS through new programs for recruitment and retention.
- Complete a Comprehensive Fire Plan to be submitted to the Board of County Commissioners for approval.
- Initiate Emergency Services Advisory Committee.
- Evaluate options for day reporting program with greater rehabilitative outcome.
- Construct a new Senior Center.
- Complete construction of the new downtown library.
- Improve recreational opportunities for Washington County.
- Evaluate additional environmental initiatives for local adoption.
- Review State mandates for environmental programs for local impact and funding implications.
- Evaluate innovative alternatives for Solid Waste processing to enhance environmental responsibility.
- Continue to work with businesses and staff to facilitate review and permitting process.
- Support broadband options to facilitate needed technology availability.
- Address upcoming fiscal requirements for capital and operating budgets.
- Formalize the school mitigation process.
- Further work with the Economic Development Commission to support strategic initiatives.
- Continue weekly business visits to identify needs and trends to support a healthy business environment.
- Construct programmed infrastructure for Mt. Aetna Farms.
- Support a greater focus on Airport enhancements and marketing.
- Work with municipalities to support local initiatives.

As the County continues into 2014 and beyond, it will face challenges in both its short and long-term plan development as the economy emerges from economic recovery. The past economic climate has placed stress on governmental services, revenues, employment, education, and infrastructure improvements. As the County moves forward pressure will develop once again to expand and increase services. In addition, the County will have to address employee base pay and a County fire master plan all of which require a base funding source. This will challenge Washington County in relation to providing baseline services, related programs and their delivery, as well as costs passed down from the State of Maryland structural budget deficit issues and any remaining fall out. This all must be kept in balance with revenue rates, debt issuance, and cost of those 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, CGMA  
Director of Budget and Finance  
Washington County, Maryland

# *Organization and Community Profile*

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## County Commissioners of Washington County

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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 a 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 2014*

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

- Insure continuity of emergency service responses for fire and EMS through new programs for recruitment and retention.
- Complete a Comprehensive Fire Plan to be submitted to the Board of County Commissioners for approval.
- Initiate Emergency Services Advisory Committee.
- Evaluate options for day reporting program with greater rehabilitative outcome.

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

- Construct a new Senior Center.
- Complete construction of the new downtown library.
- Improve recreational opportunities for Washington County.

### **Environmental Stewardship: Protect, preserve and enhance the County's natural resources.**

- Evaluate additional environmental initiatives for local adoption.
- Review State mandates for environmental programs for local impact and funding implications.
- Evaluate innovative alternatives for Solid Waste processing to enhance environmental responsibility.

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

- Continue to work with businesses and staff to facilitate review and permitting process.
- Support broadband options to facilitate needed technology availability.
- Address upcoming fiscal requirements for capital and operating budgets.
- Formalize the school mitigation process.

### **Economic Opportunity: Promote economic development to grow and sustain the County's prosperity.**

- Further work with the Economic Development Commission to support strategic initiatives.
- Continue weekly business visits to identify needs and trends to support a healthy business environment.
- Construct programmed infrastructure for Mt. Aetna Farms.
- Support a greater focus on Airport enhancements and marketing.
- Work with municipalities to support local initiatives.

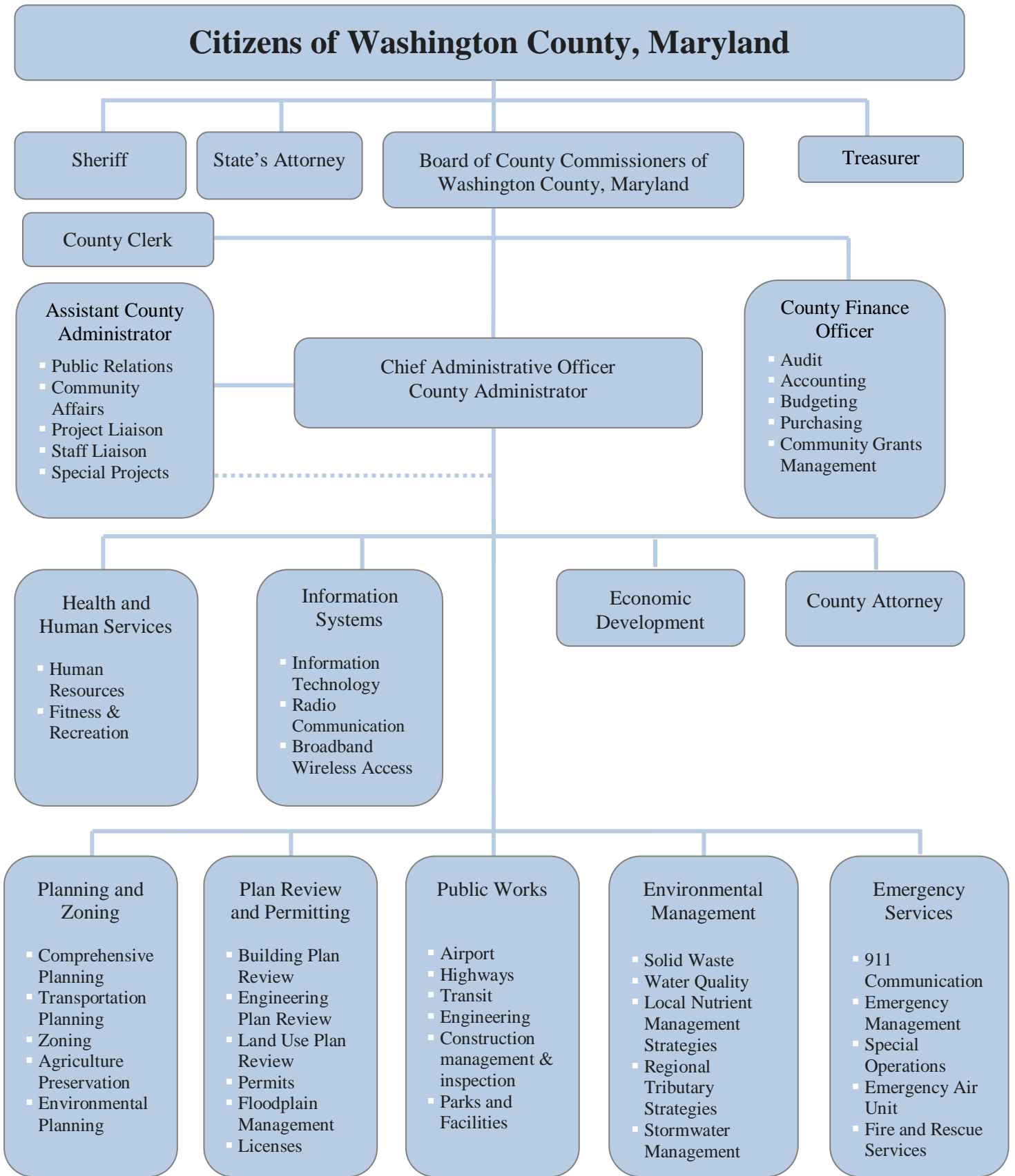
### *Matrix of Primary County Goals by Department*

The table below indicates which departments are responsible for the implementation of FY 2014 key goals. Refer to the Budget Details section of this document for each department’s specific activities planned for FY 2014 in support of these goals.

Department/Division	Public Safety	Education	Quality of Life	Environmental Stewardship	Governmental Efficiency	Economic Opportunity
<b>General Fund</b>						
Education:						
Board of Education		✓				
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	✓					
Wireless Communication	✓					
Humane Society of Washington County	✓					
Court System:						
Circuit Court	✓					
State’s Attorney	✓					
State Functions:						
Health Department	✓		✓			
Social Services	✓		✓			
Agricultural Extension Service		✓		✓		
Election Board					✓	
Soil Conservation				✓		
Weed Control				✓		
Community Funding:						
			✓			
General Operations:						
County Commissioners	✓	✓	✓	✓	✓	✓
County Administrator	✓	✓	✓	✓	✓	✓
Public Relations & Community Affairs					✓	✓
Budget and Finance					✓	

Department/Division	Public Safety	Education	Quality of Life	Environmental Stewardship	Governmental Efficiency	Economic Opportunity
<b>General Operations (cont'd):</b>						
Purchasing					✓	
Treasurer					✓	
County Attorney			✓		✓	✓
Human Resources					✓	
Central Services					✓	
Information Technology					✓	
<b>Other:</b>						
Women's Commission			✓			
Historic District Commission			✓		✓	
<b>Public Works, Permitting &amp; Planning:</b>						
Public Works Administration	✓		✓		✓	
Public Works Engineering & Construction				✓	✓	
Plan Review & Permitting				✓	✓	
Planning & Zoning				✓	✓	
Zoning Appeals				✓	✓	
<b>Parks &amp; Facilities:</b>						
Buildings, Grounds & Parks			✓			
Martin L. Snook Pool			✓			
Fitness & Recreation			✓			
Economic Development			✓	✓	✓	✓
<b>Highway Fund</b>				✓	✓	
<b>Other Governmental Funds:</b>						
Agricultural Education Center		✓				
Community Grant Management			✓			
Inmate Welfare	✓					
Gaming					✓	
Land Preservation				✓	✓	
Contraband	✓					
HEPMPO				✓	✓	✓
<b>Enterprise Funds:</b>						
Solid Waste				✓		
Water Quality				✓		
Transit			✓			
Airport	✓		✓		✓	✓
Golf Course			✓			

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*Personnel Summary by Department*

Summary of Budgeted Positions	2012	2013	2014	Change from 2013 to 2014	% of Employees
General Fund:					
County Commissioners	2.5	2.5	2.5		.25%
County Clerk	1	1	1		.10%
Circuit Court	23	23	23		2.30%
Orphans Court	1.5	1.5	1.5		.15%
State’s Attorney	35	35	35		3.49%
County Administrator	2	2	2		.20%
Public Relations & Community Affairs	2	5	5		.50%
Election Board	5.5	5.5	5.5		.55%
Budget & Finance	16	16	16		1.60%
Purchasing	6	6	6		.60%
Treasurer	7.5	7.5	7.5		.75%
County Attorney	5	5	5		.50%
Human Resources	7	6	6		.60%
Planning & Zoning	12	11	11		1.10%
Zoning Appeals	3.5	3.5	3.5		.35%
Buildings	5	5	5		.50%
Central Services	1	1	1		.10%
Information Technology	15	15	15		1.50%
Sheriff – Judicial	28	27	27		2.70%
Sheriff – Process Servers	2	2	2		.20%
Sheriff – Patrol	89.5	91.5	96	4.5	9.59%
Sheriff – Central Booking	10	10	10		1.00%
Sheriff – Detention	121	122	122		12.18%
Narcotics Task Force	6	6	6		.60%
Special Operations	6.5	6.5	6.5		.65%
911 – Communications	53	57.5	57.5		5.74%
Fire & Rescue Operations	9	11.5	11.5		1.15%
Emergency Management	2	2	2		.20%
Wireless Communications	5	5	5		.50%
Public Works	5	6	6		.60%
Public Works-Engineering & Construction	34	32	32		3.20%
Plan Review & Permitting	25.5	26.5	27.5	1	2.75%
Building, Grounds & Parks	30.5	30.5	30.5		3.05%
ML Snook Pool	13	13	13		1.30%
Fitness & Recreation	99.5	99.5	99.5		9.94%
Weed Control	5	5	5		.50%
Economic Development Commission	7	5	5		.50%

*Personnel Summary by Department – Continued*

Summary of Budgeted Positions	2012	2013	2014	Change from 2013 to 2014	% of Employees
Highway Fund	97.5	97.5	97.5		9.74%
Solid Waste Fund	27	27	27		2.70%
Agricultural Education Center Fund	1	1	1		.10%
Community Grant Management Fund	3	2	2		.20%
Inmate Welfare Fund	.5	.5	.5		.05%
Gaming Fund	3.5	3.5	3.5		.35%
Hotel Rental Tax Fund	0	0	0		0%
Land Preservation Fund	2	2	2		.20%
Contraband Fund	0	0	0		0%
HEPMPO Fund	0	0	0		0%
Water Quality Fund	79	79	79		7.89%
Transit Fund	39	38.5	38.5		3.84%
Airport Fund	15	17.5	17.5		1.75%
Golf Course Fund	18	17.5	17.5		1.75%
<b>Total</b>	<b>987.5</b>	<b>996.5</b>	<b>1,001.5</b>	<b>5.5</b>	<b>100.00%</b>

The table above represents budgeted full-time equivalents per year.

**Represents  
Change**

The Summary of Budgeted 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.

*Fiscal Year 2014 Summary of Changes in Positions*

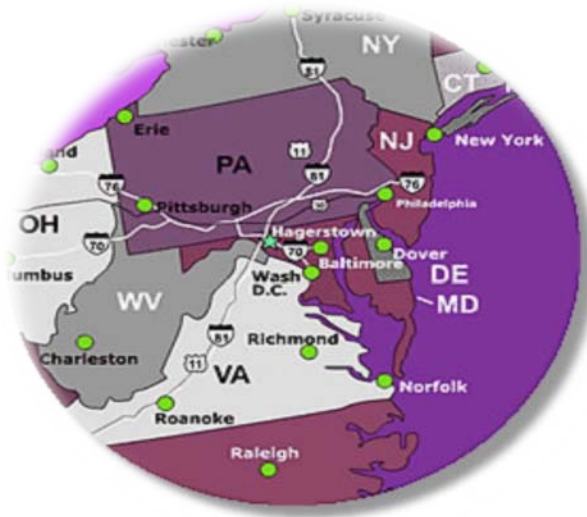
Function	Explanation of Change	Change
<b>Sheriff - Patrol</b>	Four additional uniformed deputies were approved by the BOCC to help the department better cope with increased call volume. The position of property/evidence room technician was approved to go from part time to full time due to increase in duties.	4.5
<b>Plan Review and Permitting</b>	A full-time office associate was approved by the BOCC to assist customers entering and direct them to the appropriate staff member.	1
<b>Total Change in Positions</b>		<b>5.5</b>

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## 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 D.C. offers access to a metropolitan culture and lifestyle. It's the best of both worlds.

### Culture and Recreation

Founded in 1776, Washington County was the first county in the United States to be named for the then General George Washington. The history of Washington County is exhibited at 4 national parks, 7 state parks, 14 county parks, numerous monuments and more than 35 museums that tell America's story spanning three centuries.

Some of Washington County's major local attractions include:



- ❖ Antietam National Battlefield – the site of one of the most famous Civil War battles.
- ❖ Fort Frederick State Park – a fort built in 1756 for use during the French and Indian War.
- ❖ Appalachian Trail National Scenic Trail – the trail in Maryland follows a 40 mile route along the backbone of South Mountain (a north-side ridge that extends from Pennsylvania to the Potomac River).
- ❖ C&O Canal National Historical Park – for nearly 100 years the canal served as a waterway to transport products and it now provides a place to recreate and enjoy nature.

- ❖ Maryland Symphony Orchestra – western Maryland’s only professional orchestra.
- ❖ Hagerstown Speedway – one of the fastest and safest dirt tracks in the United States.
- ❖ Hagerstown Suns – a minor South Atlantic League Class A baseball team affiliated with the Washington Nationals.
- ❖ Washington County Museum of Fine Arts – with a permanent collection of over 6,000 works of art, as well as changing exhibitions.
- ❖ The Maryland Theatre – built in 1915 and home of the Maryland Symphony Orchestra and the Miss Maryland Pageant.

Hagerstown was founded by the German immigrant Jonathan Hager who was a volunteer Captain of Scouts during the French and Indian War. Located in the center of the Great Valley in Western Central Maryland, Hagerstown was at the Crossroads of the Civil War. The Valley provided a natural corridor for refugee and troop movements between Virginia and Pennsylvania. As a regional crossroads town just north of the Potomac River, Hagerstown was a favorite staging area for military leaders traversing the region.



*The Maryland Theatre*

A revitalized Arts & Entertainment District in downtown Hagerstown complements shopping, historical sites and museums in Washington County. Residents and visitors discover a wonderful collection of beautiful renovated retail shops, restaurants, and condominiums all within walking distance of cultural attractions. Hagerstown hosts several annual festivals downtown, most notably the Western Maryland Blues Fest, Augustoferfest, and the Alsatia Mummer’s Day Parade.

### 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 with no term limits. As authorized by the County Code, the County Commissioners appoint the County Administrator, County Clerk, and Director of Budget and Finance.

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.

### Services

#### Transportation

A variety of transportation avenues are available in Washington County. Hagerstown Regional Airport is a Part 139 Facility which provides daily scheduled commercial service to Dulles International Airport on Sun Air and twice weekly service to Orlando Sanford International on Allegiant. 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 600 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, taxi, freight common carriers, and limousine service. The main lines of CSX and Norfolk Southern provide shipment to anywhere on the Atlantic Seaboard.

### Hospital and Medical Care

Meritus Health, located in Hagerstown, Maryland, is the largest healthcare provider in Western Maryland. Its programs span the continuum of healthcare, ranging from inpatient care to occupational health services to physician practices and outpatient care. Meritus Medical Center is an acute care hospital with 272-single patient rooms. Services offered include a regional trauma center, a cardiac catheterization lab, a joint replacement program and other State-of-the-art medical technologies.

The Washington County Health Department, which provides various health services to the citizens of Washington County, employs a total of 196 full-time and part-time personnel in five divisions.

Other medical care facilities include the Environmental Health Division of the Health Department, the George W. Comstock Center for Public Health Research and Prevention, the Western Maryland Center, a State –owned chronic care facility.

### Safety

The Washington County Sheriff's Office, the Maryland State Police, and municipal police agencies provide police protection, in Washington County. The Sheriff's Office has 95 sworn personnel and 92 radio-dispatched vehicles. The Sheriff's Office is responsible for the operation of the Detention Center, which has a capacity of 450 inmates. The State Police has 42 troopers assigned to the local barrack, which is located just south of Hagerstown. The Hagerstown Police Department has a full-time force of 105 officers. In addition, the Hancock Police Department, the Smithsburg Police Department, and the Boonsboro Police Department each employ four police officers in their respective departments.

The County's Division of Emergency Services ("DES") oversees Emergency Communication/911, Emergency Management, Fire Department Special Operations, Fire Department Support Services, and the Emergency Medical Services Operations Program. DES is led by a full-time career Director and full-time Deputy Director. There are 86 full-time and part-time personnel working directly within the division and approximately 40 volunteers.

### Environmental Management

The Division of Environmental Management ("DEM") consists of the Department of Water Quality, the Environmental Engineering Department, and the Solid Waste Department. The State and Federal environmental initiatives as they pertain to water, wastewater, solid waste and nutrients are all jointly related. DEM is responsible for integrating the regulations and applying them to the operations of these departments.

The Washington County Solid Waste Department is responsible for a solid waste disposal system that protects the environment and public health.

### Economic Development Commission

The Hagerstown-Washington County Economic Development Commission (the "EDC") is dedicated to expanding economic opportunities for the citizens of Washington County. It works to promote Washington County as a place of business and improve the overall business climate of the community.

The Board of Directors is comprised of 12 unpaid volunteers and eight *ex-officio* members. As representatives of the local business community, the Board of Directors is responsible for evaluating, recommending, and implementing policies affecting the County's ability to attract, nurture, and sustain employment, and to further promote economic growth and change in a managed environment.

The EDC currently has three full-time employees to conduct the day-to-day operations of the office. The staff works to fulfill the strategic priorities that are put in place by the EDC.

### Demographic Information

#### Population

<u>Year</u>	<u>County Total</u>
1980	113,086
1990	121,393
2000	131,923
2010	147,430
2012 estimate	154,000
2015 projected	158,450
2020 projected	163,100
2025 projected	172,180

Sources: U.S. Census Bureau (2000); U.S. Census Bureau, Census 2010; Projections by the Maryland Department of Planning (2010).

#### Population Statistics

<b>Age:</b> 19 & under	25.3%
20-64 (workforce age)	60.2%
65 & older	14.5%
Median Age	39.7
<b>Gender:</b> Male	50.9%
Female	49.1%
<b>Race:</b> White	84.3%
Black	9.9%
Other	5.8%

Source: U.S. Census Bureau, 2010 American Community Survey.

#### County Income

Per Capita Income	\$ 25,597
Median Household Income	\$ 51,579
Average Household Income	\$ 65,718
Median Family Income	\$ 61,419

Sources: U.S. Dept. of Commerce, Bureau of Economic Analysis (2009); U.S. Census Bureau, 2010 American Community Survey.

#### Education Facilities in Washington County

##### Higher Education:

- Kaplan University - Hagerstown
- Hagerstown Community College
- University System of MD at Hagerstown

##### Primary Education:

- 27 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

Pupil/Teacher Ratio: 1.23

Public Enrollment: 22,206

37 Private Schools

Sources: Washington County Board of Education (2012); MD Department of Education (2010); U.S. Census Bureau, 2010 American Community Survey.

#### Housing

##### 2012 Median Selling Price

Washington County	\$ 149,000
Maryland	\$ 244,912

Source: Maryland Association of Realtors.

#### Households

Number of Households	56,204
Number of Family Households	37,831
Number of Non-family Households	16,908

Source: Nielson-Claritas, Inc. 2013.

**County Water Quality Systems**

	<u>Total # of Services</u>
Full Service Water	1,320
Full Service Sewer	6,845
Collection Service Sewer	3,516
<b>Total</b>	<b>11,681</b>

Source: Washington County Department of Environmental Management.

**County Building Permits (000s)**

	<u>Number</u>	<u>Value</u>
Residential New	152	\$ 32,660
Other Permits	1,536	\$ 47,306
<b>Total</b>	<b>1,688</b>	<b>\$ 79,966</b>

Source: Washington County Department of Plan Review and Permitting.

**County Employment Statistics**

Civilian Labor Force	71,003
Employed	65,218
Unemployed	5,785
Unemployment Rate	8.60%
State Average	6.90%

Source: MD Department of Labor, Licensing & Regulation.

**Top 15 Employers in Washington County**

	<u>Employer</u>	<u>Employment</u>
1	Washington County Public Schools	2,985
2	Meritus Health, Inc.	2,860
3	Citi	2,750
4	State of Maryland	2,568
5	First Data	2,322
6	Volvo Group	1,350
7	Washington County Government	1,159
8	Hagerstown Community College	893
9	The Bowman Group, LLP	755
10	Federal Government	705
11	FedEx Ground	648
12	Staples Distribution Center	567
13	Merkle Response Services, Inc.	520
14	Sierra Nevada Corporation	486
15	City of Hagerstown	461
15	Washington County Public Schools	2,985

Source: Hagerstown-Washington County Economic Development Commission.

**County Business Patterns**

<u>Industry</u>	<u>Total # Establishments</u>
Services	1,223
Retail Trade	610
Construction	363
Other	389
Wholesale Trade	153
Finance, Insurance, Real Estate	337
Transportation/Warehousing	160
Manufacturing	126
Information	56
Utilities	5
Mining	2
Agricultural	1
<b>Total</b>	<b>3,425</b>

Sources: U.S. Census Bureau, County Business Patterns. Agricultural and mining data is based on information provided by employers to Hagerstown-Washington County Economic Development Commission.

<b>Top 20 Largest Taxpayers in Washington County as of June 30, 2012 Ranked by Assessed Value</b>
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<u>Taxpayer</u>	<u>Assessed Value</u>
1 PR Valley Limited Partnership (Valley Mall)	\$ 103,099,240
2 Outlet Village of Hagerstown LLC	98,967,210
3 Potomac Edison	67,322,070
4 Bowman Group	60,582,410
5 Washington Real Estate	58,041,533
6 FedEx Ground Package System, Inc.	55,122,260
7 254 Hagerstown/Citigroup/Citicorp	51,215,430
8 Staples of Maryland LLC	47,179,257
9 Verizon-Maryland	45,775,560
10 Wal-Mart Stores/Wal-Mart R. E./Sam's R. E/Sam's East	43,843,357
11 IIT Hagerstown Distribution Center	40,959,100
12 Liberty Property Limited	37,607,067
13 GP Hagerstown Limited Partnership	36,957,300
14 Lowe's Home Centers, Inc.	35,549,620
15 FR Hagerstown LLC (Lippincott & PetSmart)	33,795,800
16 T. Rowe Price/TRP	33,756,680
17 Mack Trucks Inc.	30,298,480
18 Tractor Supply Company	30,061,843
19 Norfolk Southern Combined Rail	25,598,730
20 Columbia Gas of Maryland	17,785,060

Source: Washington County Treasurer's Office.

# *Operational Overview*

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## *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.
14. The County has an identity theft prevention program designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or an existing covered account and to provide for continued administration of the program.
15. The County shall provide procedures and guidelines for the transfer and adjustment of approved budgetary amounts by policy guidelines.

**RESERVE  
POLICIES**

1. The County shall maintain a fund balance (equal to committed, assigned, and unassigned) at a minimum level of 17 percent of the on-going General Fund operating revenues in order to protect the financial stability, provide sufficient liquidity for daily operations and to meet anticipated and unanticipated financial or economic circumstances.
2. Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each fund. Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the County, in accordance with policies established by the County Commissioners. Fund balance will be reported as non-spendable, restricted, committed, assigned, or unassigned.
3. A reserve of 25 percent of the current year's operations and maintenance budget is required for Enterprise Funds.
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 for upcoming years (2) provide for pay go cash payments (3) minimize the issuance of debt.
8. The County may use the reserves for emergencies, non-recurring expenditures, system failures unanticipated expenditures as a result of legislative changes from State and or Federal legislative actions, recession, or major on time capital purchases that cannot be accommodated through other means as determined by the County Commissioners. Use of the reserve requires County Commissioner approval.
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. Debt for the Water Quality Funds cannot 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 10 Year Capital Improvement Plan, appropriating the first year of the 10 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.
21. Capital projects are ranked using a priority ranking matrix which is the basis for assigning projects into one of five priority ranking categories. The ranking matrix is used as a management tool and not as an absolute determining factor.

***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.

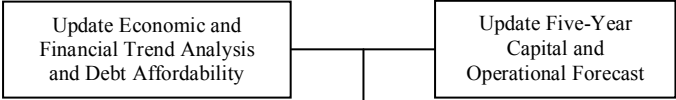
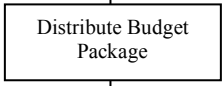




***FINANCIAL  
REPORTING  
POLICIES***

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		October - January
Budget Development Start		October - November
Budget Development Phase		December - January
Review/Modification Phase		January - April
Adoption Phase		May
Start Up Phase		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 fall along with 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 Director of Planning and Zoning, and the Director of Public Works comprise the Capital Improvement 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 10 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 Budget and 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 1<sup>st</sup>.

#### **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, updates on major events and/or issues.

## Basis of Accounting and Budgeting

### Budgeting Methods:

Washington County's budget is prepared on a cash basis or 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 in the budget, but are accrued and reported on the GAAP basis. For example, increases or decreases in compensated absences are not included in the budget, but are presented as revenues and expenditures on the GAAP basis.

Capital outlays in the Enterprise Funds are presented as expenses for budget purposes, 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.

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## 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.

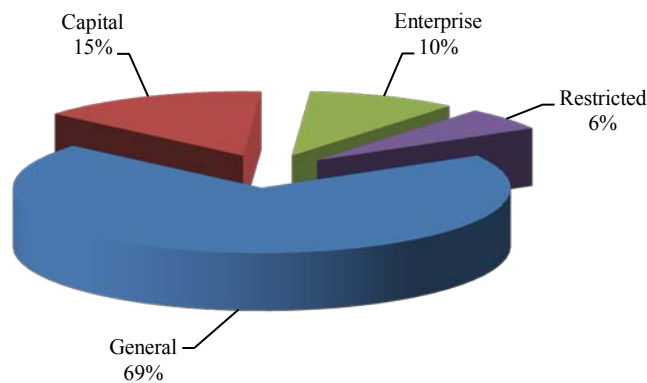
The Director of Budget and Finance reviews the project status and revenues before any issuance of debt. Any modifications to a project and or the total debt to be issued based upon this review is required to be approved by the County Commissioners either for an increase or decrease in total borrowing 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. These are the same fund classifications and grouping as used in financial statements.

FY 2014 Funds




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<i>General Fund:</i>	<i>Major Fund</i>	<i>\$201,189,270</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.

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<i>Capital Improvement Fund:</i>	<i>Major Fund</i>	<i>\$42,961,500</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.

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*Enterprise Funds:* \$28,182,390

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. (\$16,016,020 – 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. (\$6,792,140 – 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. (\$2,297,130 – 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. (\$1,880,960 – 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. (\$1,196,140 – Non-Major Fund)

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*Other Governmental Funds* \$16,535,780

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. \$9,371,820 (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 \$6,716,690 (Non-Major Fund). They are:

Agricultural Educational Center	\$ 198,270
Community Grant Management	\$ 324,650
Inmate Welfare	\$ 490,920
Land Preservation Fund	\$ 1,667,690
Gaming Fund	\$ 2,073,970
Hotel Rental Tax Fund	\$ 2,000,000

Contraband Fund	\$ 25,000
HEPMPO	\$ 383,460

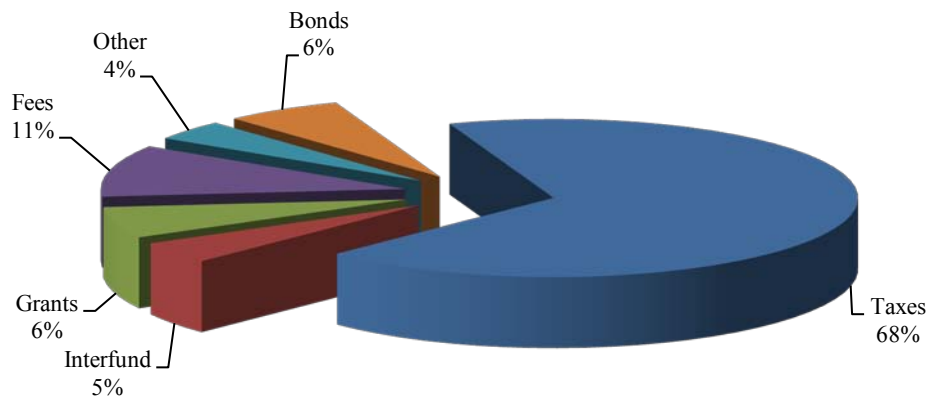
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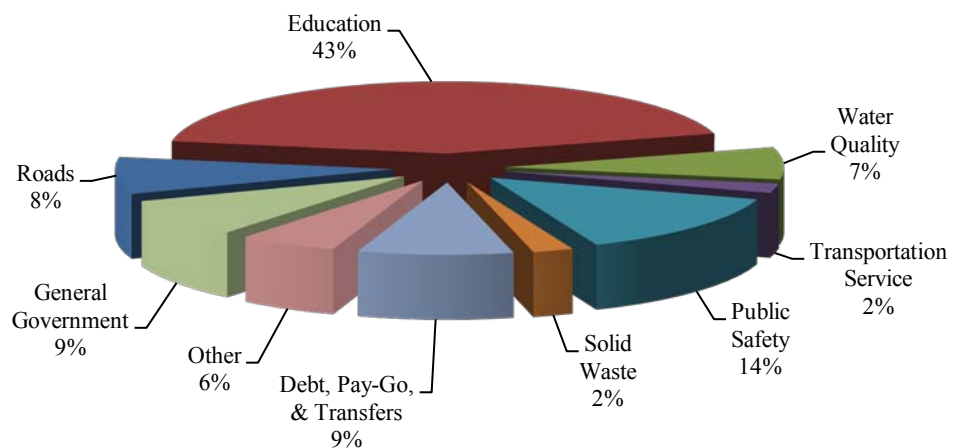
### Total Sources and Uses of County Funds

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 2014.

Where Does the Money Come From?



What Is The Money Used For?



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 2014. 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, 2013. 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		
	2012	2013	2014
<b>Revenue (By Major Type):</b>			
Property Tax	122,669,812	121,396,960	119,215,860
Income Tax	64,578,939	62,476,000	68,730,000
Other Local Taxes	6,384,751	5,970,890	7,980,000
Highway User	411,643	790,000	843,570
Interest	407,739	560,100	544,500
Fees	29,230,422	29,590,880	30,723,850
Grants	25,677,098	23,804,060	18,505,190
Other	1,673,431	7,002,980	2,082,630
Bonds	12,334,703	17,460,200	18,120,000
<b>Subtotal</b>	<b>263,368,538</b>	<b>269,052,070</b>	<b>266,745,600</b>
Transfers	18,186,110	11,746,650	12,926,850
Reserves	0	4,176,340	9,196,490
<b>Total Revenue</b>	<b>281,554,648</b>	<b>284,975,060</b>	<b>288,868,940</b>
<b>Expenditures (By Function):</b>			
Education	116,456,758	117,122,730	123,694,120
Public Safety	38,405,386	37,962,560	40,448,930
State/Community	7,061,294	5,712,900	6,700,100
Court System	3,666,315	3,894,840	3,951,810
General Government	18,791,893	24,555,950	24,665,320
Parks and Recreation	4,247,563	3,195,420	3,040,750
Community Promotion	3,004,567	0	0
Water Quality	13,131,157	20,965,560	20,751,320
Roads/Infrastructure	20,330,566	28,255,580	23,906,020
Land Preservation	1,448,702	1,094,200	1,667,690
Solid Waste	11,943,089	7,764,870	6,792,140
Transit System	2,679,024	3,212,250	2,464,130
Airport	2,600,091	5,264,630	3,584,860
Golf Course	1,232,463	1,219,380	1,196,140
<b>Subtotal</b>	<b>244,998,868</b>	<b>260,220,870</b>	<b>262,863,330</b>
Transfers and Debt Service	30,801,449	24,754,190	26,005,610
<b>Total Expenditures</b>	<b>275,800,317</b>	<b>284,975,060</b>	<b>288,868,940</b>
Excess (Deficiency) of Revenues over Expenditures	5,754,331	0	0
Other Sources (Uses)	34,443		
GAAP Basis Adjustments	(6,827,229)		
Beginning Fund Balance/Net Equity	332,588,231	331,549,776	330,549,776
Ending Fund Balance/Net Equity (forecast)	331,549,776	330,549,776	331,049,776

Combined Statement of Revenues, Expenditures, and Changes in Undesignated Fund Balance  
Fiscal Year 2014 Budgets – All Funds

Description	Funds				
	General	Capital	Enterprise	Restricted	Total
<b>Revenue (By Major Type):</b>					
Property Tax	119,215,860				119,215,860
Income Tax	68,730,000				68,730,000
Other Local Taxes	5,770,000			2,210,000	7,980,000
Highway User				843,570	843,570
Interest	544,500				544,500
Fees	3,719,750	1,542,900	22,414,610	3,046,590	30,723,850
Grants	1,914,200	13,668,900	1,493,000	1,429,090	18,505,190
Other		108,000		679,670	787,670
Bonds		18,120,000			18,120,000
<b>Subtotal</b>	199,894,310	33,439,800	23,907,610	8,208,920	265,450,640
Transfers		3,935,500	1,214,820	7,776,530	12,926,850
Reserves	1,294,960	5,586,200	3,059,960	550,330	10,491,450
<b>Total Revenue</b>	201,189,270	42,961,500	28,182,390	16,535,780	288,868,940
<b>Expenditures (By Function):</b>					
Education	106,206,420	17,487,700			123,694,120
Public Safety	38,433,010	550,000		1,465,920	40,448,930
State/Community	5,750,100			950,000	6,700,100
Court System	3,951,810				3,951,810
General Government	18,184,570	3,400,400		3,080,350	24,665,320
Parks and Recreation	2,657,750	383,000			3,040,750
Water Quality		4,735,300	16,016,020		20,751,320
Roads/Infrastructure		14,534,200		9,371,820	23,906,020
Land Preservation				1,667,690	1,667,690
Solid Waste			6,792,140		6,792,140
Transit System		167,000	2,297,130		2,464,130
Airport		1,703,900	1,880,960		3,584,860
Golf Course			1,196,140		1,196,140
<b>Subtotal</b>	175,183,660	42,961,500	28,182,390	16,535,780	262,863,330
Transfers and Debt Service	26,005,610				26,005,610
<b>Total Expenditures</b>	201,189,270	42,961,500	28,182,390	16,535,780	288,868,940
Beginning Fund Balance/Net Equity	37,781,977	71,995,786	218,241,406	2,530,607	330,549,776
Estimated Increase (Decrease)	0	0	500,000		500,000
Ending Fund Balance/Net Equity (forecast)	37,781,977	71,995,786	218,741,406	2,530,607	331,049,776

Combined Statement of Revenues, Expenditures, and Changes in Undesignated Fund Balance  
Fiscal Year 2013 Budgets – All Funds

Description	Funds				
	General	Capital	Enterprise	Restricted	Total
<b>Revenue (By Major Type):</b>					
Property Tax	121,396,960				121,396,960
Income Tax	62,476,000				62,476,000
Other Local Taxes	5,315,000			655,890	5,970,890
Highway User				790,000	790,000
Interest	560,100				560,100
Fees	3,696,460	1,338,000	22,093,920	2,462,500	29,590,880
Grants	1,759,000	19,940,500	1,402,230	702,330	23,804,060
Other	1,109,000	319,000	2,934,550	2,640,430	7,002,980
Bonds		17,460,200			17,460,200
<b>Subtotal</b>	196,312,520	39,057,700	26,430,700	7,251,150	269,052,070
Transfers		2,743,200	1,219,590	7,783,860	11,746,650
Reserves		3,521,580		654,760	4,176,340
<b>Total Revenue</b>	196,312,520	45,322,480	27,650,290	15,689,770	284,975,060
<b>Expenditures (By Function):</b>					
Education	104,555,330	12,567,400			117,122,730
Public Safety	36,759,740	716,000		486,820	37,962,560
State/Non-profit	5,712,900				5,712,900
Court System	3,894,840				3,894,840
General Government	18,046,880	1,373,400		5,135,670	24,555,950
Parks and Recreation	2,588,640	606,780			3,195,420
Water Quality		5,392,600	15,572,960		20,965,560
Roads/Infrastructure		19,282,500		8,973,080	28,255,580
Land Preservation				1,094,200	1,094,200
Solid Waste		891,400	6,873,470		7,764,870
Transit System		1,008,600	2,203,650		3,212,250
Airport		3,483,800	1,780,830		5,264,630
Golf Course			1,219,380		1,219,380
<b>Subtotal</b>	171,558,330	45,322,480	27,650,290	15,689,770	260,220,870
Transfers and Debt Service	24,754,190				24,754,190
<b>Total Expenditures</b>	196,312,520	45,322,480	27,650,290	15,689,770	284,975,060
Beginning Fund Balance/Net Equity	37,781,977	71,995,786	219,241,406	2,530,607	331,549,776
Estimated Increase (Decrease)			(1,000,000)		
Ending Fund Balance/Net Equity (forecast)	37,781,977	71,995,786	218,241,406	2,530,607	330,549,776

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

Description	Funds				
	General	Capital	Enterprise	Restricted	Total
<b>Revenue (By Major Type):</b>					
Property Tax	122,669,812				122,669,812
Income Tax	64,578,939				64,578,939
Other Local Taxes	4,351,870			2,032,881	6,384,751
Highway User				411,643	411,643
Interest	407,581			158	407,739
Fees	4,428,376	1,390,703	20,501,117	2,910,226	29,230,422
Grants	3,580,047	18,752,415	1,250,104	2,094,532	25,677,098
Other		533,746		1,139,685	1,673,431
Bonds		12,334,703			12,334,703
<b>Subtotal</b>	<b>200,016,625</b>	<b>33,011,567</b>	<b>21,751,221</b>	<b>8,589,125</b>	<b>263,368,538</b>
Transfers		4,626,374	5,288,356	8,271,380	18,186,110
<b>Total Revenue</b>	<b>200,016,625</b>	<b>37,637,941</b>	<b>27,039,577</b>	<b>16,860,505</b>	<b>281,554,648</b>
<b>Expenditures (By Function):</b>					
Education	104,285,825	12,170,933			116,456,758
Public Safety	34,873,339	1,642,811		1,889,236	38,405,386
State/Community	6,131,909			929,385	7,061,294
Court System	3,666,315				3,666,315
General Government	17,426,891	814,589		550,413	18,791,893
Parks and Recreation	2,416,154	1,642,686		188,723	4,247,563
Community Promotion				3,004,567	3,004,567
Water Quality		252,040	12,879,117		13,131,157
Roads/Infrastructure		11,793,582		8,536,984	20,330,566
Land Preservation				1,448,702	1,448,702
Solid Waste		6,232,801	5,710,288		11,943,089
Transit System		373,316	2,305,708		2,679,024
Airport		408,010	2,192,081		2,600,091
Golf Course		43,211	1,189,252		1,232,463
<b>Subtotal</b>	<b>168,800,433</b>	<b>35,373,979</b>	<b>24,276,446</b>	<b>16,548,010</b>	<b>244,998,868</b>
Transfers and Debt Service	30,801,449				30,801,449
<b>Total Expenditures</b>	<b>199,601,882</b>	<b>35,373,979</b>	<b>24,276,446</b>	<b>16,548,010</b>	<b>275,800,317</b>
Excess(Deficiency) of Revenues over Expenditures	414,743	2,263,962	2,763,131	312,495	5,754,331
Other Sources (Uses)	34,443				34,443
Increase (Decrease) in Fund Balance	449,186	2,263,962	2,763,131	312,495	5,788,774
GAAP Basis Adjustments		(2,092,908)	(4,734,321)	0	(6,827,229)
Beginning Fund Balance/Net Equity	37,332,791	71,824,732	221,212,596	2,218,112	332,588,231
Ending Fund Balance/Net Equity	37,781,977	71,995,786	219,241,406	2,530,607	331,549,776

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# *Capital Program and Debt Management*

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## *Capital Improvement Plan Development*

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 Ten-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 is flexible and covers ten 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 not only accounts for the acquisition, expansion, and rehabilitation of infrastructure and other capital assets, but it also 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.

The Ten-year Capital Improvement Plan (CIP) is updated on an annual basis for both project costs and funding sources. 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 Improvement Plan Process

Capital Improvement Plan development begins in the winter after the completion 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;
- The budget and appropriate funding sources are adequate;
- Projects are prioritized based on County goals, department priorities, and anticipated funding sources.

The CIP is reviewed in conjunction with the 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 ten-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 ten-year forecast.

The Board of County Commissioners reviews the Ten-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 Ten-year Capital Improvement Plan for the established projects.

### Components of the Capital Program

#### *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. Assets not meeting the criteria above are budgeted as capital outlay in the Operating Budget.

#### *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 such as increases in traffic accidents, injuries, and deaths.
3. Environmental Impact – This criterion includes health related impacts such as illness 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. The project 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 considers the total cost of constructing or installing the proposed work. 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. Higher value is placed on projects continuing from the prior year, in which funding would be required. Other funding considerations include proposed self-supporting funds and 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, normal repair costs if not replaced or added cost for new facility.
11. Project Life – This criterion is used to rank the project based on life expectancy and projected maintenance cost. A higher value is placed 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 include 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 the 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 Ten-year Capital Improvement Plan to the Board of County Commissioners. The County Commissioners review the recommended Ten-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.

### *Capital Improvement Plan Funding Sources*

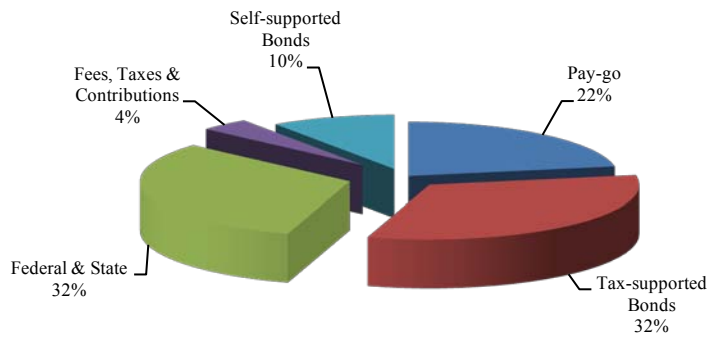
Funding sources in the Capital Improvement Plan are budgeted in each fiscal year in which they will be received. All potential funding sources are considered when developing the Capital Improvement Plan to ensure that projects are funded with appropriate revenue streams. Some projects are funded with 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 2014 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 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 \$1 per sq foot (SF), and \$ .50 SF for additions to residential properties. Excise tax for nonresidential non-retail is assessed at \$1 SF and nonresidential retail at \$1 SF for the first 15,000 SF and \$3 SF thereafter. 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 2014 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.

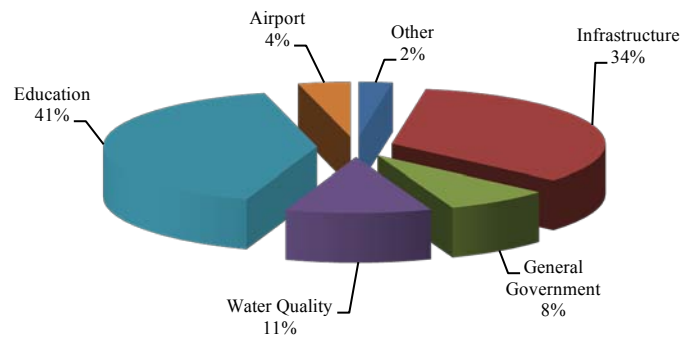
### *Fiscal Year 2014 Overview*

A graphic illustration of planned capital project distribution and funding sources for fiscal year 2014 is shown below. The fiscal year 2014 Capital Improvement Budget is funded mainly from: tax supported and self-supported bonds, pay-go funds, federal and state funds, and developer based fees.

Funding Sources



Capital Project Distribution



### 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, 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 2014 is approximately \$21.6 million.

The ten-year operating budget impact for major projects approved in the fiscal year 2014 Capital Budget are presented in the project detail schedule located in the next section. Operating cost include personnel, supplies, maintenance, and other major operational costs.

### Debt Affordability Analysis

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 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. The Peer Group consists of counties that share similar characteristics in various areas, including but not limited to, population, region, bond rating, and budget thresholds. Also, our sample of counties was based on size and income indicators, such as per capita income, property values, access to interstate highways, and revenue generation.

The Peer Group contains nine other Maryland Counties: Howard, Frederick, Harford, Carroll, Charles, St. Mary's, Cecil, Wicomico, and Calvert.

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 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. Following is a five-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
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	860	1,640	1.02%	1.41%	6.69%	8.52%	.24%	.38%
2012	871	1,573	1.05%	1.50%	6.87%	8.77%	.24%	.38%
2013 estimated	883	1,573	1.09%	1.50%	7.34%	8.77%	.25%	.38%

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 operating budget and potentially the tax burden carried by the 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 more 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 and 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
2014	902	1,573	1.09%	1.50%	7.43%	8.77%	.26%	.38%
2015	920	1,573	1.10%	1.50%	7.53%	8.77%	.26%	.38%
2016	938	1,573	1.10%	1.50%	7.43%	8.77%	.26%	.38%
2017	953	1,573	1.11%	1.50%	7.47%	8.77%	.26%	.38%
2018	970	1,573	1.11%	1.50%	7.29%	8.77%	.25%	.38%
2019	987	1,573	1.11%	1.50%	7.15%	8.77%	.25%	.38%
2020	1,000	1,573	1.11%	1.50%	7.36%	8.77%	.26%	.38%
2021	1,009	1,573	1.10%	1.50%	7.52%	8.77%	.26%	.38%
2022	1,019	1,573	1.10%	1.50%	7.29%	8.77%	.26%	.38%

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
2023	1,025	1,573	1.09%	1.50%	7.41%	8.77%	.26%	.38%
2024	1,028	1,573	1.08%	1.50%	7.56%	8.77%	.27%	.38%
2025	1,027	1,573	1.06%	1.50%	7.66%	8.77%	.27%	.38%
2026	1,024	1,573	1.04%	1.50%	7.59%	8.77%	.27%	.38%
2027	1,020	1,573	1.02%	1.50%	7.53%	8.77%	.27%	.38%
2028	1,012	1,573	1.00%	1.50%	7.64%	8.77%	.28%	.38%
2029	1,012	1,573	.98%	1.50%	6.99%	8.77%	.25%	.38%
2030	1,011	1,573	.97%	1.50%	6.92%	8.77%	.25%	.38%
2031	1,004	1,573	.95%	1.50%	7.13%	8.77%	.26%	.38%
2032	996	1,573	.93%	1.50%	7.05%	8.77%	.26%	.38%
2033	987	1,573	.90%	1.50%	6.99%	8.77%	.26%	.38%

*Credit Ratings*

Rating agencies are companies that assign credit ratings to institutions, including local governments that issue debt obligations. Credit ratings are the rating agencies’ assessment of the County’s ability and willingness to repay debt on a timely basis. Debt management is an important factor in evaluating and assigning credit ratings. Credit ratings are an important indicator in the bond market and can influence the County’s long-term interest rates that it must pay.

The County’s current 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 are 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 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*

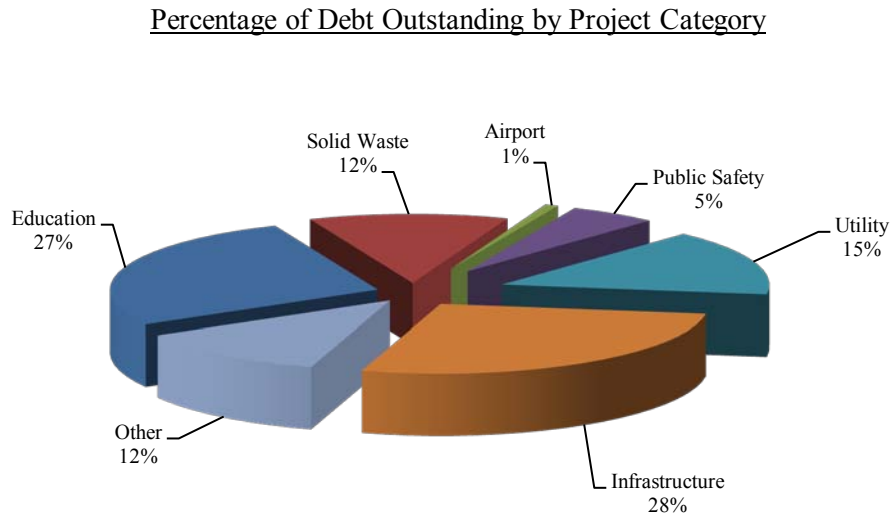
There are multiple factors that can affect the County's affordability to incur future indebtedness, including the County's economy and the availability of adequate financial resources. For that reason the financial ratios and analysis used, take into account the entire County financial condition, as other factors can effectively deteriorate the County's financial posture and affect its ability to incur debt. In addition, these managerial and unpredictable scenarios are considered and tested in the model used, so that the known effects of 'Worst' and 'Best' case results can be examined. 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, schools and other capital needs. 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.

### Outstanding Debt

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 the pay-go financing.

The following graph illustrates the percentage of total debt outstanding at June 30, 2013 by project category:



The table on the following page shows the current outstanding balance at June 30, 2013 and the estimated impact of debt service on the Operating Budget for FY 2014.

Current Debt Balance and FY 2014 Principal and Interest Costs

Description	FY 2013 Balance	FY 2014 Principal	FY 2014 Interest	Total Debt Service
<b>General Fund:</b>				
2002 Public Improvement & Refunding Bonds	\$ 1,439,742	\$ 701,530	\$ 66,966	\$ 768,496
2003A Public Improvement & Refunding Bonds	1,444,381	1,036,951	53,699	1,090,650
2005 Public Improvement & Refunding Bonds	10,517,035	2,660,816	420,681	3,081,497
2006 Public Facilities Bonds	1,440,000	460,000	59,400	519,400
2007 Public Improvement Bonds	10,940,330	531,649	453,666	985,315
2008 Public Improvement Bonds	12,556,252	615,350	505,978	1,121,328
2009 Public Improvement & Refunding Bonds	11,555,429	847,397	404,652	1,252,049
2010 Ser A Public Improvement Bonds	4,111,167	465,294	102,043	567,337
2010 Ser B Build America Bonds	6,957,113	0	232,193	232,193
2010 Refunding Bonds	9,931,850	1,084,396	277,978	1,362,374
2011 Public Improvement Bonds	10,540,341	417,286	396,081	813,367
2012 Public Improvement Bonds	12,068,100	434,764	334,318	769,082
2012 Refunding Bonds	6,033,410	360,570	213,740	574,310
2013 Public Improvement Bonds	12,000,000	424,326	251,184	675,510
2013 Refunding Bonds	12,362,423	0	506,226	506,226
MD Water Quality Solid Waste Refinancing	1,688,881	33,357	16,889	50,246
MD Water Quality Resh Capping Ph 1	3,773,684	252,464	37,736	290,200
Total General Fund Existing Debt	\$ 129,360,138	\$ 10,326,150	\$ 4,333,430	\$ 14,659,580
2014 Planned Debt:				
2014 Public Improvement Bonds	14,000,000	0	0	0
Total General Fund Debt	\$ 143,360,138	\$ 10,326,150	\$ 4,333,430	\$ 14,659,580
<b>Highway:</b>				
2008 Public Improvement Bonds	\$ 2,424,060	\$ 118,800	\$ 97,680	\$ 216,480
Total Highway Existing Debt	\$ 2,424,060	\$ 118,800	\$ 97,680	\$ 216,480
<b>Solid Waste:</b>				
2002 Public Improvement & Refunding Bonds	\$ 130,258	\$ 63,470	\$ 6,059	\$ 69,529
2003A Public Improvement & Refunding Bonds	115,619	108,049	4,801	112,850
2005 Public Improvement & Refunding Bonds	312,965	79,181	12,519	91,700
2007 Public Improvement Bonds	2,229,670	108,350	92,454	200,804
2009 Public Improvement Bonds	2,420,643	262,300	83,338	345,638
2010 Ser A Public Improvement Bonds	1,627,358	184,182	40,392	224,574
2010 Ser B Build America Bonds	2,753,894	0	91,911	91,911
2010 Refunding Bonds	2,938,150	330,604	82,072	412,676
2011 Public Improvement Bonds	3,099,659	122,714	116,478	239,192
2012 Refunding Bonds	39,600	4,430	1,310	5,740
2013 Refunding Bonds	177,577	0	7,294	7,294
MD Water Quality Solid Waste Refinancing	4,639,879	91,643	46,399	138,042
MD Water Quality 40 West Cell 3	1,619,362	131,017	17,813	148,830
Total Solid Waste Fund Debt	\$ 22,104,634	\$ 1,485,940	\$ 602,840	\$ 2,088,780

Current Debt Balance and FY 2014 Principal and Interest Costs

Description	FY2013 Balance	FY 2014 Principal	FY 2014 Interest	Total Debt Service
<b>Airport</b>				
2003A Public Improvement & Refunding Bonds	\$ 80,000	\$ 40,000	\$ 2,630	\$ 42,630
2012 Refunding Bonds	1,391,990	195,000	44,350	239,350
Total Airport Existing Debt	\$ 1,471,990	\$ 235,000	\$ 46,980	\$ 281,980
<b>Water Quality:</b>				
1996 Series A Project & Refunding Bonds	\$ 4,232,097	\$ 509,404	\$ 890,596	\$ 1,400,000
2008 Public Improvement Bonds	1,139,688	55,853	45,926	101,779
2009 Public Improvement & Refunding Bonds	3,143,928	272,659	183,886	456,545
2010 Ser A Public Improvement Bonds	711,475	80,524	17,659	98,183
2010 Ser B Build America Bonds	1,203,993	0	40,184	40,184
2012 Public Improvement Bonds	5,696,900	205,236	157,819	363,055
MD Water Quality Series 93A	77,778	77,778	2,565	80,343
MD Water Quality Series BNR	1,579,178	185,949	26,846	212,795
MD Water Quality Cono. Refunding 2004	2,225,000	1,135,000	8,900	1,143,900
MD Water Quality Pretreatment Refunding 2004	4,321,063	415,000	17,284	432,284
MD Water Quality Halfway I & I	403,539	26,997	4,035	31,032
Total Water Quality Existing Debt	\$ 28,194,639	\$ 2,964,400	\$ 1,395,700	\$ 4,360,100
2014 Planned Debt:				
2014 Public Improvement Bonds	4,120,000	0	0	0
Total Water Quality Debt	\$ 32,314,639	\$ 2,964,400	\$ 1,395,700	\$ 4,360,100
Total Existing and 2014 Planned Debt	\$ 198,215,461	\$ 15,130,290	\$ 6,476,630	\$ 21,606,920

*Bonded Limit Summary as of June 30, 2013*

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, 2013 the unused authorization available for issuance of general obligation bonds was \$14,672,722.

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, 2013	
Assessed Value of Property in Washington County	\$ 12,822,029,000
Debt Limit: % of Assessed Value	10%
Water Quality Borrowing Limitation	1,282,202,900
Water Quality Debt	28,194,639
Debt Margin	1,254,008,261
Ratio of Water Quality Debt to Assessed Value	.22%

Statement of Revenues and Expenditures  
Summary By Year – Capital Improvement Fund

Description	<i>Fiscal Year</i>		
	2012 Actual	2013 Budget	2014 Budget
<b>Revenue (By Major Type):</b>			
Fees	\$ 1,390,703	\$ 1,338,000	\$ 1,542,900
Grants	18,752,415	19,940,500	13,668,900
Other	533,746	319,000	108,000
Bonds	12,334,703	17,460,200	18,120,000
Subtotal	33,011,567	39,057,700	33,439,800
Transfers	4,626,374	2,743,200	3,935,500
Capital Reserves		3,521,580	5,586,200
<b>Total Revenue</b>	<b>37,637,941</b>	<b>45,322,480</b>	<b>42,961,500</b>
<b>Expenditures (By Function):</b>			
Education	12,170,933	12,567,400	17,487,700
Public Safety	1,642,811	716,000	550,000
General Government	814,589	1,373,400	3,400,400
Parks and Recreation	1,642,686	606,780	383,000
Water Quality	252,040	5,392,600	4,735,300
Roads/Infrastructure	11,793,582	19,282,500	14,534,200
Solid Waste	6,232,801	891,400	0
Transit System	373,316	1,008,600	167,000
Airport	408,010	3,483,800	1,703,900
Golf Course	43,211	0	0
<b>Total Expenditures</b>	<b>35,373,979</b>	<b>45,322,480</b>	<b>42,961,500</b>
<b>Net Difference</b>	<b>2,263,962</b>	<b>0</b>	<b>0</b>

Project Detail of Major Projects – Fiscal Year 2014

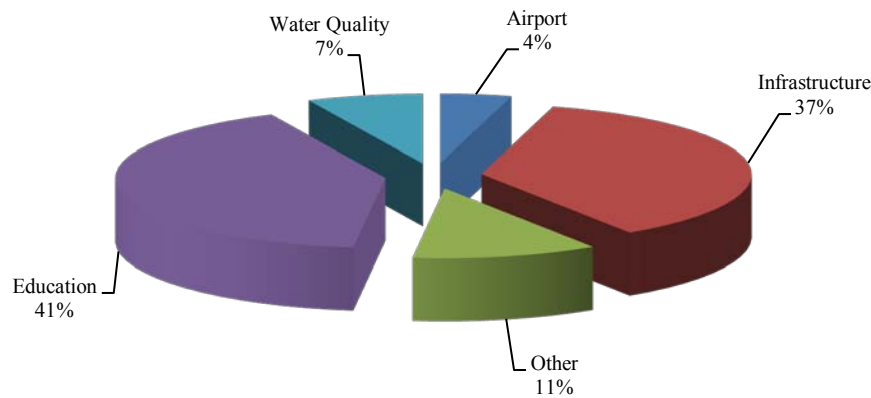
Project Name	Project Description	Project Budget	Operating Impact
Bester Elementary (Replacement School)	Construct a new 71,671 square foot (S.F.) school to replace the existing Bester Elementary on the existing site. The new school is planned as a four-round school, increasing the student capacity from 511 students to 608 students. The existing school building will be demolished to make space for appropriate driveways and playing fields. Provisions have been made within this budget request to include an expanded gymnasium for community use.	\$ 10,862,300	\$ 5,000
Pavement Maintenance and Rehabilitation Program	A county-wide pavement maintenance program targeting rehabilitation of County highway pavement, as required. Techniques may include, but not 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.	5,493,500	-
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.	4,789,000	-
Smithsburg Wastewater Treatment Plant – Facility Improvements	Upgrade the facility to address Maryland Department of the Environment strategy for Enhanced Nutrient Removal and expand capacity to address growth needs of the area.	2,242,300	10,000
County Admin Building – 1st and 2nd Floors	Renovations to the first and second floors of the County Administration Building. The first floor space is 9,120 S.F. and the second floor space is 6,600 S.F.	2,045,100	-
Winebrenner Wastewater Treatment Plant Upgrade	Upgrade facility to comply with Maryland Department of the Environment's Enhanced Nutrient Removal strategy and improve operational efficiency.	1,700,000	10,000
Taxiway B & D Rehabilitation	Rehabilitation of approximately 10,000 S.F. between the two taxiways is necessary due to age and damage of taxiways.	1,400,000	-
Yale Drive Extended – Phase 1	Project involves the extension of Yale Drive across the land formerly known as Mt. Aetna Farms to connect to Scholar Drive (HCC). Total road length is approximately 4,600 linear feet (2-lanes). Project includes the construction of three roundabout intersections.	1,358,000	2,250

Project Name	Project Description	Project Budget	Operating Impact
Professional Court Extended – Phase II	Project involves the extension of Professional Court from a point 200 feet east of the proposed Antietam Creek bridge (Project 1072) to Yale Drive Extended (Project 1093). Roadway length is approximately 2,500 feet. The project includes construction of a four lane closed section divided roadway and single roundabout intersection.	\$ 1,309,500	\$ 2,880
Robinwood Corridor II	Widen Robinwood Drive to four lanes between Medical Campus Drive and Hagerstown Community College (approximately 5,800 feet). The 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 roundabout will be constructed.	918,000	3,600
Stormwater Retrofits	Construction of storm water management systems, based on Best Management Practices, such as bio-swales, bio-filters, permeable pavements, ponds, wetlands, etc. along roadways, in parks, and on other County properties to satisfy the National Pollutant Discharge Elimination Systems (NPDES) requirements established by the MD Department of the Environment.	860,900	-
ARCC Roof Replacement	Replace the roof on the Athletic, Recreation, and Community Center building.	837,900	-
West City Elementary School – Phase 1	A new 56,818 S.F. facility to house a 3-round, Pre-K through 5th Grade elementary school with a capacity of 471 students, with a core space sized for a 5-round school to accommodate future expansion. Provisions have been made within this budget request for an expanded gymnasium for community use in partnership with the Buildings, Grounds and Parks Department. This project will allow the closing and consolidation of two aging, inadequate elementary school facilities: Winter Street and Conococheague.	748,500	5,000
Underpass Way and Railway Lane Roundabout	Project involves the construction of a traffic roundabout at the intersection of Underpass Way and Railway Lane.	739,500	-
Highway Eastern Section – Fuel Tank Replacement	Replace underground storage tanks at the Eastern Section Highway Maintenance Facility (13230 Greensburg Road, Smithsburg) that are experiencing corrosion problems. The anti-corrosion anodes that have been in place are not keeping pace with the corrosion and MDE has elevated their level of concern at this site.	575,000	-
Antietam WwTP - Facility Improvements	Upgrade the facility to meet current and future Environmental Protection Agency and Maryland Department of the Environment permit requirements.	510,000	-
Highway Equipment & Vehicle Replacement Program	Replace vehicles and heavy and specialized equipment for maintenance and construction activity.	500,000	-

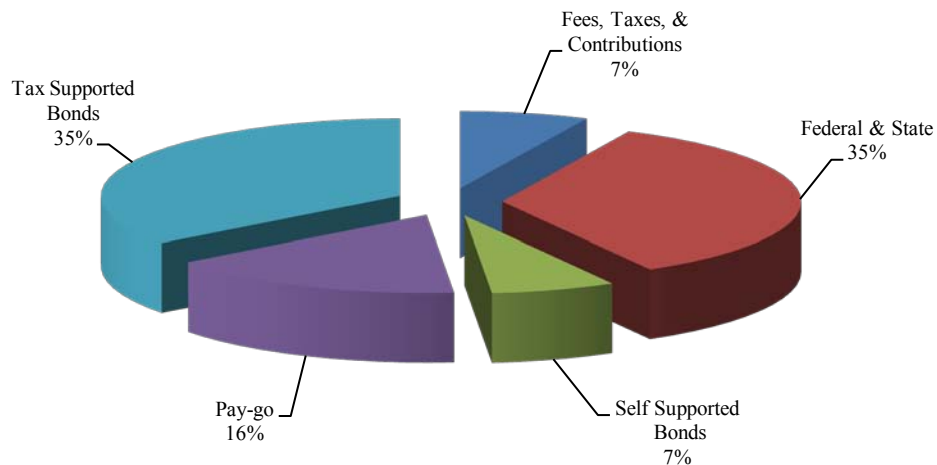
### Ten Year Capital Improvement Plan Summary

The following graphs illustrate the projects by category and the funding sources that are currently scheduled for FY 2014 thru FY 2023. 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 \$441,216,100.

Project Categories for FY2014 thru FY2023



Funding Sources for FY2014 thru FY2023



**Washington County, Maryland  
Capital Improvement 10yr Summary  
Fiscal Year 2014 – 2023**

Project	Ten Year Capital Program								
	Total	Prior Appr.	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 - 2023
<b>Project Costs</b>									
Airport	20,642,300	1,775,700	1,703,900	1,040,500	3,589,300	1,955,800	950,900	1,295,000	8,331,200
Bridges	27,866,077	9,685,777	918,200	813,700	3,978,900	4,622,100	1,712,800	1,197,300	4,937,300
Drainage	15,445,700	464,800	1,436,500	1,294,300	895,700	956,800	2,394,700	2,234,200	5,768,700
Education	195,462,400	13,906,000	17,487,700	16,287,300	15,289,200	7,393,500	20,134,100	15,264,800	89,699,800
General Government	15,613,555	1,607,355	3,400,400	2,415,700	827,000	951,000	1,183,100	1,554,000	3,675,000
Parks & Recreation	5,912,500	40,000	383,000	163,600	138,000	183,900	331,200	1,542,800	3,130,000
Public Safety	13,593,100	586,600	550,000	557,400	673,100	466,500	582,600	482,000	9,694,900
Railroad Crossings	1,644,400	134,000	0	278,600	0	289,900	0	301,600	640,300
Road Improvement	168,909,783	42,526,883	12,179,500	10,337,600	11,865,200	13,521,100	12,935,100	11,041,300	54,503,100
Solid Waste	10,167,400	292,900	0	250,700	1,941,300	54,100	55,200	281,500	7,291,700
Transit	8,201,953	1,920,753	167,000	182,000	296,400	108,200	189,600	2,521,400	2,816,600
Water Quality	49,384,209	18,686,509	4,735,300	6,435,800	1,420,300	8,649,300	1,578,500	1,779,600	6,098,900
<b>TOTAL</b>	<b>532,843,377</b>	<b>91,627,277</b>	<b>42,961,500</b>	<b>40,057,200</b>	<b>40,914,400</b>	<b>39,152,200</b>	<b>42,047,800</b>	<b>39,495,500</b>	<b>196,587,500</b>
<b>Funding Sources</b>									
General Fund	40,168,497	17,018,497	2,550,000	1,800,000	2,000,000	2,100,000	2,200,000	2,300,000	10,200,000
Highway Fund	6,762,900	300,000	674,000	504,900	509,900	595,300	662,400	675,700	2,840,700
Hotel Rental Fund	3,446,600	373,700	400,000	343,300	185,700	440,400	441,600	439,200	822,700
Solid Waste Fund	679,900	229,900	0	50,000	50,000	50,000	50,000	50,000	200,000
Utility Admin Fund	1,481,400	309,100	70,000	77,900	158,600	27,100	60,100	149,600	629,000
Water Fund	1,170,300	382,300	153,000	104,000	26,500	306,300	30,100	31,300	136,800
Sewer Fund	2,445,309	1,443,209	60,000	115,200	63,500	192,100	163,400	78,400	329,500
Airport Fund	59,700	2,200	28,500	29,000	0	0	0	0	0
Tax Supported Bond	179,736,451	23,736,451	14,000,000	14,000,000	16,000,000	16,000,000	16,000,000	16,000,000	64,000,000
Self Supported Bond	39,333,100	9,568,500	4,120,000	733,200	3,063,000	6,671,200	1,330,100	1,751,800	12,095,300
Transfer Tax	14,070,173	470,173	1,000,000	1,000,000	1,100,000	1,200,000	1,300,000	1,400,000	6,600,000
Excise Tax - Schools	5,300,000	1,150,000	242,400	242,400	289,000	335,700	429,000	522,300	2,089,200
Excise Tax - Roads	1,886,820	730,620	68,700	68,700	81,400	94,000	119,400	144,800	579,200
Excise Tax - Other	251,400	0	14,900	14,900	17,700	20,400	26,000	31,500	126,000
Excise Tax - Library	118,500	0	6,900	6,900	8,300	9,600	12,300	14,900	59,600
Excise Tax - Non-Residential	4,550,000	250,000	210,000	210,000	260,000	360,000	460,000	560,000	2,240,000
APFO Fees - Roads	84,099	84,099	0	0	0	0	0	0	0
Capital Reserve - Highway	575,000	0	575,000	0	0	0	0	0	0
Capital Reserve - General	43,699,520	9,380,620	5,011,200	5,169,100	1,183,800	290,300	2,726,700	800,500	19,137,300
Federal Grant	51,907,997	12,026,397	3,864,100	852,600	5,222,400	4,466,400	1,184,200	3,182,800	21,109,100
State Grant	127,644,311	13,902,511	9,804,800	13,474,000	10,377,800	4,672,000	13,749,400	10,894,200	50,769,600
Contributions	7,471,400	269,000	108,000	1,261,100	316,800	1,321,400	1,103,100	468,500	2,623,500
<b>TOTAL</b>	<b>532,843,377</b>	<b>91,627,277</b>	<b>42,961,500</b>	<b>40,057,200</b>	<b>40,914,400</b>	<b>39,152,200</b>	<b>42,047,800</b>	<b>39,495,500</b>	<b>196,587,500</b>

Project Detail of Major Projects – Fiscal Years 2014 - 2023

Project Name	Project Description	Ten Year Project Budget
East City High (New School) - Beginning in FY 2018	Provides a new 155,280 S.F. high school with a capacity of 848 students, and core space to support future enrollment up to 1,200 students. This project will cover the projected seating deficit of five other high schools.	\$54,356,800
Pavement Maintenance and Rehabilitation Program	A 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.	47,864,100
Sharpsburg Elementary Replacement - Beginning in 2017	Construction of 63,818 S.F. replacement building to support 471 students.	20,987,600
West City Elementary School – Phase I – Began in FY 2013	A new 56,818 S.F. facility to house a 3-round, pre-K through 5th grade elementary school with a capacity of 471 students, with a core space sized for a 5-round school to accommodate future expansion. Provisions have been made within this budget request for an expanded gymnasium for community use in partnership with the Buildings, Grounds and Parks Department. This project will allow the closing and consolidation of two aging, inadequate elementary school facilities: Winter Street and Conococheague.	18,475,500
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.	18,289,000
Police, Fire and Emergency Services Training Facility – Beginning in FY 2017	The facility would be centralized to the area, easily accessible, and utilized by state, county and local police departments, correctional guards, and security guards for training emergency personnel. Classroom training for fire and emergency services departments, that predominantly takes place currently in local fire houses, would be held in this facility. This project would be a natural extension of similar training already offered at Hagerstown Community College (HCC), such as the Emergency Medical Technician and Administration of Justice programs.	14,830,300

Project Name	Project Description	Ten Year Project Budget
Bester Elementary (Replacement School) Began in FY 2012	Construct a new 71,671 S.F. 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 from 511 students to 608 students. The existing school building will be demolished to make space for appropriate driveways and playing fields. Provisions have been made within this budget request to include an expanded gymnasium for community use.	\$13,762,400
Smithsburg Wastewater Treatment Plant – Facility Improvements Began 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.	12,547,700

Project	Projected Costs		Budget Year				Ten Year Capital Program				
	*FTE	Operating	Total	Prior Appr.	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Future
<b>Project Costs</b>											
<b>Airport</b>											
<b>Hagerstown Regional Airport</b>											
Capital Equipment - Airport	0.0	0	3,965,000	1,326,800	122,400	348,500	260,000	249,000	193,200	281,500	1,183,600
Fuel Farm Relocation	0.0	0	2,308,600	448,900	0	0	312,100	1,547,600	0	0	0
Proposed Taxiway S	0.0	600	3,885,200	0	0	0	0	0	0	1,013,500	2,871,700
Air Traffic Control Tower Siting Study	0.0	0	153,000	0	153,000	0	0	0	0	0	0
T-Hanger 1, 2 and 3 Replacement	0.0	0	1,702,900	0	0	0	0	0	0	0	1,702,900
Taxiway B and D Rehabilitation	0.0	0	1,400,000	0	1,400,000	0	0	0	0	0	0
Taxiway A and C Rehabilitation	0.0	0	3,425,200	0	0	408,000	3,017,200	0	0	0	0
Taxiway T Construction	0.0	400	916,900	0	0	0	0	159,200	757,700	0	0
Runway 9/27 Rehabilitation	0.0	0	2,573,000	0	0	0	0	0	0	0	2,573,000
Building 18 Partial Roof Replacement	0.0	0	57,500	0	28,500	29,000	0	0	0	0	0
Air Traffic Control Tower Replacement	0.0	0	255,000	0	0	255,000	0	0	0	0	0
<b>Airport Total</b>	<b>0.0</b>	<b>1,000</b>	<b>20,642,300</b>	<b>1,775,700</b>	<b>1,703,900</b>	<b>1,040,500</b>	<b>3,589,300</b>	<b>1,955,800</b>	<b>950,900</b>	<b>1,295,000</b>	<b>8,331,200</b>
<b>Bridges</b>											
<b>Public Works - Capital Projects</b>											
Marble Quarry Road Bridge W6083	0.0	0	1,843,700	1,793,700	50,000	0	0	0	0	0	0
Hopewell Road Culvert 02/01	0.0	0	303,300	5,100	0	0	298,200	0	0	0	0
Coffman Farms Road Bridge W6371	0.0	0	939,700	909,700	30,000	0	0	0	0	0	0
Bridge Inspection & Inventory	0.0	0	545,700	171,700	20,400	0	159,200	0	22,100	0	172,300
Dogstreet Road Bridge W5932P	0.0	0	1,074,600	166,400	0	0	0	908,200	0	0	0
Old Forge Road Bridge W2382	0.0	0	1,474,800	1,439,800	35,000	0	0	0	0	0	0
Spur Road Culvert 07/16	0.0	0	297,200	0	0	46,800	250,400	0	0	0	0
Burnside Bridge Road Culvert 01/02	0.0	0	662,900	612,900	50,000	0	0	0	0	0	0
Leiters Mill Road Bridge W2292	0.0	0	1,212,800	1,202,400	0	10,400	0	0	0	0	0
Old Roxbury Road Bridge W5372	0.0	0	4,200,477	775,077	125,000	0	26,000	3,274,400	0	0	0
Poffenberger Road Bridge W4011	0.0	0	739,000	685,900	0	0	53,100	0	0	0	0
Poffenberger Road Bridge W4012	0.0	0	1,411,100	1,305,000	0	0	106,100	0	0	0	0
Hopewell Road Culvert 02/02	0.0	0	236,100	10,100	0	0	226,000	0	0	0	0
Mousetown Road Culvert 06/02	0.0	0	255,600	0	16,300	239,300	0	0	0	0	0
Keedysville Road Bridge W5651	0.0	0	1,531,000	252,500	5,100	0	1,273,400	0	0	0	0
Crystal Falls Drive Bridge W3051	0.0	0	1,365,900	353,500	52,000	0	960,400	0	0	0	0
Catholic Church Road Bridge 15/02	0.0	0	149,900	0	149,900	0	0	0	0	0	0
Newcomer Road Bridge 14/02	0.0	0	175,400	0	175,400	0	0	0	0	0	0
Wright Road Culvert 02/06	0.0	0	187,700	2,000	0	0	185,700	0	0	0	0
Sprecher Road Bridge W5661	0.0	0	250,800	0	0	250,800	0	0	0	0	0
Sprecher Road Bridge W5662	0.0	0	261,200	0	0	261,200	0	0	0	0	0
Rinehart Road Culvert 14/03	0.0	0	332,100	0	0	0	0	6,500	325,600	0	0
Kretsinger Road Culvert 14/01	0.0	0	309,100	0	0	0	0	0	309,100	0	0
Frog Eye Road Culvert 11/06	0.0	0	570,200	0	0	0	0	0	570,200	0	0
Cleaning and Painting of Steel Bridges	0.0	0	433,000	0	0	0	0	433,000	0	0	0
Wright Road Culvert 02/05	0.0	0	233,400	0	0	5,200	228,200	0	0	0	0
Keefer Road Bridge 15/20	0.0	0	186,600	0	0	0	0	0	186,600	0	0
Burnside Bridge Road Culvert 01/03	0.0	0	299,200	0	0	0	0	0	299,200	0	0
Greenspring Furnace Road Culvert 15/15	0.0	0	382,000	0	0	0	0	0	0	382,000	0
Harpers Ferry Road Culvert 11/02	0.0	0	531,500	0	0	0	0	0	0	531,500	0
Back Road Culvert 11/03	0.0	0	283,800	0	0	0	0	0	0	283,800	0
Long Hollow Road Culvert 05/07	0.0	0	288,300	0	0	0	0	0	0	0	288,300
Hoffman's Inn Road Culvert 05/06	0.0	0	295,800	0	0	0	0	0	0	0	295,800
Henline Road Culvert 05/05	0.0	0	434,200	0	0	0	0	0	0	0	434,200
Bridge Scour Repairs	0.0	0	212,200	0	0	0	212,200	0	0	0	0
Bowie Road Culvert	0.0	0	280,900	0	0	0	0	0	0	0	280,900
Remsburg Road Culvert	0.0	0	286,800	0	0	0	0	0	0	0	286,800
Lanes Road Culvert 15/12	0.0	0	287,800	0	0	0	0	0	0	0	287,800
Greenbrier Road Culvert 16/14	0.0	0	317,700	0	0	0	0	0	0	0	317,700
Taylor's Landing Road Bridge W7101	0.0	0	1,185,100	0	0	0	0	0	0	0	1,185,100
Londontowne Drive Culvert 10/03	0.0	0	209,100	0	209,100	0	0	0	0	0	0
Mooresville Road Culvert 15/21	0.0	0	328,200	0	0	0	0	0	0	0	328,200
Draper Road Culvert 04/07	0.0	0	395,200	0	0	0	0	0	0	0	395,200
Draper Road Culvert 04/08	0.0	0	359,100	0	0	0	0	0	0	0	359,100

\* FTE - Full Time Equivalent

\*\* Seperate Entities

Project	Projected Costs		Budget Year			Ten Year Capital Program					
	*FTE	Operating	Total	Prior Appr.	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Future
Welty Church Road Culvert 14/06	0.0	0	6,000	0	0	0	0	0	0	0	6,000
Willow Road Culvert 05/10	0.0	0	299,900	0	0	0	0	0	0	0	299,900
<b>Bridges Total</b>	<b>0.0</b>	<b>0</b>	<b>27,866,077</b>	<b>9,685,777</b>	<b>918,200</b>	<b>813,700</b>	<b>3,978,900</b>	<b>4,622,100</b>	<b>1,712,800</b>	<b>1,197,300</b>	<b>4,937,300</b>
<b>Drainage</b>											
<b>Public Works - Capital Projects</b>											
Interstate Industrial Park Stormwater Management	0.0	0	2,898,500	0	0	0	0	0	1,021,200	900,900	976,400
Stream Restoration at Various Locations	0.0	0	2,081,300	420,800	244,800	416,200	0	43,300	441,600	0	514,600
Trego Mountain Road Culverts	0.0	0	295,800	0	295,800	0	0	0	0	0	0
Stormwater Retrofits	0.0	0	8,441,500	44,000	860,900	878,100	895,700	913,500	931,900	950,400	2,967,000
Shank Road Drainage	0.0	0	165,600	0	0	0	0	0	0	165,600	0
Hoffmaster and Harpers Ferry Road Drainage	0.0	0	1,004,400	0	0	0	0	0	0	33,800	970,600
Harpers Ferry Road Drainage, 3600 Block	0.0	0	407,700	0	0	0	0	0	0	67,600	340,100
Bittersweet Drive Drainage	0.0	0	35,000	0	35,000	0	0	0	0	0	0
Brookfield Avenue Drainage	0.0	0	115,900	0	0	0	0	0	0	115,900	0
<b>Drainage Total</b>	<b>0.0</b>	<b>0</b>	<b>15,445,700</b>	<b>464,800</b>	<b>1,436,500</b>	<b>1,294,300</b>	<b>895,700</b>	<b>956,800</b>	<b>2,394,700</b>	<b>2,234,200</b>	<b>5,768,700</b>
<b>Education</b>											
<b>Board of Education</b>											
Relocatable Classrooms	0.0	0	3,731,300	0	0	364,100	371,400	378,900	386,400	394,200	1,836,300
Capital Maintenance - BOE	0.0	0	20,602,000	2,313,000	4,789,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
East City High (New School)	10.0	1,180,000	54,356,800	0	0	0	0	0	165,600	574,300	53,616,900
Bester Elementary (Replacement School)	0.0	5,000	23,642,600	9,880,200	10,862,300	2,900,100	0	0	0	0	0
Fountaindale Elementary Additions/Renovations	0.0	5,000	4,689,600	0	0	0	0	0	0	0	4,689,600
West City Elementary School - Phase I	0.0	5,000	18,627,000	151,500	748,500	8,009,400	7,038,100	2,679,500	0	0	0
Sharpsburg Elementary School- Replacement	0.0	5,000	20,987,600	0	0	0	0	1,840,100	8,828,200	8,178,100	2,141,200
Boonsboro High School - Modernization	0.0	5000	304,700	0	0	0	0	0	0	0	304,700
<b>Board of Education Total</b>	<b>10.0</b>	<b>1,205,000</b>	<b>146,941,600</b>	<b>12,344,700</b>	<b>16,399,800</b>	<b>12,773,600</b>	<b>8,909,500</b>	<b>6,398,500</b>	<b>10,880,200</b>	<b>10,646,600</b>	<b>68,588,700</b>
<b>Hagerstown Community College</b>											
Campus Operations Building	2.0	118,980	5,898,500	0	0	0	0	0	0	0	5,898,500
Student Center Expansion	2.0	89,148	8,106,900	855,800	0	3,338,500	3,912,600	0	0	0	0
Technology Center Renovation	0.0	0	7,954,900	0	0	0	0	0	0	0	7,954,900
Police, Fire and Emergency Services Training Facility	0.0	0	14,830,300	0	0	0	0	985,400	9,241,600	4,603,300	0
ARCC Roof Replacement	0.0	0	1,543,400	705,500	837,900	0	0	0	0	0	0
Central Utility Plant Upgrade	0.0	0	2,627,100	0	0	168,300	2,458,800	0	0	0	0
Teacher Education Center	0.5	25,000	3,841,100	0	0	0	0	0	0	0	3,841,100
<b>Hagerstown Community College Total</b>	<b>4.5</b>	<b>233,128</b>	<b>44,802,200</b>	<b>1,561,300</b>	<b>837,900</b>	<b>3,506,800</b>	<b>6,371,400</b>	<b>985,400</b>	<b>9,241,600</b>	<b>4,603,300</b>	<b>17,694,500</b>
<b>Public Libraries</b>											
Hancock Public Library Replacement	1.5	55,625	3,718,600	0	250,000	6,900	8,300	9,600	12,300	14,900	3,416,600
<b>Public Libraries Total</b>	<b>1.5</b>	<b>55,625</b>	<b>3,718,600</b>	<b>0</b>	<b>250,000</b>	<b>6,900</b>	<b>8,300</b>	<b>9,600</b>	<b>12,300</b>	<b>14,900</b>	<b>3,416,600</b>
<b>Education Total</b>	<b>16.0</b>	<b>1,493,753</b>	<b>195,462,400</b>	<b>13,906,000</b>	<b>17,487,700</b>	<b>16,287,300</b>	<b>15,289,200</b>	<b>7,393,500</b>	<b>20,134,100</b>	<b>15,264,800</b>	<b>89,699,800</b>
<b>General Government</b>											
<b>Accounting</b>											
Contingency - General Fund	0.0	0	1,503,655	279,355	78,700	225,800	0	216,500	0	225,200	478,100
Bond Issuance Costs	0.0	0	1,288,000	253,000	99,000	100,000	100,900	102,000	103,000	103,900	426,200
Financial System Management & Upgrades	0.0	10,000	771,200	326,500	234,600	104,000	106,100	0	0	0	0
General - Equipment and Vehicle Replacement Program	0.0	0	2,433,600	200,000	204,000	208,100	212,200	216,500	220,800	225,200	946,800
<b>Accounting Total</b>	<b>0.0</b>	<b>10,000</b>	<b>5,996,455</b>	<b>1,058,855</b>	<b>616,300</b>	<b>637,900</b>	<b>419,200</b>	<b>535,000</b>	<b>323,800</b>	<b>554,300</b>	<b>1,851,100</b>
<b>Bldgs., Grounds &amp; Parks</b>											
Systemic Improvements Buildings	0.0	0	2,233,600	0	204,000	208,100	212,200	216,500	220,800	225,200	946,800
<b>Bldgs., Grounds &amp; Parks Total</b>	<b>0.0</b>	<b>0</b>	<b>2,233,600</b>	<b>0</b>	<b>204,000</b>	<b>208,100</b>	<b>212,200</b>	<b>216,500</b>	<b>220,800</b>	<b>225,200</b>	<b>946,800</b>
<b>Information Technology</b>											
Information Systems Replacement Program	0.0	0	2,010,000	161,500	150,000	154,000	159,200	162,400	165,600	180,200	877,100
Broadband Wireless Network Infrastructure System	0.0	0	384,100	202,000	35,000	35,700	36,400	37,100	37,900	0	0
Accela Software Upgrade	0.0	0	700,000	0	350,000	350,000	0	0	0	0	0

\* FTE - Full Time Equivalent  
 \*\* Seperate Entities

Project	Projected Costs		Budget Year				Ten Year Capital Program				
	*FTE	Operating	Total	Prior Appr.	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Future
<b>Information Technology Total</b>	<b>0.0</b>	<b>0</b>	<b>3,094,100</b>	<b>363,500</b>	<b>535,000</b>	<b>539,700</b>	<b>195,600</b>	<b>199,500</b>	<b>203,500</b>	<b>180,200</b>	<b>877,100</b>
<b>Public Works - Capital Projects</b>											
County Admin Bldg Renovations - 1st and 2nd Floors	0.0	0	3,260,100	185,000	2,045,100	1,030,000	0	0	0	0	0
Redevelopment/Renovate Massey Shell Bldg - Balt. St.	0.0	32,500	1,029,300	0	0	0	0	0	435,000	594,300	0
<b>Public Works - Capital Projects Total</b>	<b>0.0</b>	<b>32500</b>	<b>4,289,400</b>	<b>185,000</b>	<b>2,045,100</b>	<b>1,030,000</b>	<b>0</b>	<b>0</b>	<b>435,000</b>	<b>594,300</b>	<b>0</b>
<b>General Government Total</b>	<b>0.0</b>	<b>42,500</b>	<b>15,613,555</b>	<b>1,607,355</b>	<b>3,400,400</b>	<b>2,415,700</b>	<b>827,000</b>	<b>951,000</b>	<b>1,183,100</b>	<b>1,554,000</b>	<b>3,675,000</b>
<b><u>Parks &amp; Recreation</u></b>											
<b><u>Bldgs., Grounds &amp; Parks</u></b>											
Black Rock Capital Equipment Replacement Program	0.0	0	773,400	0	214,000	104,000	53,100	54,100	55,200	56,300	236,700
Kemps Mill Park	1.0	19,500	952,900	0	0	0	0	108,200	276,000	281,500	287,200
North Central County Park (north side of Eastern Blvd Extended)	2.0	80,750	3,825,700	0	0	0	84,900	0	0	1,182,500	2,558,300
Tree Forestation	0.0	0	132,700	20,000	0	20,800	0	21,600	0	22,500	47,800
Chestnut Grove Park, Overlay Parking lot	0.0	0	38,800	0	0	38,800	0	0	0	0	0
Playground Equipment Replacement, Various Sites	0.0	0	25,000	0	25,000	0	0	0	0	0	0
Tennis Courts, Resurfacing	0.0	0	40,000	20,000	20,000	0	0	0	0	0	0
Ag Center Audio System Expansion	0.0	0	22,000	0	22,000	0	0	0	0	0	0
MLS Wading Pool Reconstruction	0.0	600	102,000	0	102,000	0	0	0	0	0	0
<b>Parks &amp; Recreation Total</b>	<b>3.0</b>	<b>100,850</b>	<b>5,912,500</b>	<b>40,000</b>	<b>383,000</b>	<b>163,600</b>	<b>138,000</b>	<b>183,900</b>	<b>331,200</b>	<b>1,542,800</b>	<b>3,130,000</b>
<b><u>Public Safety</u></b>											
<b><u>Communication Maintenance</u></b>											
Communication Tower(s) various locations	0.0	0	557,000	0	0	0	212,200	0	110,400	0	234,400
<b>Communication Maintenance Total</b>	<b>0.0</b>	<b>0</b>	<b>557,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>212,200</b>	<b>0</b>	<b>110,400</b>	<b>0</b>	<b>234,400</b>
<b><u>Detention</u></b>											
Detention Center Renovations	4.0	177,045	7,609,800	0	0	0	0	0	0	33,800	7,576,000
<b>Detention Total</b>	<b>4.0</b>	<b>177,045</b>	<b>7,609,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,800</b>	<b>7,576,000</b>
<b><u>Emergency Air Unit</u></b>											
Emergency Services Capital Equipment & Vehicle Program	0.0	3,500	1,296,900	0	200,000	204,000	104,000	106,100	108,200	110,400	464,200
<b>Emergency Air Unit Total</b>	<b>0.0</b>	<b>3,500</b>	<b>1,296,900</b>	<b>0</b>	<b>200,000</b>	<b>204,000</b>	<b>104,000</b>	<b>106,100</b>	<b>108,200</b>	<b>110,400</b>	<b>464,200</b>
<b><u>Patrol</u></b>											
Law Enforcement - Fleet Replacement Program	0.0	0	4,129,400	586,600	350,000	353,400	356,900	360,400	364,000	337,800	1,420,300
<b>Patrol Total</b>	<b>0.0</b>	<b>0.0</b>	<b>4,129,400</b>	<b>586,600</b>	<b>350,000</b>	<b>353,400</b>	<b>356,900</b>	<b>360,400</b>	<b>364,000</b>	<b>337,800</b>	<b>1,420,300</b>
<b>Public Safety Total</b>	<b>4.0</b>	<b>180,545</b>	<b>13,593,100</b>	<b>586,600</b>	<b>550,000</b>	<b>557,400</b>	<b>673,100</b>	<b>466,500</b>	<b>582,600</b>	<b>482,000</b>	<b>9,694,900</b>
<b><u>Railroad Crossings</u></b>											
<b><u>Public Works - Capital Projects</u></b>											
Railroad Crossing Improvements	0.0	0	1,644,400	134,000	0	278,600	0	289,900	0	301,600	640,300
<b>Railroad Crossings Total</b>	<b>0.0</b>	<b>0</b>	<b>1,644,400</b>	<b>134,000</b>	<b>0</b>	<b>278,600</b>	<b>0</b>	<b>289,900</b>	<b>0</b>	<b>301,600</b>	<b>640,300</b>
<b><u>Road Improvement</u></b>											
<b><u>Highways</u></b>											
Highway Central Section - New Facility	0.0	20,000	7,084,600	0	0	0	0	0	276,000	281,500	6,527,100
Highway Equipment and Vehicle Replacement Program	0.0	0	7,273,300	984,400	500,000	504,900	509,900	595,300	662,400	675,700	2,840,700
Highway Maintenance Shop - Western Section	0.0	2,500	395,400	0	0	0	0	38,200	357,200	0	0
Fuel Center - Central Highway Maintenance Facility	0.0	0	899,000	725,000	174,000	0	0	0	0	0	0
Highway Eastern Section - Fuel Tank Replacement	0.0	0	575,000	0	575,000	0	0	0	0	0	0
<b>Highways Total</b>	<b>0.0</b>	<b>22,500</b>	<b>16,227,300</b>	<b>1,709,400</b>	<b>1,249,000</b>	<b>504,900</b>	<b>509,900</b>	<b>633,500</b>	<b>1,295,600</b>	<b>957,200</b>	<b>9,367,800</b>
<b><u>Public Works - Capital Projects</u></b>											
Pavement Maintenance and Rehabilitation Program	0.0	0	59,581,760	11,717,660	5,493,500	4,343,700	4,430,500	4,519,100	4,609,500	4,701,700	19,766,100
Robinwood Corridor II	0.0	3,600	11,056,300	10,138,300	918,000	0	0	0	0	0	0
Robinwood North	0.0	3,600	708,673	403,973	0	0	0	0	0	0	304,700
Longmeadow Road	0.0	3,600	7,607,400	60,000	0	0	0	517,600	128,100	0	6,901,700
Eastern Boulevard Extended	0.0	3,960	9,373,450	285,250	0	0	689,800	1,082,400	6,150,200	1,165,800	0

\* FTE - Full Time Equivalent  
 \*\* Seperate Entities

Project	Projected Costs		Budget Year		Ten Year Capital Program						
	*FTE	Operating	Total	Prior Appr.	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Future
Maugans Avenue II	0.0	2,160	150,000	0	0	0	0	0	0	0	150,000
Shawley Drive	0.0	720	3,537,300	3,187,300	350,000	0	0	0	0	0	0
Southern Boulevard I	0.0	2,520	8,975,800	6,023,100	0	936,400	2,016,300	0	0	0	0
E. Oak Ridge Drive/South Pointe Signal	0.0	0	359,600	0	0	0	0	0	0	0	359,600
Eastern Boulevard Widening Phase II	0.0	2,160	8,193,500	500,000	141,300	480,100	1,382,800	5,689,300	0	0	0
Underpass Way and Railway Lane Roundabout	0.0	0	1,113,200	373,700	739,500	0	0	0	0	0	0
Transportation ADA	0.0	0	1,553,500	759,200	0	78,000	89,500	89,400	89,300	89,200	358,900
Halfway Boulevard Extended II	0.0	2,160	637,100	0	0	468,200	0	0	0	168,900	0
Eastern Blvd. at Antietam Drive Intersection Improvement	0.0	360	3,360,200	502,000	0	1,414,900	1,443,300	0	0	0	0
Yale Drive Extended - Phase II	0.0	1,800	3,485,940	2,451,640	306,000	728,300	0	0	0	0	0
Professional Court Extended - Phase II	0.0	2,880	7,392,700	125,000	1,309,500	0	0	0	0	0	5,958,200
Professional Court Ext - Ph I/Bridge over Antietam Creek	0.0	1,000	9,109,800	125,000	0	260,100	265,300	0	220,800	0	8,238,600
Marsh Pike from MD60 to Longmeadow	0.0	2,160	6,549,500	0	0	0	0	0	0	3,519,300	3,030,200
Yale Drive Extended - Phase I	0.0	2,250	6,251,660	4,165,360	1,358,000	728,300	0	0	0	0	0
MD Route 144 and Western MD Parkway Roundabout	0.0	0	1,047,700	0	0	20,800	477,500	549,400	0	0	0
Meadow View Drive and Oak Hill Avenue Roundabout	0.0	0	67,300	0	0	0	0	0	0	0	67,300
Valley Mall Road Improvements	0.0	0	430,000	0	86,700	343,300	0	0	0	0	0
Valley Mall Area Road Improvements Phase II	0.0	0	1,066,500	0	0	0	185,700	0	441,600	439,200	0
Battery Backup Operation for Signalized Intersections	0.0	0	278,500	0	60,000	0	218,500	0	0	0	0
Colonial Park East Subdivision Traffic Calming	0.0	0	354,700	0	168,000	30,600	156,100	0	0	0	0
Medical Campus Road Signal	0.0	0	440,400	0	0	0	0	440,400	0	0	0
<b>Public Works - Capital Projects Total</b>	<b>0.0</b>	<b>34,930</b>	<b>152,682,483</b>	<b>40,817,483</b>	<b>10,930,500</b>	<b>9,832,700</b>	<b>11,355,300</b>	<b>12,887,600</b>	<b>11,639,500</b>	<b>10,084,100</b>	<b>45,135,300</b>
<b>Road Improvement Total</b>	<b>0.0</b>	<b>57,430</b>	<b>168,909,783</b>	<b>42,526,883</b>	<b>12,179,500</b>	<b>10,337,600</b>	<b>11,865,200</b>	<b>13,521,100</b>	<b>12,935,100</b>	<b>11,041,300</b>	<b>54,503,100</b>
<b>Solid Waste</b>											
<b>Solid Waste</b>											
Contingency - Solid Waste	0.0	0	718,900	211,500	0	52,000	53,100	54,100	55,200	56,300	236,700
Close Out Cap - Rubble Fill	0.0	0	1,969,600	81,400	0	0	1,888,200	0	0	0	0
Cell 5	0.0	0	4,992,200	0	0	0	0	0	0	225,200	4,767,000
E-Cycling Building	0.0	1,000	145,700	0	0	145,700	0	0	0	0	0
40 West Pavement Rehabilitation	0.0	0	703,000	0	0	0	0	0	0	0	703,000
40 West Trash Fence	0.0	0	717,100	0	0	0	0	0	0	0	717,100
Seal Coating Closed Facilities	0.0	0	867,900	0	0	0	0	0	0	0	867,900
40 West Seal Coat and Pavement Rehab	0.0	0	53,000	0	0	53,000	0	0	0	0	0
<b>Solid Waste Total</b>	<b>0.0</b>	<b>1,000</b>	<b>10,167,400</b>	<b>292,900</b>	<b>0</b>	<b>250,700</b>	<b>1,941,300</b>	<b>54,100</b>	<b>55,200</b>	<b>281,500</b>	<b>7,291,700</b>
<b>Transit</b>											
<b>Transit</b>											
Transit Equipment Replacement Program	0.0	0	213,014	183,214	14,000	7,700	8,100	0	0	0	0
Fixed Route Bus Replacement Program	0.0	0	5,100,200	924,600	0	0	0	0	0	2,203,400	1,972,200
ADA Bus Replacement	0.0	0	634,800	65,000	0	70,300	76,100	0	79,200	92,800	251,400
Transit System Bus Shelters	0.0	0	700,013	361,813	0	0	106,100	0	0	112,600	119,500
Vehicle Maintenance Program	0.0	0	1,553,926	386,126	153,000	104,000	106,100	108,200	110,400	112,600	473,500
<b>Transit Total</b>	<b>0.0</b>	<b>0</b>	<b>8,201,953</b>	<b>1,920,753</b>	<b>167,000</b>	<b>182,000</b>	<b>296,400</b>	<b>108,200</b>	<b>189,600</b>	<b>2,521,400</b>	<b>2,816,600</b>
<b>Water Quality</b>											
<b>Utility Administration</b>											
Contingency - Utility Admin	0.0	0	410,400	182,600	0	0	26,500	27,100	27,600	28,200	118,400
General Building Improvements	0.0	0	1,238,400	101,000	0	0	0	0	0	563,100	574,300
Laboratory Rehabilitation of Ventilation System	0.0	0	276,000	0	0	0	0	0	276,000	0	0
WQ Equipment and Vehicle Replacement Program	0.0	0	1,046,500	102,000	70,000	77,900	132,100	0	32,500	121,400	510,600
<b>Utility Administration Total</b>	<b>0.0</b>	<b>0</b>	<b>2,971,300</b>	<b>385,600</b>	<b>70,000</b>	<b>77,900</b>	<b>158,600</b>	<b>27,100</b>	<b>336,100</b>	<b>712,700</b>	<b>1,203,300</b>
<b>Wastewater Utility</b>											
Contingency - Sewer	0.0	0	585,939	78,539	0	52,000	53,100	54,100	55,200	56,300	236,700
Smithsburg WwTP - Facility Improvements	0.0	10,000	15,559,370	3,011,670	2,242,300	4,345,100	0	5,960,300	0	0	0
Pump Station Upgrades - Various Stations	0.0	0	1,855,500	783,700	0	0	530,600	541,200	0	0	0
Winebrenner Wastewater Treatment Plant Upgrade	0.0	10,000	15,700,200	14,000,200	1,700,000	0	0	0	0	0	0

\* FTE - Full Time Equivalent

\*\* Seperate Entities

Project	Projected Costs		Budget Year				Ten Year Capital Program				
	*FTE	Operating	Total	Prior Appr.	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Future
Replace PO 2 Pump Station	0.0	0	1,273,400	0	0	1,273,400	0	0	0	0	0
Potomac Edison Pump Station & Force Main Relocation	0.0	0	1,576,800	0	0	0	0	1,576,800	0	0	0
Antietam WwTP - Facility Improvements	0.0	0	1,100,200	70,000	510,000	520,200	0	0	0	0	0
Roof replacement at Conococheague WwTP	0.0	0	212,200	0	0	0	212,200	0	0	0	0
General WwTP Improvements	0.0	0	318,400	0	0	0	318,400	0	0	0	0
Collection System Rehabilitation Project	0.0	0	2,581,000	0	0	0	0	0	828,100	844,600	908,300
Conococheague WwTP Improvement	0.0	0	896,300	0	0	0	0	0	0	0	896,300
Sandy Hook WwTP	0.0	0	836,600	0	0	0	0	0	0	0	836,600
Heavy Sewer Equipment and Specialized Sewer Vehicle Replacement	0.0	0	494,700	0	60,000	63,200	10,400	138,000	108,200	22,100	92,800
<b>Wastewater Utility Total</b>	<b>0.0</b>	<b>20,000</b>	<b>42,990,609</b>	<b>17,944,109</b>	<b>4,512,300</b>	<b>6,253,900</b>	<b>1,124,700</b>	<b>8,270,400</b>	<b>991,500</b>	<b>923,000</b>	<b>2,970,700</b>
<b>Water Utility</b>											
Contingency - Water	0.0	0	406,600	154,800	0	0	26,500	27,100	30,100	31,300	136,800
WQ Water Main and Meter Replacement	0.0	0	1,241,200	101,000	102,000	104,000	0	324,700	0	0	609,500
Sandy Hook Water Treatment Plant Upgrade/Replace Equipment	0.0	0	112,600	0	0	0	0	0	0	112,600	0
General Water Treatment Plant Improvements	0.0	0	496,800	101,000	51,000	0	110,500	0	0	0	234,300
Sharpsburg Water Treatment Plant	0.0	0	220,800	0	0	0	0	0	220,800	0	0
Mt Aetna Water System Improvements	0.0	0	585,800	0	0	0	0	0	0	0	585,800
Highfield and Sharpsburg Water Storage Tank Rehab	0.0	0	358,500	0	0	0	0	0	0	0	358,500
<b>Water Utility Total</b>	<b>0.0</b>	<b>0</b>	<b>3,422,300</b>	<b>356,800</b>	<b>153,000</b>	<b>104,000</b>	<b>137,000</b>	<b>351,800</b>	<b>250,900</b>	<b>143,900</b>	<b>1,924,900</b>
<b>Water Quality Total</b>	<b>0.0</b>	<b>20,000</b>	<b>49,384,209</b>	<b>18,686,509</b>	<b>4,735,300</b>	<b>6,435,800</b>	<b>1,420,300</b>	<b>8,649,300</b>	<b>1,578,500</b>	<b>1,779,600</b>	<b>6,098,900</b>
<b>TOTAL</b>	<b>23.0</b>	<b>1,897,078</b>	<b>532,843,377</b>	<b>91,627,277</b>	<b>42,961,500</b>	<b>40,057,200</b>	<b>40,914,400</b>	<b>39,152,200</b>	<b>42,047,800</b>	<b>39,495,500</b>	<b>196,587,500</b>
County Operating Impact	7.0	403,325									
** Board of Education	10.0	1,205,000									
** Community College	4.5	233,128									
** Library	1.5	55,625									
<b>Total</b>	<b>23.0</b>	<b>1,897,078</b>									

Funding Sources	Budget Year				Ten Year Capital Program					
	Total	Prior Appr.	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Future	
General Fund	40,168,497	17,018,497	2,550,000	1,800,000	2,000,000	2,100,000	2,200,000	2,300,000	10,200,000	
Highway Fund	6,762,900	300,000	674,000	504,900	509,900	595,300	662,400	675,700	2,840,700	
Hotel Rental Fund	3,446,600	373,700	400,000	343,300	185,700	440,400	441,600	439,200	822,700	
Solid Waste Fund	679,900	229,900	0	50,000	50,000	50,000	50,000	50,000	200,000	
Utility Admin Fund	1,481,400	309,100	70,000	77,900	158,600	27,100	60,100	149,600	629,000	
Water Fund	1,170,300	382,300	153,000	104,000	26,500	306,300	30,100	31,300	136,800	
Sewer Fund	2,445,309	1,443,209	60,000	115,200	63,500	192,100	163,400	78,400	329,500	
Airport Fund	59,700	2,200	28,500	29,000	0	0	0	0	0	
Tax Supported Bond	179,736,451	23,736,451	14,000,000	14,000,000	16,000,000	16,000,000	16,000,000	16,000,000	64,000,000	
Self Supported Bond	39,333,100	9,568,500	4,120,000	733,200	3,063,000	6,671,200	1,330,100	1,751,800	12,095,300	
Transfer Tax	14,070,173	470,173	1,000,000	1,000,000	1,100,000	1,200,000	1,300,000	1,400,000	6,600,000	
Excise Tax - Schools	5,300,000	1,150,000	242,400	242,400	289,000	335,700	429,000	522,300	2,089,200	
Excise Tax - Roads	1,886,820	730,620	68,700	68,700	81,400	94,000	119,400	144,800	579,200	
Excise Tax - Other	251,400	0	14,900	14,900	17,700	20,400	26,000	31,500	126,000	
Excise Tax - Library	118,500	0	6,900	6,900	8,300	9,600	12,300	14,900	59,600	
Excise Tax - Non-Residential	4,550,000	250,000	210,000	210,000	260,000	360,000	460,000	560,000	2,240,000	
APFO Fees - Roads	84,099	84,099	0	0	0	0	0	0	0	
Capital Reserve - Highway	575,000	0	575,000	0	0	0	0	0	0	
Capital Reserve - General	43,699,520	9,380,620	5,011,200	5,169,100	1,183,800	290,300	2,726,700	800,500	19,137,300	
Federal Grant	51,907,997	12,026,397	3,864,100	852,600	5,222,400	4,466,400	1,184,200	3,182,800	21,109,100	
State Grant	127,644,311	13,902,511	9,804,800	13,474,000	10,377,800	4,672,000	13,749,400	10,894,200	50,769,600	
Contributions	7,471,400	269,000	108,000	1,261,100	316,800	1,321,400	1,103,100	468,500	2,623,500	
<b>Total</b>	<b>532,843,377</b>	<b>91,627,277</b>	<b>42,961,500</b>	<b>40,057,200</b>	<b>40,914,400</b>	<b>39,152,200</b>	<b>42,047,800</b>	<b>39,495,500</b>	<b>196,587,500</b>	

\* FTE - Full Time Equivalent  
\*\* Seperate Entities

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# General Fund

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