

The City of Frederick Annual Budget Report

Fiscal Year
July 1, 2011 - June 30, 2012



City of
Frederick
Maryland

THE CITY OF FREDERICK

ANNUAL BUDGET REPORT FOR FISCAL YEAR JULY 1, 2011 – JUNE 30, 2012

Prepared by the Department of Finance

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Member of Government Finance Officers Association
of the United States and Canada

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Acknowledgements

This budget reflects the efforts of a dedicated group of Directors, Department Heads, and staff. Our sincere appreciation is given for their countless hours of hard work and the team spirit each has shown through this process.

Budget preparation is a time consuming task, which draws many members of the Finance team away from their primary job functions. We thank each member of the Finance team for their help in preparing the budget and supporting documents. We would like to especially acknowledge Mary Lenhart and Phyllis Hane for their efforts in reviewing, proof reading, and assembling the budget information.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**The City of Frederick
Maryland**

For the Fiscal Year Beginning

July 1, 2010



President

Executive Director

Summary of Elected and Appointed Officials

Mayor

Randy McClement

Board of Alderman

Karen Lewis Young
President Pro Tem

Michael C. O'Connor
Shelley M. Aloï
Carol L. Krimm
Kelly M. Russell

Appointed Officials

Chief of Police
City Attorney
Deputy Director for Engineering
Deputy Director for Parks and Recreation
Deputy Director for Planning
Deputy Director for Operations
Director of Budget and Purchasing
Director of Community Action
Director of Economic Development
Director of Finance
Director of Public Works
Executive Assistant

Colonel Kim C. Dine
Saundra A. Nickols
Zachary J. Kershner
Roelkey I. Myers
Joseph A. Adkins
Marc Stachowski
M. Katherine Barkdoll
Michael R. Spurrier
Richard G. Griffin
Gerald D. Kolbfleisch
Vacant
Joshua L. Russin

State of the City Report

Members of the Board of Aldermen, colleagues in local government, City staff, and my fellow Frederick Residents:

This is a promising but uncertain time; yet we see a glimmer of hope. As we build upon successive years of hard work as a community, we strive to create a better City in which to live, work and play for current and future residents. Even during challenging times, your City government has found ways to successfully manage the City's financial health and has taken steps to make government work more effectively for our community, while exploring possibilities for economic innovation. This is what we have done, and will continue to do over the next two years.

A better tomorrow is only possible through fiscal responsibility. When I started to prepare the fiscal year 2012 budget, the City of Frederick was facing a \$9.9 million dollar budget deficit. Our budget has shrunk from \$114 million as adopted in FY 2011, to \$111 million in FY 2012. We have managed a 2% decrease while maintaining our robust reserve account to help cover any unexpected events such as the blizzard of 2010.¹ By making tough choices, my department directors, staff, the Board of Aldermen and the public helped determine creative ways to close our projected budget deficit through program cuts, sharing assignments when vacancies were created, and leaving positions unfilled. We encouraged the public to attend all of the budget workshops or submit their recommendations, either through the City website or directly to the elected officials, in order to gain their thoughts and concerns.

In some form or fashion, many members of our community are trying to get by with less during this economic downturn. We may not know the full extent of the recession's toll upon our community at this time, but we do know the Frederick Community Action Agency (FCAA) has received 1,313 foreclosure counseling service requests since July 2008. Of these service requests, 778 were from City residents.² FCAA also served over 15,000 meals at nine feeding sites during the summer of 2010 and we anticipate serving more than 16,000 meals before the end of this summer to children who are eligible for free or reduced price meals in our local public schools. These figures do not even reflect the many members of our community that may have turned to non-profit organizations and faith based institutions for assistance.

In an effort to protect our hard working taxpayers and their families, we have taken steps to reduce our spending, and with a 5 - 0 vote by the Board of Aldermen we maintained the real property tax rate at the existing level of \$0.65 per one hundred dollars of assessed value.

The Board of Aldermen and I have taken steps toward a sustainable post employment benefit plan for our past, present and future workforce. The City has established a trust to manage and invest the funds that will help make it possible to cover these long-term legacy commitments. The Board of Aldermen and I will continue to review and update departmental processes to help make your City government run more efficiently.

¹The \$111 million is the FY 12 budget that was submitted to the Board of Aldermen. The "Rainy Day Fund" is approximately 12% of the FY 12 budget. This is a policy established by the previous Mayor and Board of Aldermen.

²FCAA generated the foreclosure prevention counseling numbers ran from 7/1/08 – 7/1/11.

State of the City Report

We are working towards finalizing the lease agreement for Harry Grove Stadium. As a City, we decided it would be in the public's best interest to seek lease proposals for the stadium complex. I wanted to ensure the City was getting the best value for the facility, and an advertised bidding process was the means to make that a reality.

We continue to look at ways to utilize the Hargett Farm property. This property was purchased with tax exempt bonds, which placed a number of restrictions on the use of the property. Our Department of Parks and Recreation has set up community garden plots to allow our citizens who wish to grow their own produce the opportunity to do so. We are talking to private organizations interested in forming a partnership to look into the possibility of an aquatics center being built on that site.

In an effort to improve the way we do business in the City, we have looked within our organization to improve the effectiveness and the delivery of public services. The City is undertaking a massive overhaul of its current website. The current site is not very user friendly, so I directed staff to make our City's virtual gateway to the community easier to read and navigate. The new site will include a performance page that will provide more transparency for residents and businesses to understand where the City spends taxpayer dollars and on what services. The information from this web page will help the City move toward a performance based budget process that uses statements of mission, goals and objectives to explain why the money is being spent. The Department of Economic Development will also have a page with information on how to open a business in Frederick. In an effort to move forward with making City services more accessible to our residents, we are working on the possibility of allowing some permits to be submitted online to the Planning and Engineering Departments through the newly revamped City website. In a further effort to become more user friendly, we are in the process of implementing new software that will allow residents to pay water and permit fees with credit or debit cards.

In these financially challenging times, we know that it is important to have a full service police department. As I noted last year in my annual remarks, hard financial times normally lead rational people to do things they know they should not do. To help maintain the high level of community security we have always experienced in our City, we have submitted a COPS grant to the U.S. Department of Justice to fully fund the cost to train, equip, and pay the salary expenses for a seven person police academy class during the 2012 fiscal year. The City continues to work with the Fraternal Order of Police Lodge 91 to come up with a collective bargaining agreement that is amenable to both the FOP and the Administration.

We are also making strides to ensure effective use of our current resources. City employees from various departments assisted the Purchasing Department in conducting an independent count of the City's warehouse inventory. Another demonstration of the effective use of City resources is work performed by the City Department of Public Works staff to reconstruct the swinging bridge and install one of the final sections of the shared use path in Baker Park. The City has talented employees from multiple trades with a wealth of experience and knowledge. On a daily basis, these employees complete projects in-house, saving time and taxpayer money

State of the City Report

through use of existing City resources. For projects that cannot and should not be completed in-house, the City continuously purchases goods and services from local vendors.

When revenues make it harder to hire additional employees or fill existing vacancies, organizations try to look at the wider community for possible support. I am in the process of devising a management program for volunteers and updating our current internship program. Volunteers are managed differently depending on the department and their needs. Once the policies are in place and a department's needs are assessed, the City will open up dialogue and discuss the possibility of pursuing a volunteer program. One program I am looking at is The Legacy Leadership Program, managed by the University of Maryland School of Public Health, which is geared toward semi-retired or retired professionals who volunteer with municipal governments.

We as a community are positioned as an economic leader because we have made, and are moving forward with, investments in our infrastructure. There are plenty of projects that need funding, but many of our critical improvements are still moving forward. I believe the City and its businesses are well positioned to be the leaders in our region in moving us out of this economic downturn.

Members of the community made it a point to let the elected officials know we should promote sustainable practices. The Mayor's Ad Hoc Bicycle Committee led the way to fund a public/private project that would create a bicycle lane along Seventh Street. They offered to raise money and I was willing to match it dollar for dollar up to \$20,000.

The City's Department of Economic Development and stakeholders such as the Chamber's Major Employer Group and the Downtown Frederick Partnership have collaborated to obtain \$30,000 in grant funds from the Maryland Department of Community Development (DHCD). These funds will pay for an update to the downtown hotel and conference center economic feasibility study. This data will allow the Hotel/Conference Center committee (made up of public, private and community advocates) to seek project funding from the Maryland Stadium Authority. Placing a hotel and conference center in downtown Frederick will serve an area of the City that has been devoid of hotel accommodations for decades. This initiative is moving ahead and we look forward to the day when our community will witness the rise of steel cranes and the laying of brick and mortar for this project.

To help continue the vision of previous civic leaders and establish the City's economic foundations in downtown Frederick, the City is currently working with the State Highway Administration (SHA) to complete part of Phase II of the Carroll Creek Linear Park project. Phase II runs from the Delaplaine Center to East Patrick Street and from Market Street to Bentz Street. Based upon the available resources at our disposal, the City is envisioning completing the section of Carroll Creek Linear Park that runs from the Delaplaine Center to East Street and possibly some improvements between Bentz Street and Market Street. To obtain the \$3 million Transportation Enhancement Program (TEP) grant, the City is applying the project design cost, existing funds that were set aside for this project, and labor provided by the Department of

State of the City Report

Public Works as the City's match. This will help lay the foundation for economic growth along Carroll Creek.

The City is moving forward with funding the Oppossumtown Pike / US 15 bridge replacement to help ease congestion from the number of current and future employees traveling in and out of Fort Detrick. This congestion, a sign of economic development due to the expansion of Fort Detrick facilities, will be remedied by this City and State funded improvement.³

As the second busiest airport in Maryland, Frederick Municipal Airport continues to serve the greater Frederick community's commercial, travel and recreational needs. The City is finalizing construction of a \$5.3 million dollar air traffic control tower which we anticipate will be completed sometime in the fall of this year. This will make it possible for planes to safely travel to and from our airport.⁴ Frederick anticipates the tower will boost the existing 130,000 annual aviation operations to 165,000 by 2025. In addition to this investment, the City is working toward having the Federal Aviation Administration release a \$13.6 million grant that is to cover the construction and property acquisition costs associated with the runway extension.

As a way to provide greater capacity for our growing aviation industry, we are working with Frederick County on obtaining the former Frederick Community College hangar from the County, and returning it to aviation use.

The commercial and residential communities, including members of Neighborhood Advisory Councils 5 and 8, launched the Golden Mile Alliance with the assistance of the City of Frederick. This community-based entity will eventually help market and brand the Golden Mile as a business destination. The other component of the Alliance involves encouraging the community to embrace and take pride in this area of the City. The Alliance will quickly transfer from a City Ad Hoc Committee to an independent 501(c) 3 with a Board of Directors. The City's Economic Development Department is providing staff support for up to one year to help this organization get off the ground and a local attorney is handling the filing documents and assembly of the non-profit's charter. A follow-up meeting has been held at the Hillcrest Community Center to discuss the organizational structure, mission, vision, goals and objectives that were submitted by attendees at the kick-off meeting.

If we are going to be successful as a city, state or nation, we must have the courage to plan for the future by strengthening our local and regional economy. Frederick is a leader in the creation of new technology jobs, and the creation of jobs is critical to boosting our economy. Our County is currently number two in Maryland in the number of new technology jobs created per capita.⁵

³The Fort has witnessed a significant amount of growth, including expansion of the National Interagency Biodefense Campus (NIBC), the Defense Medical Logistics Center (DMLC), the National Cancer Institute (NCI) and the U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID) and 1,200 BRAC positions generated since 2005.

⁴ The air traffic control tower was funded through an American Recovery and Reinvestment Act (ARRA) grant obtained by U.S. Senators Benjamin Cardin and Barbara Mikulski.

⁵270INC July / August 2011 edition (see page 13) ranked Frederick County as the #2 jurisdiction in Maryland for the number of new information technology jobs created per capita.

State of the City Report

As a City, we want to foster growth and reinvestment in our local economy through the creation of new jobs, the use of locally based services, and attracting employees to live in our great city. As a result, over the next twelve months, I will be exploring the possibility of the following items:

- Establish an Ad Hoc Commission to develop a proposal to help the City tackle habitually blighted and vacant properties. I will charge this Commission to help determine if there are current programs that might be used to assist in bringing vacant or blighted properties back into active use. Some examples of what they may look into are vacant and blighted property registration or the possible implementation of a vacant and blighted property tax. I am aware that in the past these types of studies have taken too long to complete, so I will task the Commission to deliver a recommendation within 90 days after their initial meeting. The City is aware that prolonged vacancies create many challenges for neighborhoods, including potential safety issues, aesthetics and the impact on area property values. We want to find a way to turn these empty buildings and lots into productive spaces for innovative entrepreneurs.
- The feasibility of the implementation of a payment plan for water and sewer impact fees for commercial or industrial properties. As a small business owner, I understand the many challenges of opening a new business. One of these challenges is the cost to access and use water and sewer services. The City may want to explore a way to allow property owners and/or their tenants the ability to open their doors for business while paying for the cost to connect them to our water mains, sewer lines and treatment facilities over a scheduled period of time.
- Determining the appropriate percentage of the City budget that should be allocated for infrastructure and other capital improvements. Due to budget constraints, we have found it necessary to completely overhaul our Capital Improvements Budget process. Currently, less than two percent of our budget goes toward capital improvements. As a full service community with over 65,000 residents, we have many roads, sewers, parks, streetlights and facilities to maintain. The Board of Aldermen and I would like to determine the appropriate percentage of our budget that should be set aside for capital improvements based on our needs. As we know, without infrastructure, we cannot grow as a community.

We want to drive Frederick toward future job growth and the time is now to lay the groundwork necessary to make our community a leader for innovation. We want to do our part to keep jobs in our City. Every Fredericktonian has been battered by the economy; and we have faced this storm together as a community. I am asking every person to join us in our efforts to make our City a better place to live, work and play. Whether through volunteering, joining a local commission such as the new Golden Mile Alliance, or hiring a local person a little earlier than

State of the City Report

you anticipated to help lower the City's average unemployment rate of 6.7%,⁶ I ask all of you to help catapult our community out of this recession sooner rather than later. The time is now. We are fully aware of our current, as well as future, fiscal limitations but we are also aware of the many opportunities standing before us. Now is the time to use those opportunities to our advantage. Now is the time to move our City forward. Let's do so together.

⁶ The 2010 (Calendar Year) City of Frederick average unemployment rate was 7% over the 12 month period. Currently, the average unemployment rate for calendar year 2011 is 6.7% from January to May. Source: Maryland Department of Labor, Licensing and Regulation (DLLR) Employment, Unemployment & Unemployment Rate by place of Residence (LAUS), <http://www.dllr.state.md.us/lmi/laus/>. The June 2011 national unemployment rate is 9.2%. This is based on the latest data from the U.S. Department of Labor's Bureau of Labor Statistics <http://www.bls.gov/cps/>.

Community Profile

The City of Frederick is an incorporated municipal corporation of the State of Maryland. The City was first settled in 1745 and incorporated in 1817. Situated in the foothills of the Catoctin Mountains, Frederick is Maryland's second largest city and the county seat of Frederick County.

Covering an area of approximately 21 square miles at the intersection of Interstates 70 and 270, the City has a current population of 65,239, an increase of over 24% since 2000.



The City of Frederick is home to the US Army's Ft. Detrick, site of the United States Army Medical Research Institute of Infectious Diseases and the National Cancer Institute. Ft. Detrick is the City's largest employer; other major employers include the Frederick County Board of Education, Frederick County Government, Frederick Memorial Healthcare System and Wells Fargo Home Mortgage.

Frederick boasts a vibrant, historic downtown featuring hundreds of retail shops, restaurants and antique shops. There is an active arts community, and citizens and tourists can take advantage of a variety of cultural and recreational opportunities. At the center of the downtown area is the Carroll Creek Linear Park. Originally conceived as a flood control project, the Park has grown into an expanse of brick pedestrian pathways lined with retail, dining and residential properties and including water features and a 350 seat amphitheater. The park also includes several public art installations including bridges, mosaics and, most prominently, the Community Bridge tromp l'oeil painting.

The downtown area was designated a Great American Main Street Community in 2005 by the National Trust for Historic Preservation, as well as being named a Great Neighborhood for 2010 by the American Planning Association. The character of the downtown historic district is maintained through the oversight of the Historic Preservation Committee.



Citizens' quality of life is further enhanced by the City's proximity to the major metropolitan areas of Baltimore and Washington DC. The convergence of Interstates 70 and 270, as well as access to commuter rail service to Washington DC, make Frederick a natural area of expansion from those cities. Frederick is further served by the Frederick Municipal Airport, one of the busiest general aviation airports in the state.

Several initiatives designed to contribute to the continued vitality of the City of Frederick are currently in either the planning or construction stage. Construction is nearing completion on an air traffic control tower at the Frederick Municipal Airport. This tower will improve safety and allow for an expansion of the current number of aviation operations. An ad hoc committee, appointed by the mayor, continues to evaluate and pursue the construction of a hotel/conference

Community Profile

center in the downtown area. Such a facility would address an essential need in the downtown business district. In an exciting new initiative, the City is assisting in the formation of a committee to pursue the revitalization of the Golden Mile commercial district. This community based group, to be known as the Golden Mile Alliance, will be comprised of residents, commercial property owners and business owners. The alliance will be tasked with marketing the Golden Mile as a business destination while also encouraging residents to take pride in their community.



The City is governed by a Mayor, who serves as executive officer, and Board of Alderman. The Board is comprised of five Aldermen and serves as the legislative body of the City, while the Mayor oversees day to day operations. Aldermen are elected at large through a non-partisan election process, to four year terms. Government offices are located in City Hall, at 101 North Court Street, in the historic former Frederick County Courthouse.

The City has jurisdiction over and responsibility for police, parks, recreation, streets, street lighting, sanitation, parking, planning, code enforcement and water and sewer services. The City also operates the Clustered Spires Municipal Golf Course, the Weinberg Center for the Performing Arts and the Frederick Municipal Airport.



Demographic and Statistical Profile

Community Profile:

Date of Incorporation: 1816
 Form of Government: Mayor and Board of Alderman



Median Home Value \$267,690
 Median Home Sale Price (Single Family) \$230,000
 Median Home Sale Price (Condo/Coop) \$184,006
 Median Rent \$639

Households and Housing Units

Total Housing Units 25,243
 Owner Occupied 56.25%
 Renter Occupied 43.75%
 Vacant 6%

Economics:

Employment by Industry (%)

Agriculture/Mining 0.3%
 Construction 9.0%
 Manufacturing 5.6%
 Wholesale Trade 2.5%
 Retail Trade 11.8%
 Transportation/Utilities 3.1%
 Information 2.8%
 Finance/Insurance/Real Estate 8.7%
 Services 48.6%
 Public Administration 7.4%

Demographics:

Area in square miles: 20.4

Population

2000 52,767
 2010 65,239
 *2015 projected 70,491
 *City of Frederick Planning Dept. Estimate

Median Age

2009 35.5
 2010 35.7

Age Composition (2010 ESRI Estimates)

Under 5 years 7.2%
 5-19 years 19.6%
 20-24 years 7.5%
 25-44 years 29.3%
 45-64 years 24.9%
 65-74 years 5.3%
 75+ 6.0%

Percent Minority 30.6%

Household Income and Expenditures (2010 ESRI Estimates)

Median Household Income \$61,794
 Per Capita \$29,783

Taxes

Retail Sales Tax Rate 6%
 Real Property Tax Rate \$0.65
 Personal Property Tax Rate \$1.55
 (property taxes are per \$100.00 of assessed value)

2010 Property Tax Assessed Valuation

Real Property \$6,324,191,887
 Personal Property \$ 154,396,151



Demographic and Statistical Profile

Major Taxpayers, Real Property Tax

Medimmune, Inc.
 State Farm Mutual Auto Insurance
 River X, LLC
 Aldi, Inc.
 FCP Crystal Park, LLC
 Westfreit Corp.
 ASN Sunset LLC
 ACE, LLC
 Frederick Shopping Center
 Waverly Limited Partnership

Streets	
Street in Miles	275
Street Lights	9,050
Traffic Signals	71
Sidewalks in Miles	272



Major Tax Payers, Personal Property Tax

BP Solar International, LLC
 Randall Family LLC
 Mid-Atlantic Medical Services, LLC
 Medimmune, Inc.
 Morningstar Foods, LLC
 Experient Inc.
 Comcast
 State Farm Mutual Auto Insurance Co.
 Maryland Grocery Store Company
 Charles River Laboratories Inc.

Storm Water

Storm Drain in Miles	210
Storm Water Pump Stations	4

Parking

Parking Garages	5
Garage Parking Spaces	2,499
Parking Area	3
Parking Area Spaces	158
On Street Parking Spaces	2,500

Service Statistics:

Public Works (2010)

Water	
Water Mains in Miles	220
Water Pump Stations	3
Number of Storage Tanks	6

Sewer	
Sanitary Sewer Lines in Miles	161
Sewage Treatment Plants	1
Sewage Pump Stations	9

Airport

Runways	2
T-hangars	125
Corporate hangars	1

Economic Opportunity

Transitional Shelters	1
Transitional Apartments	3

Rental Operations

Apartment Buildings	1
---------------------	---



Demographic and Statistical Profile

Recreation (City Owned)

Parks	55
Parks in Acres	603
Golf Course	1
Swimming Pools	2
Tennis Courts	23
Municipal Stadiums	2
Fitness Center	1

Education: (County Provided)

Total Number of County Schools	63
Total Number of City Schools	12
Total Enrollment	40,210
City School Enrollment	9,244

Major Events:

Festivals & Entertainment

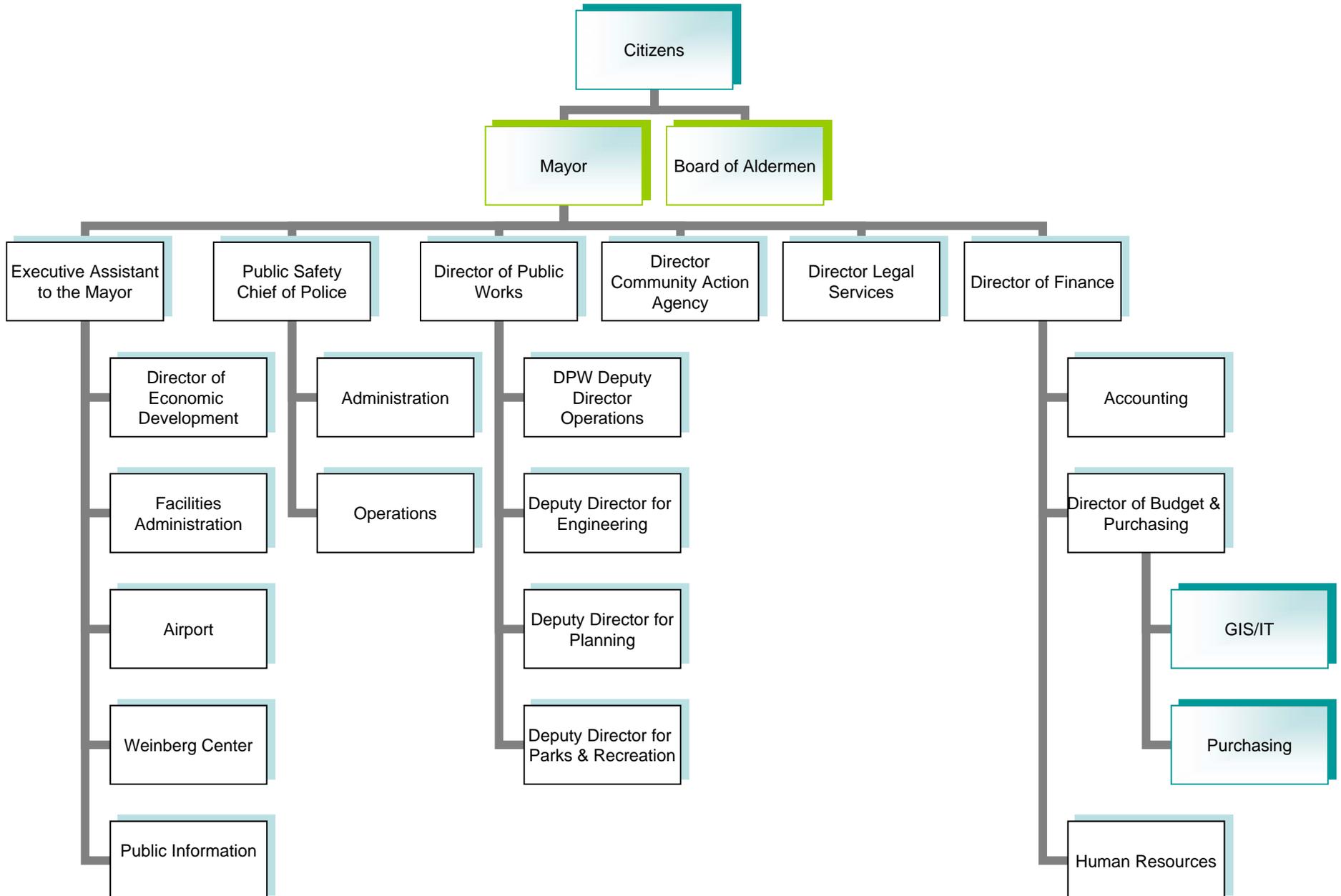
In the Streets Festival	September
Frederick's 4 th Independence Day Celebration	July 4
Summer Concert Series	June – August
Summerfest Family Theater	June – August
Holidays in Historic Frederick	December
Alive@Five Happy Hour on Carroll Creek	May-Sept
First Saturday Gallery Walk	Monthly Year Round
Frederick Festival of the Arts	June

Art, History & Recreation

Weinberg Center for the Performing Arts
 Maryland Ensemble Theater
 Delaplaine Visual Arts Center
 National Museum of Civil War Medicine
 Schifferstadt Architectural Museum
 Francis Scott Key Burial Site
 Carroll Creek Park
 Clustered Spires Golf Course
 Frederick Keys Baseball



The City of Frederick Organizational Chart



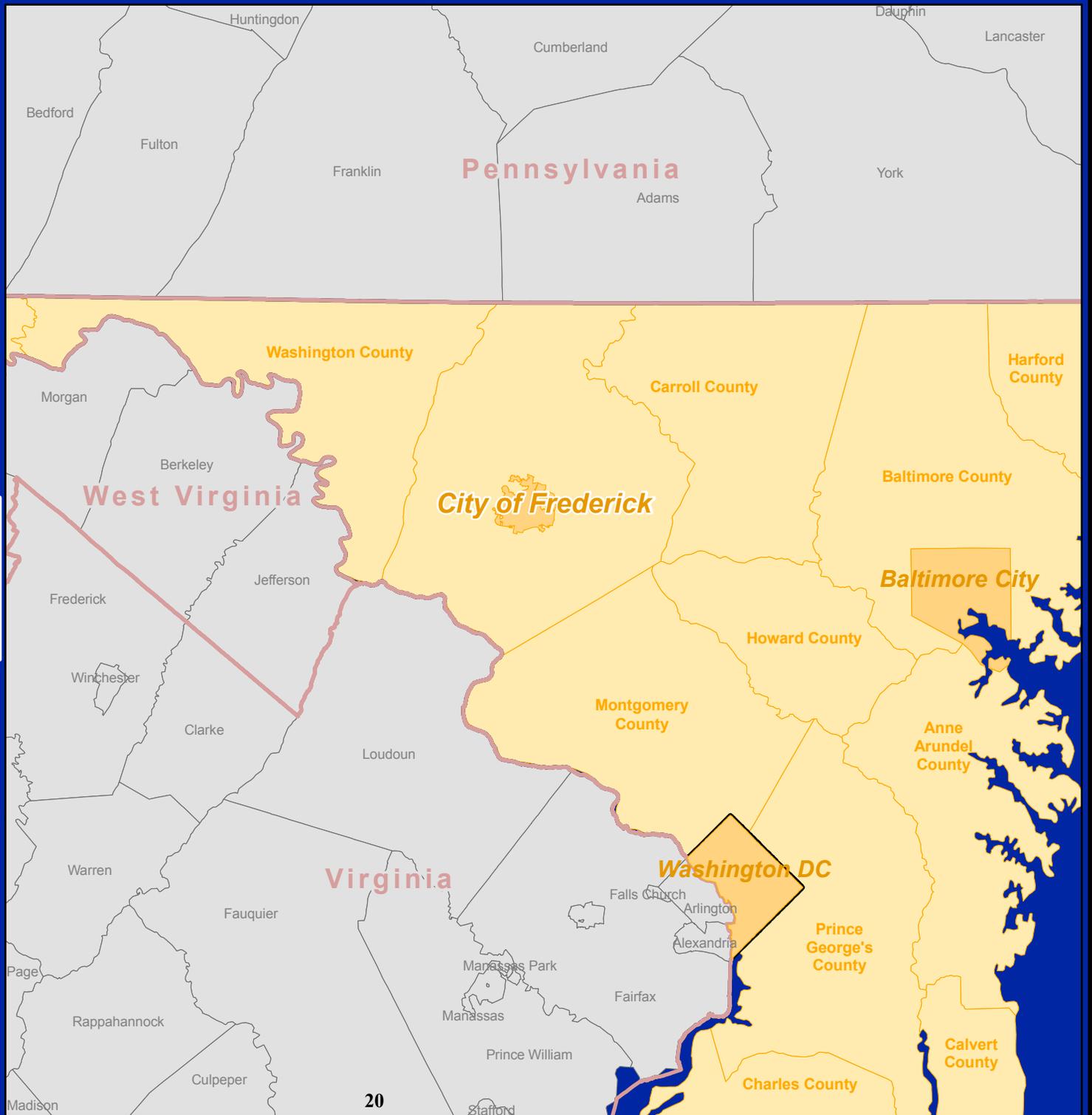
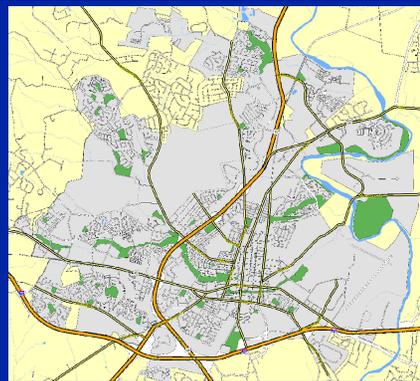
City of Frederick Regional Context Map



101 N Court St
Frederick, MD 21701
P: 301-600-6209
F: 301-600-2233
www.cityoffrederick.com



Note: This map is prepared solely for the purpose of illustrating the City of Frederick. It should be used for no other purpose. Data on this map was prepared from several original sources and is subject to change as source data changes. This map is not a legal document. Orthophotos produced 6/26/2009. Maps produced by: mbowman



City of Frederick

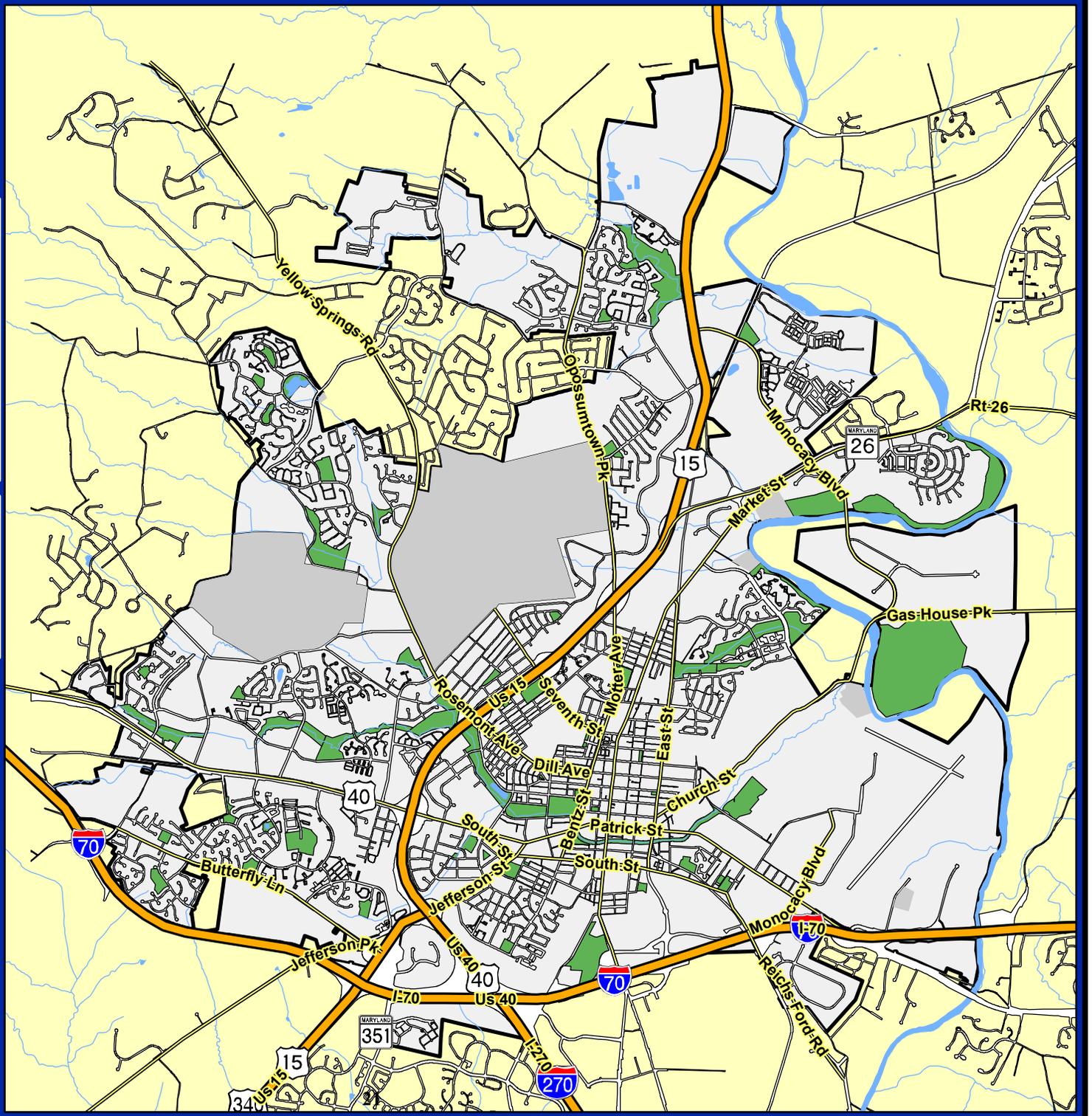
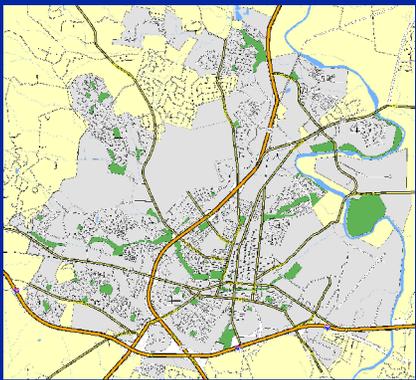
- Major Roads
- Highways
- City Roads
- Rivers and Lakes
- Parks
- City Boundary



101 N Court St
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Orthophotos produced 03/07
Maps produced by: mbowman



Financial Management Policies

The financial statements of the City of Frederick are prepared in conformity with accounting principles accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

The Reporting Entity

The City of Frederick, Maryland (the "City") was incorporated on January 14, 1817 by Chapter 74 of the Acts of the General Assembly of Maryland of 1816. The City operates under a Mayor/Council form of government and provides the following services as authorized by its charter: public safety, public works, recreation and community development. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. A primary government is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or specific financial burdens on, the primary government. Blended component units are, in substance, a part of the primary government's operations and so data from these units are combined with data of the primary government.

Based upon the above criteria, the following is a brief overview of each potential component unit addressed in defining the City's reporting entity.

Blended Component Units:

The City of Frederick Pension System - This plan is for the benefit of the employees of The City of Frederick. Aetna Life Insurance Company serves as manager for this plan with the City's Human Resource Manager serving as plan administrator and the Mayor and Board of Aldermen serving as the governing board. The City and the plan's participants are obligated to fully fund all plan costs based upon actuarial valuations.

The City of Frederick Twenty-Five Year Pension System - This plan is also for the benefit of the employees of The City of Frederick. The plan is managed by Aetna Life Insurance Company. The City's Human Resource Manager is the plan administrator and the Mayor and Board of Aldermen serve as the governing board. The City and the plan's participants are obligated to fully fund all plan costs based upon actuarial valuations.

Financial Management Policies

The City of Frederick Twenty-Two Year Pension System - This plan is for the benefit of sworn-in police officers of The City of Frederick. The plan is managed by Aetna Life Insurance Company. The City's Human Resource Manager is the plan administrator and the Mayor and Board of Aldermen serve as the governing board. The City and the plan's participants are obligated to fully fund all plan costs based upon actuarial valuations.

Weinberg Center for the Arts - This organization gives the Frederick community an opportunity to experience the visual and performing arts. A board of directors that is appointed by the Mayor and approved by the Board of Aldermen gives guidance to the City on Center operations. The Mayor and Board of Aldermen have final approval on Weinberg Center activities and function as the Weinberg Center's governing board.

Separate financial statements for the component units are not available.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Financial Management Policies

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Material revenues from property taxes, intergovernmental revenues and grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *general capital improvements fund* is used to account for activities relating to capital improvements that relate to general governmental activities.

The City reports the following major proprietary funds:

The *water and sewer fund* is used to account for all activities relating to water and sewer service within the City. The fund operates water collection, treatment and distribution facilities as well as the sewage collection and treatment system.

The *airport fund* accounts for the operation and maintenance of the City's airport.

The *parking fund* is used to account for parking facilities and activities which include parking lots, decks and metered parking.

Financial Management Policies

The *storm water management fund* is used to account for storm water related facilities and activities.

Additionally, the City reports the following fund type:

The *pension trust funds* account for activities of the City's three retirement plans, which accumulate resources for pension benefit payments to qualified employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include the City's water and sewer fund charges to other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various other functions.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessment and impact fees. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, liabilities, and net assets or equity

Cash and Investments

Cash balances from all funds are combined and invested to the extent possible in certificates of deposit and other authorized investments, and are reflected in the combined balance sheet as Equity in pooled cash/investments. Earnings from these investments are allocated among the various funds based on the average monthly inter-fund balances. Investments are stated at cost plus accrued interest, which approximates fair value, except for investments in the pension trust fund, which are reported at fair value.

Financial Management Policies

For purposes of reporting the statement of cash flows, the City includes the following as cash and cash equivalents:

- a. Demand deposit accounts which are not subject to withdrawal restriction or penalties.
- b. Individual fund amounts due from the City's pooled cash/investment account, which is recorded as Equity in pooled cash/investments in the various individual funds only.
- c. Restricted cash and cash equivalents.
- d. Investments.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental fund to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for un-collectibles.

The City's property tax is levied and the related revenue is recognized each July 1 on the assessed value listed as of the prior January 1 for all real property located within City boundaries which receive substantially all City services, except principal residences which are due and payable in semiannual installments at July 1 and December 31. Property tax revenues are recognized when they become available. Available means when due, or past due and receivable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Assessed values are established by the Maryland State Department of Assessments and Taxation based on estimates of fair market value. A re-evaluation of all property is required to be completed every third year. Any increase in assessed value is phased in over a three-year period.

The billing and collection of real estate taxes is handled by the county government.

Financial Management Policies

Taxes that are due on July 1 become delinquent October 1. Semi-annual installments due on December 31 become delinquent January 1. Maryland state law establishes a lien on the property on the date of the levy. Property on which taxes are not paid by the following March 1 may be sold at tax sale.

The City considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year.

Inventories and prepaid items

Inventories are valued at cost, determined by the moving average method, in the governmental fund and at the lower of cost or market in the proprietary funds. Inventory consists of expendable supplies held for consumption or items for resale. Inventory in the general fund is recorded under the consumption method, an expenditure when used, and is equally offset by a fund balance reserve in the fund financial statements which indicates that inventory does not constitute “available spendable resources” even though it is a component of net current assets.

Payments made to vendors for services that benefit periods beyond June 30, 2011, are recorded as prepaid items in both the government-wide and fund financial statements.

Deferred revenue

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds, along with proprietary funds, also defer revenue recognition in connection with resources that have been received, but not yet earned.

Restricted assets

Unspent bond proceeds are restricted for use to certain capital improvement projects, and as a result are classified as restricted assets on the balance sheet. Additionally, the City’s 1999 Tax Increment Financing agreement requires that certain funds be deposited with the trustee throughout the life of the bond issue. These funds are also recorded as restricted assets on the balance sheet.

Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items); are defined by the City as assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of three years. Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Financial Management Policies

When material in amount, interest related to construction projects is capitalized as a cost of the project.

Property and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-95 years
Equipment	3-25 years
Other improvements	10-50 years
Infrastructure	20-40 years

Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation and compensatory pay is accrued when incurred in the government-wide and proprietary fund financial statements.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund balance

In the fund financial statements, governmental funds report reserves for inventory, prepaid items and noncurrent loans receivable to segregate that portion of fund balance which does not represent "available spendable resources". Reserves for encumbrances are segregated to indicate that portion of fund balance which is committed for expenditure and is therefore not available for future appropriation. Designations of unreserved fund balances indicate City management's plans to use financial resources in a future period.

Financial Management Policies

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Budgetary Information

The City follows these procedures in establishing the budgetary data:

1. Prior to March 15th, the Mayor requests all departments to submit their proposed operating budgets for the fiscal year commencing the following July
2. All budget requests are compiled by the Finance Department and presented to the Mayor and Board of Aldermen for review, together with comparative and supporting data. The basis for budgeting is consistent with the basis of financial reporting as described in these policies.
3. Public hearings are properly advertised and conducted at City Hall for taxpayer comments.
4. Prior to May 30th, the Mayor formally presents the balanced budget and budget message to the Board of Aldermen at a public meeting. The budget is “balanced” when operating revenues are equal to operating expenses. The budget message includes a statement of pending capital project programs for the next five fiscal years. Additional taxpayer comments are requested.
5. Prior to June 29th, the budget is legally enacted through the passage of an ordinance.
6. Budgetary control is maintained at the departmental sub-function level. The Mayor may approve the transfer of funds within a department; however, any transfers required between departments must be approved by the Board of Aldermen. Any change in the total budget amount requires the approval of the Board of Aldermen. The final budget amounts are reported based on the original budget adjusted for authorized transfers and amendments.

Financial Management Policies

Annual operating budgets are appropriated for the general and special revenue funds. Appropriations which have not been expended or lawfully encumbered lapse at the end of the budget year. Any lawfully encumbered appropriations at year end are carried forward to the following year and increase the following year's budget appropriation by the amount of the encumbrance(s).

Budgetary control is achieved through a capital improvements program for all capital projects funds.

Any excess of total expenditures and encumbrances over total budgeted appropriations by individual departments is in violation of certain legal provisions.

Encumbrances related to grant-funded contracts may cause a deficit undesignated fund balance in some funds. This results from a timing difference between the recording of the original encumbrance of the contract and the recognition of the grant revenue when it is measurable and available.

Reporting of actual to budgeted revenues and expenditures to the Mayor and Board of Aldermen occurs on a quarterly basis.

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Deposits and certificates of deposit are carried at cost plus accrued interest. The City is restricted by state law as to the kinds of investments that can be made. Authorized investments include, (1) deposits in banks, savings and loan, etc., which have the lawfully required escrow deposits, or which have authorized collateral, (2) any obligation for which the United States has pledged its faith and credit of the payment of the principal and interest, (3) any obligation that a federal agency issues in accordance with an act of Congress, (4) a repurchase agreement that any of these obligations secures, or (5) with respect to bond sale proceeds only, bonds, notes or other obligations of investment grade quality (as established by a nationally recognized rating agency) issued by or on behalf of the State of Maryland or any other state or any agency, department, county, municipal or public corporation, special district, authority, or political subdivision thereof, or in any fund or trust that invests only in securities of the type described in this section. The pension trust fund's investment portfolio includes investments in fixed income securities, equities, money market funds and real estate.

The City of Frederick may invest in U.S. Treasury obligations, U.S. Government Agency Securities, repurchase agreements secured by U.S. Treasury obligations or U.S. Government agency securities, the Maryland Local Government Investment Pool, interest bearing accounts in any bank as provided by Article 95, Section 22 of the Annotated Code of Maryland or shares in an investment company or investment trust as provided by Article 95, Section 22N of the Annotated Code of Maryland.

Financial Management Policies

Debt Limits and Ratios

The City of Frederick charter establishes a debt limit of 8% of the total assessed value of all taxable property. Debt issued for the purpose of financing and paying for the construction, operation, maintenance, and repair of the water supply and treatment facilities and the sewage collection and treatment facilities are not included in the calculation of the amount of debt subject to this limitation.

The City shall not issue direct tax-supported indebtedness that exceeds 2.5% of the total taxable assessed value within the City.

Debt Service on the City's tax supported indebtedness shall not exceed 13% of the General Fund budget.

The City will strive to maintain a 10-year debt payout ratio of at least 50%.

The City recognizes that underlying and contingent debt can create tax rate differentials for residents and businesses within the City. Therefore, the City of Frederick will limit the amount of such indebtedness it authorizes to not more than 1% of total taxable assessed value.

The City will issue debt for capital projects where the debt service should not exceed the life of the asset. The City should not issue debt for on-going operations.

Financial Administration Policies

The City of Frederick will maintain an unreserved, undesignated General Fund balance equal to 12% of total General Fund expenditures (including transfers out) as a "Rainy Day" reserve to provide for adequate working capital and to provide funds to meet unforeseen emergencies.

The Mayor and Board of Aldermen shall have complete discretion over the definition of an unforeseen emergency. However, any use of the "Rainy Day" reserve must be approved by a supermajority (majority plus one) of the Mayor and Board of Aldermen.

If use of the "Rainy Day" balance is approved by a supermajority, the City's unreserved, undesignated General Fund balance shall be restored to the 12% level within the next two fiscal years by enactment of a financial plan designed to meet this objective.

The City of Frederick will use one-time monies for one-time expenditures. One-time monies can be defined as prior year surpluses in excess of the "Rainy Day" reserve requirement, or other windfalls such as asset sales. One-time expenditures will generally consist of pay-as-you-go capital spending, but could be other one-time spending. In any event, one-time resources shall not be used to fund recurring operating expenditures.

Budget Overview

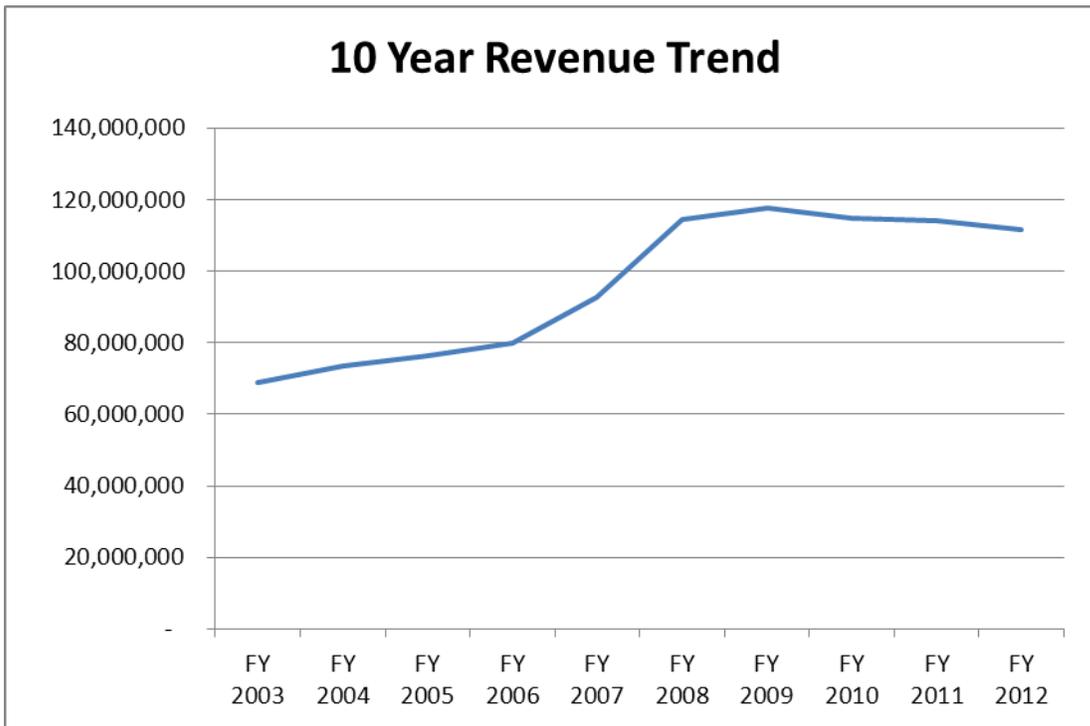
Budget Summary

The City of Frederick has not been immune to the current economic conditions facing local governments across the country. The desire to provide Frederick City citizens with high quality services balanced against the revenues available to fund those services proved to be a significant challenge while preparing the FY 2012 budget.

The overall City's FY 2012 budget is \$111,654,793 which is a \$2,361,374 (2.07%) decrease from the FY 2011 adopted budget. The General Fund budget is \$2,506,636 (3.28%) less than the adopted FY 2011 budget.

Revenue predictions have indicated the City will realize a decline in real property taxes of 8.27% resulting from a decrease in net taxable property assessments of 9.26%.

The recession has also impacted our utility revenues as residential and commercial development has declined. A 10% rate increase in the Water and Sewer and Storm Water funds were necessary to meet the needs of current customers and to support capital expenditures associated with providing these services. An increase to parking rates was also approved in the budget to assist in meeting the current and future parking demands in the City.



Budget Overview

Employee and employee benefits costs remain the largest expense at approximately 50% of the overall budget. The City will not give employees a cost of living increase, step, or a merit increase in FY 2012.

The City continues to work toward a sustainable employee benefits package. Total employee benefits have increased by less than 1% over FY 2011. However, employee pension costs have increased 7.7%. A full comprehensive review of all City benefits occurred in early FY 2011, which resulted in design changes to the City's health insurance plan and laid the ground work for pension and other post-employment benefits reform.

The City's outstanding debt has increased 88% from FY 2009. Debt service has increased from \$13,457,538 to \$19,851,420 (47.5%) in that same time period. Since more resources are allocated to debt service, as revenues decline, the ability to fund future capital projects is of great concern to the City. The Capital Improvements Program currently includes only projects that are both imminent and necessary to the City.

The budget was balanced without raising the property tax rate for Frederick City residents. The City will continue to provide the high quality services the public expects while we continue our focus on fiscal responsibility and sustainability.

Budget Goals

The preparation of the FY 2012 budget focused on the following goals:

1. Avoid an increase in the City's property tax rate.
2. Restore financial stability to the operating budgets and to the Capital Improvements Program.
3. Avoid any reduction in services to City residents.

FY 2012 Budget Plan

In FY 2012, the Mayor continued with the "zero based" budget approach. In traditional budgeting, Directors and Department Heads would only have to justify the increase in costs over the prior year. In zero based budgeting, each department is reviewed comprehensively and each expenditure line item is reviewed in detail. This approach does not focus on a department increase or decrease, but on the necessity of each item on an individual basis.

The Mayor, along with the Budget Director, met with Directors to review budget requests in detail. Discussions focused on the necessity of each expenditure regardless of the amount. Directors were forthcoming and cooperative with this approach. Through the efforts of all those involved, the budget was balanced and presented to the Board of Aldermen on April 27, 2011.

Budget Overview

The FY 2012 budget calendar was as follows:

FY 2012 Budget Calendar

Operating budget packets to departments	October 11
Capital Improvements Plan draft complete	November 17
Requests for position upgrades/new positions due to HR	December 1
Operating budget requests due	December 31
Finance and department review meetings	January 10 – January 21
Mayor and department review	January 31 – February 11
Balancing of budget	February 11 – March 18

FY 2012 Budget Workshops

Wednesday, April 27, 2011:	Presentation of Balanced Budget 3:00pm – City Hall Board Room
Saturday, May 14, 2011:	Budget Workshop (Municipal Annex Building) 9:00AM -4:00 PM with a break from 11:45am - 1:00pm

FY 2012 Budget Public Hearings

Tuesday, May 3, 2011:	7:00pm – City Hall Board Room
Tuesday, May 10, 2011:	7:00pm– City Hall Board Room
Tuesday, May 17, 2011:	7:00pm– City Hall Board Room
Monday, May 23, 2011:	7:00pm– City Hall Board Room

The FY 2012 Tax Rate was adopted on May 19, 2011 and the FY 2012 Budget was adopted on June 2, 2011 at the regular meeting of the Mayor and Board of Aldermen.

Budget Overview

Long-term Financial Planning

The City of Frederick is making comprehensive revisions to the development of its 5-year Capital Improvement Plan that incorporates elements of the City's Comprehensive Plan, the Engineering and Public Works Strategic Plan, the Airport Master Plan, and the Water/Sewer Master Plan. The Capital Improvement Plan not only tabulates the actual development cost of each project, but also identifies creative new funding sources such as tax increment financing, impact fees, special assessments and grants in addition to traditional bond funding and operating transfers. The Capital Improvement Plan also identifies future operating costs for each project.

One of the major projects in the Capital Improvement Plan is the Monocacy Boulevard project, a four lane highway connecting Route 70 to Route 26 that will open the way for new mixed use industrial, commercial and residential development. The total cost of over \$46,200,000 will be financed by a combination of tax increment financing, special assessments and general obligation bonds. The center section of Monocacy Boulevard is now fully permitted and slated for completion in 2012.

The East Street Extension project provides direct access to Frederick's downtown business district from Interstate 70 via Carroll Creek Park. The immediate access provided by this highway will result in its becoming the City's major southern portal and dramatically increase Carroll Creek Park's commercial appeal. The first phase of the East Street Extension, spanning East Patrick Street to East South Street through Carroll Creek Park is completed. Construction of the final connection to 1-70 has also been completed. This project in combination with the center section will provide an eastern bypass and congestion relief for the City of Frederick.

The Carroll Creek Linear Park project will provide landscape and creek-side improvements along the recently completed park and flood control project. These improvements will provide development opportunities, create jobs and services and enhance the tax base of the city.

The purchase of the Hargett Farm by the City will allow the City to accomplish a number of public improvements, including but not limited to the development of a much needed Regional Park, re-alignment of Butterfly Lane to relieve congestion along the MD 180/MD 351 corridor, a Department of Public Works western satellite facility, a potential satellite Police office and a new public school site.

The City is also encouraging private investment through property and income tax credits for the Historic District, Arts District and the Golden Mile Commercial District. These short-term tax credits provide needed incentives for private sector capital reinvestment and revitalization in the properties of the area.

Budget Overview

Future Considerations:

In preparation for the FY 2013 budget, we need to consider the following:

1. Major reform to the City's pension and other post-employment benefit plans.
2. Capital purchases and maintenance items which have been pushed out to later years. These items are necessary and will need to be addressed.
3. Mandated upgrades needed to the Waste Water Treatment Plant.
4. Review of current debt and restructuring opportunities to allow for the completion of projects in the Capital Improvements Plan.

SPECIAL ORDINANCE S-11-07

A SPECIAL ORDINANCE ESTABLISHING THE TAX RATE FOR THE ASSESSABLE PROPERTY IN THE CITY OF FREDERICK, MARYLAND, FOR THE FISCAL YEAR JULY 1, 2011, TO JUNE 30, 2012.

WHEREAS, by Section 107 of the Charter of The City of Frederick, Maryland, the City shall have the power to levy annually on the assessable property in said City and collect such taxes as in its judgment may be necessary to pay all the debts, obligations, and expenses of the City government which have been or may hereafter be lawfully incurred; and

WHEREAS, the Mayor and Board of Aldermen did meet in public on May 19, 2011, and did by majority impose and levy the proposed sum of Sixty-Five Cents (\$0.65) on each and every One Hundred Dollars (\$100.00) of assessable real property and One Dollar and Fifty-Five Cents (\$1.55) on each and every One Hundred Dollars (\$100.00) of assessable business personal property for the fiscal year July 1, 2011 to June 30, 2012, on taxable property within the corporate limits of The City of Frederick subject to assessment and taxation under the provisions of the Charter and Code of The City of Frederick, Maryland, and the laws of the State of Maryland.

NOW, THEREFORE:

SECTION I: BE IT ENACTED AND ORDAINED BY THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF FREDERICK, that the sum of Sixty-Five Cents (\$0.65) on each and every One Hundred Dollars (\$100.00) of assessable real property, and One Dollar and Fifty-Five Cents (\$1.55) on each and every One Hundred Dollars (\$100.00) of assessable business personal property, be and the same are hereby imposed and levied for the fiscal year July 1, 2011 to June 30, 2012, on taxable property within the corporate limits of The City of Frederick subject to assessment and taxation under the provisions of the Charter and Code of The City of Frederick, Maryland, and the laws of the State of Maryland.

SECTION II: BE IT FURTHER ENACTED AND ORDAINED BY THE AUTHORITY

AFORESAID, that this Ordinance shall take effect on July 1, 2011.

APPROVED: May 19, 2011



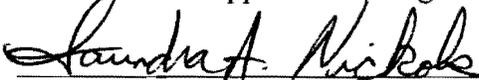
Randy McClement, Mayor

PASSED: May 19, 2011



Randy McClement, President
Board of Aldermen

Reviewed and Approved for Legal Sufficiency:



Legal Department

SPECIAL ORDINANCE S-11-08

A SPECIAL ORDINANCE PROVIDING FOR THE ADOPTION OF THE BUDGET OF THE CITY OF FREDERICK, MARYLAND FOR THE FISCAL YEAR JULY 1, 2011 TO JUNE 30, 2012.

WHEREAS, by Section 92 of the Charter of The City of Frederick, Maryland, it is provided that the budget shall be prepared and adopted in the form of an ordinance upon a favorable vote of at least a majority of the total membership of the Board of Aldermen; and

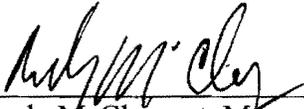
WHEREAS, the Mayor and Board of Aldermen did meet in public on May 19, 2011, and did by a majority vote to accept and approve the budget, as submitted by the Mayor in a public meeting of the Mayor and Board of Aldermen on April 27, 2011, and as amended by memoranda from the Mayor to the Board of Aldermen dated May 3, 2011, May 23, 2011, May 27, 2011, and as amended at the meeting of the Mayor and Board of Aldermen on June 2, 2011 and passed by a majority at the same meeting of the Mayor and Board of Aldermen on June 2, 2011 as required by Section 92 of the Charter of The City of Frederick, Maryland.

NOW, THEREFORE:

SECTION I: BE IT ENACTED AND ORDAINED BY THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF FREDERICK, that the budget for The City of Frederick, Maryland, for the fiscal year July 1, 2011, to June 30, 2012, as submitted at the meeting of the Mayor and Board of Aldermen on April 27, 2011, and as amended by memoranda from the Mayor to the Board of Aldermen dated May 3, 2011, May 23, 2011, May 27, 2011, and as amended at the meeting of the Mayor and Board of Aldermen on June 2, 2011 and passed by a majority at the same meeting of the Mayor and Board of Aldermen on June 2, 2011 as required by Section 92 of the Charter of The City of Frederick, Maryland, and incorporated herein by reference, be and the same is hereby adopted.

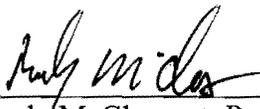
SECTION II: BE IT FURTHER ENACTED AND ORDAINED BY THE AUTHORITY
AFORESAID, that this Ordinance shall take effect on July 1, 2011.

APPROVED: June 2, 2011



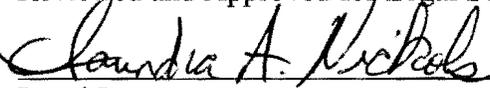
Randy McClement, Mayor

PASSED: June 2, 2011



Randy McClement, President
Board of Aldermen

Reviewed and Approved for Legal Sufficiency:



Legal Department

All Funds Summary

The City budget is organized by funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into the following categories:

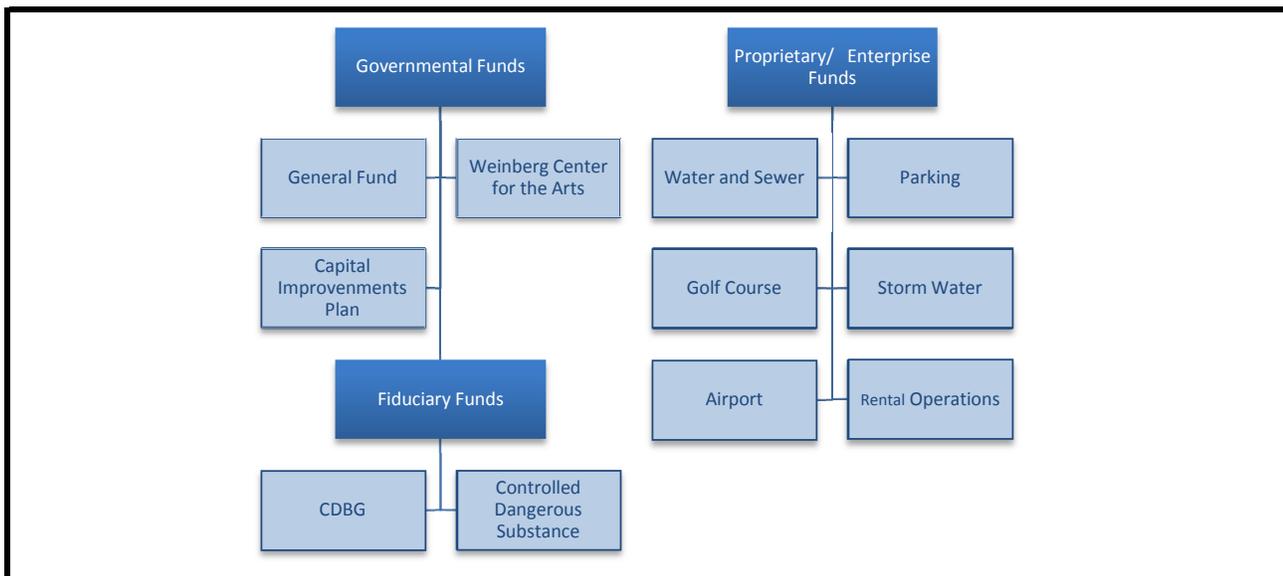
Governmental Funds - Governmental funds are generally used to account for tax-supported activities. The City maintains five individual governmental funds including the general fund, the capital improvement plan fund, the Weinberg Center for the Arts, and 2 fiduciary funds described below.

Proprietary Funds - The City maintains enterprise funds that are used to report the functions presented as business type activities in the government-wide financial statements; specifically, water and sewer, airport, parking, storm water management, golf course, and rental operations.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These funds are restricted by legal and regulatory provisions to finance specific activities. The City's fiduciary funds are used to account for Community Development Block Grants (CDBG) and Controlled Dangerous Substance revenue sources.

Capital Improvements Plan - The Capital Improvements Plan is used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for all governmental fund types.

Fund Overview The City's Budget Contains 10 Operating Funds and 1 Capital Fund



All Funds Summary

The schedule below shows the anticipated beginning and ending fund balance for the general and enterprise funds. The fund balance is the accumulated total of all prior years' actual revenues in excess of expenditures. Maintaining an appropriate fund balance level is critical to ensuring the City can react to emergency situations and fluctuations in revenue cycles.

FY 2012 Adopted Budget - Use of Fund Balance

	General Fund	Water and Sewer	Parking	Golf Course	Storm Water	Airport	Weinberg	Rental Operations	Total
Beginning balance	\$ 9,960,289	\$ 29,965	\$ 1,023,909	\$ -	\$ -	\$ -	\$ -	\$ 23,029	\$ 11,037,192
Revenues									
Taxes	47,910,631	-	-	-	-	-	-	-	47,910,631
Licenses and permits	1,933,734	162,600	173,740	-	-	-	-	-	2,270,074
Intergovernmental	8,850,164	-	128,250	-	-	-	41,121	-	9,019,535
Charges for services	1,438,768	22,323,448	3,357,028	1,697,500	1,653,240	853,505	718,950	-	32,042,439
Fines and forfeitures	944,000	20,500	685,230	-	-	-	-	-	1,649,730
Other financing sources	1,855,000	2,550,000	-	-	-	710,774	147,745	26,304	5,289,823
Miscellaneous	1,113,594	7,000	347,471	500	-	-	400,000	13,188	1,881,753
Total revenues	64,045,891	25,063,548	4,691,719	1,698,000	1,653,240	1,564,279	1,307,816	39,492	100,063,985
Expenditures									
General government	8,987,830	266,644	-	-	-	-	-	-	9,254,474
Public safety	27,861,487	295,362	-	-	-	-	-	-	28,156,849
Public works	12,149,011	13,753,520	1,939,114	-	908,992	623,313	-	-	29,373,950
Parks and recreation	4,659,033	-	-	1,563,288	-	-	1,307,816	-	7,530,137
Economic and community development	452,930	-	-	-	-	-	-	62,521	515,451
Frederick Community Action Agency	2,896,345	-	-	-	-	-	-	-	2,896,345
Debt service	7,298,490	8,927,987	2,576,514	76,629	96,894	935,866	-	-	19,912,380
Contingency	227,949	200,000	50,000	-	10,000	-	-	-	487,949
Total expenditures	64,533,075	23,443,513	4,565,628	1,639,917	1,015,886	1,559,179	1,307,816	62,521	98,127,535
Other financing sources / (uses)	(1,543,870)	(1,650,000)	(1,150,000)	(58,083)	(47,500)	(5,100)	-	-	(4,454,553)
Ending balance	\$ 7,929,235	\$ -	\$ -	\$ -	\$ 589,854	\$ -	\$ -	\$ -	\$ 8,519,089

All Funds Summary

Revenues - All Funds

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Taxes	47,910,631	50,946,547	-5.96%	49,424,051
Licenses and permits	2,270,074	1,923,350	18.03%	2,636,745
Intergovernmental	9,019,535	8,780,270	2.73%	8,615,106
Charges for services	32,506,439	29,621,834	9.74%	25,516,392
Fines and forfeitures	1,675,030	1,665,423	0.58%	1,076,500
Other financing sources	5,289,823	4,693,291	12.71%	13,503,551
Miscellaneous	1,882,053	1,692,863	11.18%	2,066,993
Fund balance	11,101,208	14,692,589	-24.44%	-
Total Revenues	\$ 111,654,793	\$ 114,016,167	-2.07%	\$ 102,839,338

Expenditures - All Funds

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	56,354,785	56,416,264	-0.11%	55,014,516
Supplies	10,794,097	11,080,407	-2.58%	9,172,658
Other services and expenses	10,912,559	12,374,707	-11.82%	10,414,924
Capital outlay	280,341	843,600	-66.77%	1,113,740
Depreciation	-	-	0.00%	6,622,852
Loss of disposal of assets	-	-	0.00%	3,575
Contingency	487,949	510,000	-4.32%	-
Debt service	19,851,420	20,284,096	-2.13%	11,562,079
Transfers to other funds	4,454,553	2,739,383	62.61%	3,616,357
Fund balance (Reserves)	8,519,089	9,767,710	-12.78%	-
Total Expenditures	\$ 111,654,793	\$ 114,016,167	-2.07%	\$ 97,520,701

All Funds Summary

General Fund				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Revenues:				
Taxes	\$ 47,910,631	\$ 50,946,547	-5.96%	\$ 49,424,051
Licenses and permits	1,933,734	1,659,850	16.50%	2,375,344
Intergovernmental	8,850,164	8,614,270	2.74%	8,435,394
Charges for services	1,438,768	1,454,276	-1.07%	1,435,878
Fines and forfeitures	944,000	982,750	-3.94%	537,712
Other financing sources	1,855,000	2,377,500	-21.98%	2,026,162
Miscellaneous	1,113,594	1,055,167	5.54%	1,072,228
Fund balance	9,960,289	9,422,456	5.71%	-
Total revenues	74,006,180	76,512,816	-3.28%	65,306,769
Expenditures:				
Personnel	45,873,948	46,120,414	-0.53%	43,666,200
Supplies	4,200,062	4,530,028	-7.28%	4,724,032
Other services and expenses	6,741,341	7,798,008	-13.55%	6,962,673
Capital outlay	212,541	808,500	-73.71%	940,015
Contingency	227,949	250,000	-8.82%	-
Debt service	7,277,234	7,075,703	2.85%	6,860,892
Transfers to other funds	1,543,870	891,883	73.10%	499,397
Fund balance (Reserves)	7,929,235	9,038,280	-12.27%	-
Total expenditures	74,006,180	76,512,816	-3.28%	63,653,209
Net Surplus (Deficit)	\$ -	\$ -		\$ 1,653,560

All Funds Summary

Water and Sewer Fund				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Revenues:				
Licenses and permits	\$ 162,600	\$ 151,050	7.65%	\$ 167,303
Charges for services	22,323,448	18,863,220	18.34%	15,882,098
Fines and forfeitures	20,500	11,400	79.82%	24,564
Other financing sources	2,550,000	956,622	166.56%	5,201,527
Miscellaneous	7,000	44,700	-84.34%	87,923
Fund balance	29,965	5,000,000	-99.40%	-
Total revenues	25,093,513	25,026,992	0.27%	21,363,415
Expenditures:				
Personnel	7,004,091	6,835,383	2.47%	7,739,011
Supplies	5,438,287	5,296,258	2.68%	3,330,985
Other services and expenses	1,882,752	2,054,715	-8.37%	1,790,595
Capital outlay	20,000	17,000	17.65%	(8,664)
Depreciation	-	-	0.00%	2,977,193
Loss on disposal of assets	-	-	0.00%	-
Contingency	200,000	200,000	0.00%	-
Debt service	8,898,383	8,973,636	-0.84%	2,667,932
Transfers to other funds	1,650,000	1,650,000	0.00%	1,643,783
Total expenditures	25,093,513	25,026,992	0.27%	20,140,835
Net Surplus (Deficit)	\$ -	\$ -		\$ 1,222,580

All Funds Summary

Parking Fund				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Revenues:				
Licenses and permits	\$ 173,740	\$ 112,450	54.50%	\$ 94,098
Intergovernmental	128,250	115,000	11.52%	119,790
Charges for services	3,357,028	3,476,588	-3.44%	2,674,381
Fines and forfeitures	685,230	643,273	6.52%	474,470
Other financing sources	-	15,000	-100.00%	4,786,303
Miscellaneous	347,471	362,000	-4.01%	365,585
Fund balance	1,023,909	204,235	401.34%	-
Total revenues	5,715,628	4,928,546	15.97%	8,514,627
Expenditures:				
Personnel	1,003,429	1,000,225	0.32%	972,502
Supplies	334,800	367,010	-8.78%	355,665
Other services and expenses	606,250	705,100	-14.02%	311,561
Depreciation	-	-	0.00%	1,232,194
Contingency	50,000	50,000	0.00%	-
Debt service	2,571,149	2,656,211	-3.20%	1,091,136
Transfers to other funds	1,150,000	150,000	666.67%	975,000
Total expenditures	5,715,628	4,928,546	15.97%	4,938,058
Net Surplus (Deficit)	\$ -	\$ -		\$ 3,576,569

All Funds Summary

Golf Course Fund				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Revenues:				
Charges for services	\$ 1,697,500	\$ 1,749,500	-2.97%	\$ 1,508,373
Other financing sources	-	435,054	-100.00%	10,033
Miscellaneous	500	2,500	-80.00%	17,211
Total revenues	1,698,000	2,187,054	-22.36%	1,535,617
Expenditures:				
Personnel	975,742	980,606	-0.50%	1,042,755
Supplies	500,750	580,950	-13.80%	510,212
Other services and expenses	86,856	120,026	-27.64%	106,674
Capital outlay	-	18,100	-100.00%	-
Depreciation	-	-	0.00%	201,351
Loss on disposal of assets	-	-	0.00%	-
Debt service	76,569	487,372	-84.29%	103,725
Transfers to other funds	58,083	-	100.00%	-
Total expenditures	1,698,000	2,187,054	-22.36%	1,964,717
Net Surplus (Deficit)	\$ -	\$ -		\$ (429,100)

All Funds Summary

Storm Water Fund				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Revenues:				
Charges for services	\$ 1,653,240	\$ 1,624,800	1.75%	\$ 1,504,592
Other financing sources	-	-	0.00%	522,637
Miscellaneous	-	7,500	0.00%	24
Total revenues	1,653,240	1,632,300	1.28%	2,027,253
Expenditures:				
Personnel	627,698	585,265	7.25%	617,412
Supplies	94,900	94,525	0.40%	84,237
Other services and expenses	170,969	67,336	153.90%	45,657
Capital outlay	15,500	-	100.00%	-
Depreciation	-	-	0.00%	1,573,838
Loss on disposal of assets	-	-	0.00%	3,575
Contingency	10,000	10,000	0.00%	-
Debt service	96,819	98,244	-1.45%	20,230
Transfers to other funds	47,500	47,500	0.00%	414,757
Fund balance (Reserves)	589,854	729,430	0.00%	-
Total expenditures	1,653,240	1,632,300	1.28%	2,759,706
Net Surplus (Deficit)	\$ -	\$ -		\$ (732,453)

All Funds Summary

Airport Fund

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Revenues:				
Charges for services	\$ 853,505	\$ 887,362	-3.82%	\$ 834,332
Other financing sources	710,774	739,370	-3.87%	642,267
Miscellaneous	-	8,200	-100.00%	28,031
Total revenues	1,564,279	1,634,932	-4.32%	1,504,630
Expenditures:				
Personnel	297,748	286,910	3.78%	355,355
Supplies	107,500	88,000	22.16%	67,024
Other services and expenses	222,665	267,092	-16.63%	257,833
Depreciation	-	-	0.00%	631,465
Loss on disposal of assets	-	-	0.00%	-
Debt service	931,266	992,930	-6.21%	818,164
Transfers to other funds	5,100	-	0.00%	22,533
Total expenditures	1,564,279	1,634,932	-4.32%	2,152,374
Net Surplus (Deficit)	\$ -	\$ -		\$ (647,744)

All Funds Summary

Weinberg Fund				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Revenues:				
Intergovernmental	\$ 41,121	\$ 51,000	-19.37%	\$ 59,922
Charges for services	718,950	888,450	-19.08%	895,455
Other financing sources	147,745	152,513	-3.13%	89,991
Miscellaneous	400,000	202,800	97.24%	489,821
Total revenues	1,307,816	1,294,763	1.01%	1,535,189
Expenditures:				
Personnel	419,386	405,304	3.47%	387,478
Supplies	81,450	77,200	5.51%	72,097
Other services and expenses	806,980	812,259	-0.65%	798,611
Total expenditures	1,307,816	1,294,763	1.01%	1,258,186
Net Surplus (Deficit)	\$ -	\$ -		\$ 277,003

Rental Operations Fund				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Revenues:				
Charges for services	\$ -	\$ -	0.00%	\$ 221
Other financing sources	26,304	17,232	52.65%	17,522
Miscellaneous	13,188	9,996	31.93%	4,142
Fund balance	23,029	7,050	226.65%	-
Total revenues	62,521	34,278	82.39%	21,885
Expenditures:				
Personnel	35,311	28,066	25.81%	31,735
Supplies	1,500	1,000	50.00%	2,819
Other services and expenses	5,710	5,212	9.55%	9,643
Capital outlay	20,000	-	100.00%	-
Depreciation	-	-	0.00%	6,811
Total expenditures	62,521	34,278	82.39%	51,008
Net Surplus (Deficit)	\$ -	\$ -		\$ (29,123)

All Funds Summary

Community Development Fund

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Revenues:				
Intergovernmental	\$ 464,000	\$ 677,638	-31.53%	\$ 781,062
Charges for services	300	-	100.00%	-
Other financing sources	-	-	0.00%	205,900
Miscellaneous	300	-	100.00%	1,104
Total revenues	464,600	677,638	-31.44%	988,066
Expenditures:				
Personnel	117,432	174,091	-32.55%	202,068
Supplies	3,000	3,356	-10.61%	4,224
Other services and expenses	344,168	500,191	-31.19%	110,070
Capital outlay	-	-	0.00%	182,389
Transfers to other funds	-	-	0.00%	60,887
Total expenditures	464,600	677,638	-31.44%	559,638
Net Surplus (Deficit)	\$ -	\$ -		\$ 428,428

Controlled Dangerous Substance Fund

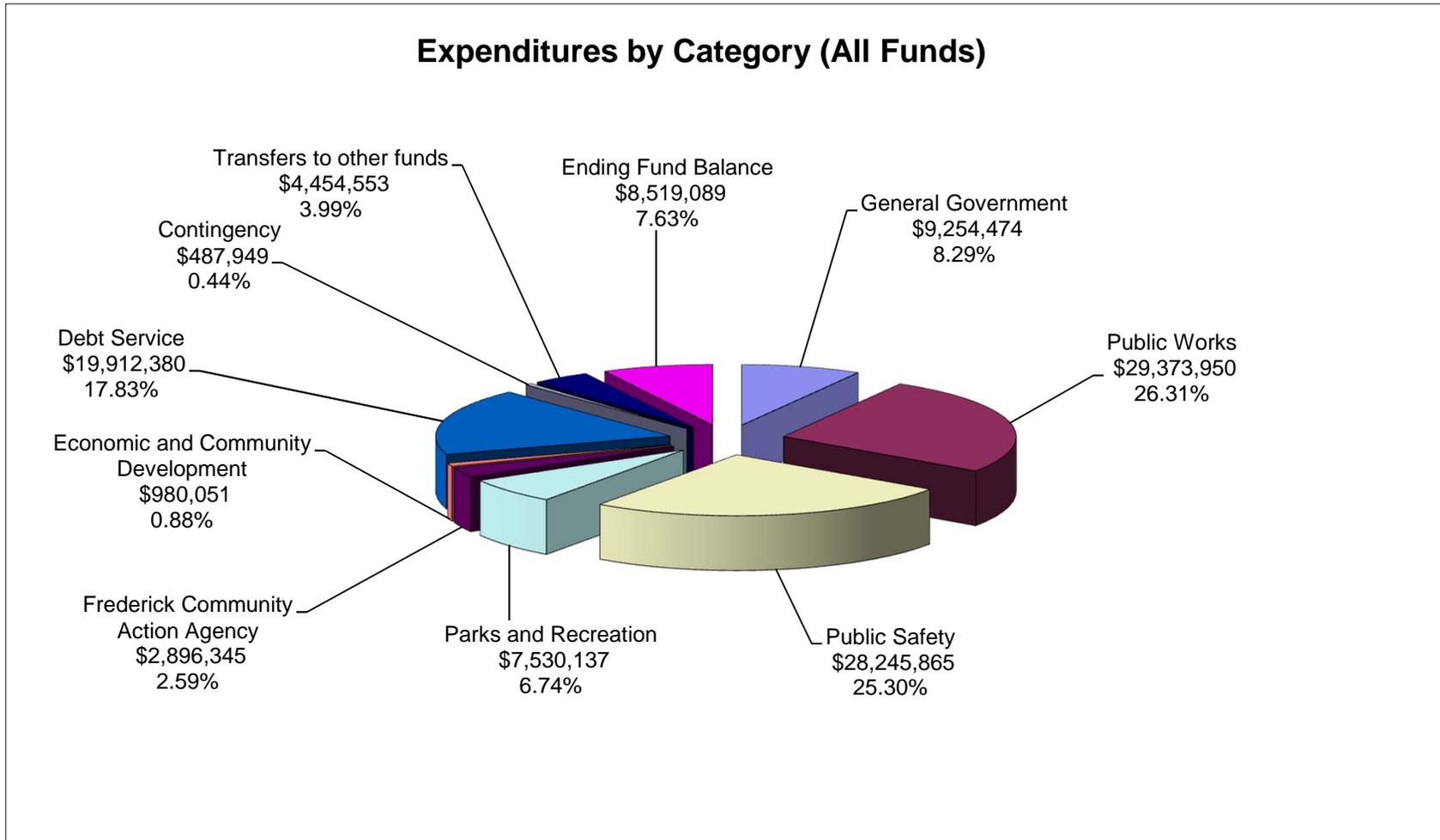
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Revenues:				
Fines and forfeitures	\$ 25,000	\$ 28,000	-10.71%	\$ 39,754
Other financing sources			0.00%	1,209
Miscellaneous	-	-	0.00%	924
Fund balance	64,016	58,848	8.78%	-
Total revenues	89,016	86,848	2.50%	41,887
Expenditures:				
Supplies	31,848	42,080	-24.32%	21,363
Other services and expenses	44,868	44,768	0.22%	21,607
Capital outlay	12,300	-	100.00%	-
Total expenditures	89,016	86,848	2.50%	42,970
Net Surplus (Deficit)	\$ -	\$ -		\$ (1,083)

All Funds Summary

Expenditures by Category				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
General Government	\$ 9,254,474	\$ 9,709,486	-4.69%	\$ 9,845,689
Public Works	29,373,950	30,030,244	-2.19%	33,973,749
Public Safety	28,245,865	28,460,484	-0.75%	26,319,631
Parks and Recreation	7,530,137	7,898,751	-4.67%	7,751,289
Frederick Community				
Action Agency	2,896,345	3,354,167	-13.65%	3,210,718
Community Development	590,159	787,211	-25.03%	640,824
Economic Development	389,892	474,635	-17.85%	570,293
Debt Service	19,912,380	20,284,096	-1.83%	11,592,151
Contingency	487,949	510,000	-4.32%	-
Transfers to other funds	4,454,553	2,739,383	62.61%	3,616,357
Ending Fund Balance	8,519,089	9,767,710	-12.78%	-
Total Expenditures	\$ 111,654,793	\$ 114,016,167		\$ 97,520,701

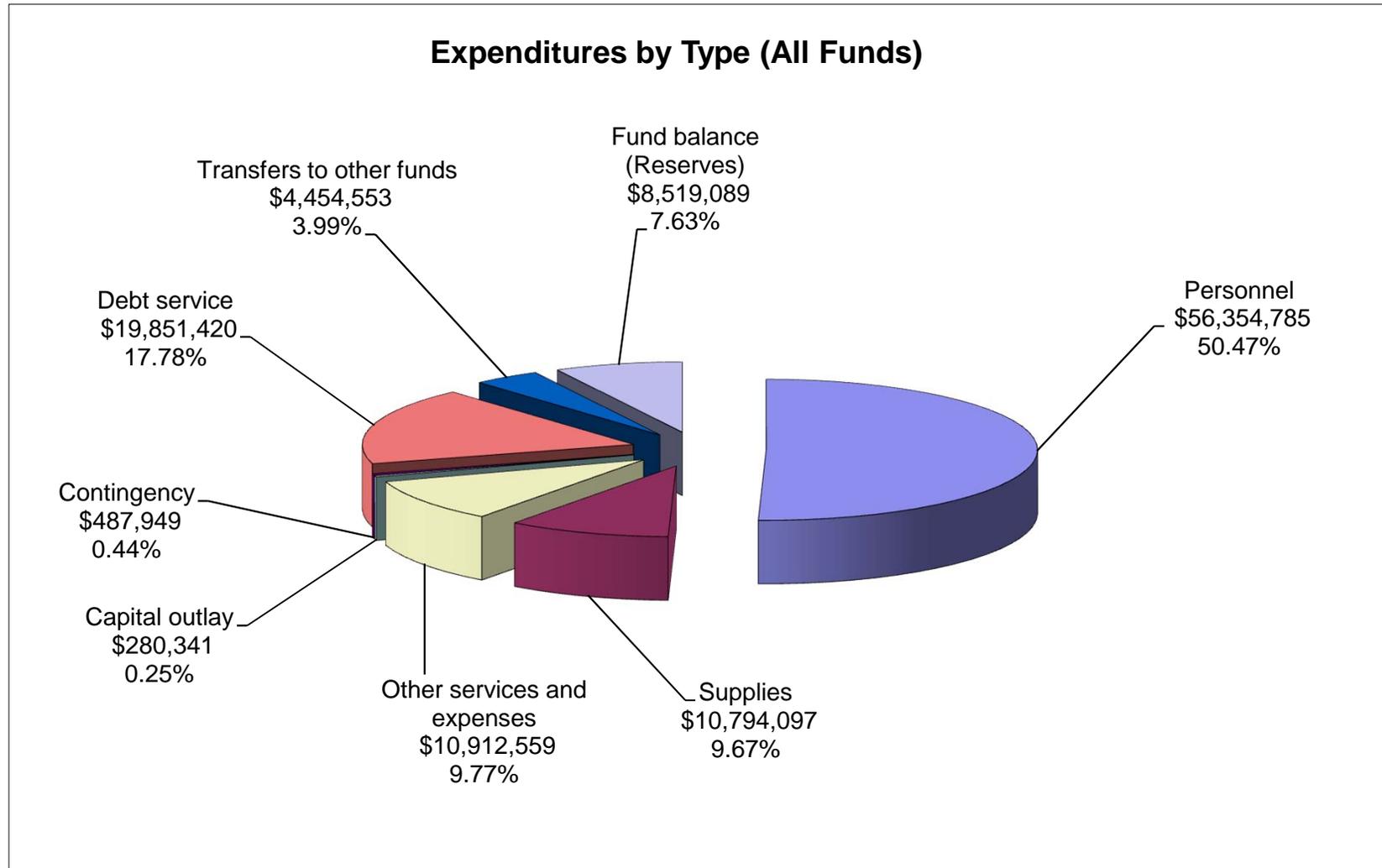
All Funds Summary

The following graph shows the breakdown of expenditures by category for the FY 2012 Adopted Budget.



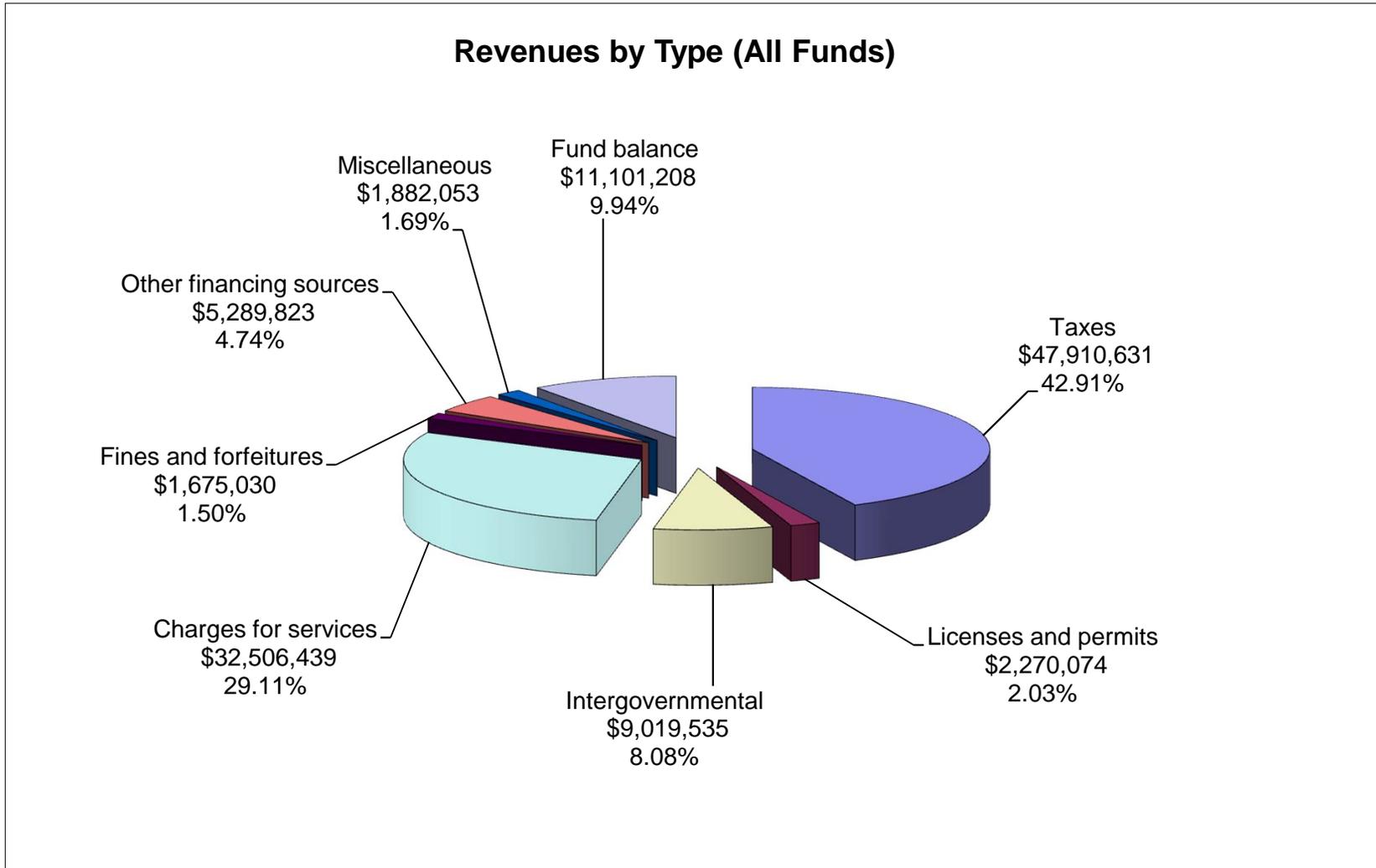
All Funds Summary

The following graph shows the breakdown of expenditures by type for the FY 2012 Adopted Budget.



All Funds Summary

The following graph shows the breakdown of revenues by type for the FY 2012 Adopted Budget.



All Funds Summary

The following tables compare the FY 2010, FY 2011, and FY 2012 Adopted Budgets for all funds.

Revenues - All Funds

	FY 2012 Adopted	FY 2011 Adopted	FY 2010 Adopted
General Fund	\$ 74,006,180	\$ 76,512,816	\$ 79,275,589
Water and Sewer	25,093,513	25,026,992	23,666,954
Parking	5,715,628	4,928,546	4,819,463
Golf Course	1,698,000	2,187,054	2,227,326
Storm Water	1,653,240	1,632,300	1,209,600
Airport	1,564,279	1,634,932	1,601,124
Weinberg Center for the Arts	1,307,816	1,294,763	992,827
Rental Operations	62,521	34,278	58,739
Community Development	464,600	677,638	724,511
Controlled Dangerous Substance	89,016	86,848	52,641
Total Revenues	\$ 111,654,793	\$ 114,016,167	\$ 114,628,774

Expenditures - All Funds

	FY 2012 Adopted	FY 2011 Adopted	FY 2010 Adopted
General Fund	\$ 74,006,180	\$ 76,512,816	\$ 79,275,589
Water and Sewer	25,093,513	25,026,992	23,666,954
Parking	5,715,628	4,928,546	4,819,463
Golf Course	1,698,000	2,187,054	2,227,326
Storm Water	1,653,240	1,632,300	1,209,600
Airport	1,564,279	1,634,932	1,601,124
Weinberg Center for the Arts	1,307,816	1,294,763	992,827
Rental Operations	62,521	34,278	58,739
Community Development Block Gra	464,600	677,638	724,511
Controlled Dangerous Substance	89,016	86,848	52,641
Total Expenditures	\$ 111,654,793	\$ 114,016,167	\$ 114,628,774

All Funds Summary

The following table summarizes the changes in full time equivalents from FY 2010 to FY 2012 for all funds.

Full Time Equivalent Positions by Fund

	FY 2012 Adopted	FY 2011 Adopted	FY 2010 Adopted
General Fund	449.02	466.69	496.75
Water and Sewer	76.11	74.81	75.68
Parking	16.22	17.03	16.26
Golf Course	15.70	19.85	18.77
Airport	2.50	2.50	2.86
Storm Water	7.45	7.05	7.07
Weinberg Center for the Arts	6.80	6.31	6.31
Rental Operations	0.50	0.50	0.50
Community Development	1.40	2.00	2.50
Controlled Dangerous Substance	-	-	-
Total	575.70	596.74	626.70

Full Time Equivalent Positions by Category

	FY 2012 Adopted	FY 2011 Adopted	FY 2010 Adopted
General Government	75.01	77.14	84.69
Public Works	191.50	188.08	197.72
Public Safety	194.65	204.88	212.00
Parks and Recreation	69.68	77.33	79.75
Frederick Community Action Agency	40.46	43.81	46.04
Community Development	1.40	2.50	3.50
Economic Development	3.00	3.00	3.00
Total	575.70	596.74	626.70

Unfunded Full Time Positions

<u>Department Name</u>	<u>Title</u>	<u>Fund</u>
Code Enforcement	Asst Manager - Code Enforcement	General Fund
Code Enforcement	Code Enforcement Inspector	General Fund
Police	Administrative Assistant	General Fund
Police	Asst. Communications Supervisor	General Fund
Police	Dispatcher	General Fund
Police	Support Services Administrator (1/2 year)	General Fund
Police	Lieutenant	General Fund
Police	Lieutenant	General Fund
Police	Private	General Fund
Police	Private	General Fund
Police	Private	General Fund
Construction Inspection	Project Inspector	General Fund
DPW General Admin	Communications Clerk	General Fund
Street Maintenance	Operator II	General Fund
Parks	Operator II	General Fund
Parks	Operator I	General Fund
Parks	Helper	General Fund
FCAA	Weatherization Tech II	General Fund
FCAA	Outreach Worker I	General Fund
FCAA	Weatherization Tech I	General Fund
FCAA	Outreach Worker I	General Fund
Community Develop	Planner II - CDBG	Community Development Fund
Parking	Parking Enforcement Monitor	Parking Fund

FY 2012 Long Term Debt Summary

	Date of Issue	Date of Maturity	Range of Interest Rates	Original Issue Amount	Beginning Bal. Outstanding 7/1/2011	Principal Payments, or (Increase) or Decrease FY '12	Ending Bal. Outstanding 6/30/2012	Estimated Interest Expense FY '12
General Fund:								
General Long Term Debt:								
General Obligation Bonds:								
General Purpose	08/01/01	08/01/22	3.25-5.00	\$ 25,530,000	\$ 9,512,000	\$ 1,957,000	\$ 7,555,000	\$ 378,811
General Purpose	09/01/02	09/01/23	2.50-5.00	24,603,000	16,996,000	1,097,000	15,899,000	648,602
General Purpose	11/01/08	11/01/12	3.29	650,000	150,000	150,000	0	2,468
General Purpose	03/26/09	03/26/29	3.00-5.00	4,115,000	4,085,000	100,000	3,985,000	176,344
General Purpose	03/26/09	03/26/29	3.00-5.00	38,700,000	38,605,000	900,000	37,705,000	1,650,044
Total General Obligation Bonds				\$ 93,598,000	\$ 69,348,000	\$ 4,204,000	\$ 65,144,000	\$ 2,856,269
Notes Payable: (State Economic Development Loans)								
MILA Loan - Trading Lane	06/01/95	06/01/22	5.93	\$ 176,447	\$ 109,163	\$ 7,267	\$ 101,896	\$ 6,314
Community Energy Loan	10/01/07	10/01/14	2.00	\$ 115,003	\$ 51,254	\$ 16,746	\$ 34,508	\$ 942
Total Notes Payable				291,450	160,417	24,013	136,404	7,256
Total General Long Term Debt				\$ 93,889,450	\$ 69,508,417	\$ 4,228,013	\$ 65,280,404	\$ 2,863,525
Tax Increment Financing:	12/01/99	12/01/24	3.71-5.95	\$ 2,500,000	\$ 1,760,431	\$ 93,532	\$ 1,666,899	\$ 40,261
Total General Fund Obligations				\$ 96,389,450	\$ 71,268,848	\$ 4,321,545	\$ 66,947,303	\$ 2,903,786
Water and Sewer Fund:								
State Revolving Loan Fund	08/01/01	08/01/22	2.30	\$ 5,300,000	\$ 3,209,772	\$ 259,765	\$ 2,950,007	\$ 73,825
General Obligation Bonds	08/01/01	08/01/24	3.25-5.00	10,870,000	4,135,000	715,000	3,420,000	168,957
General Obligation Bonds	09/01/02	09/01/23	2.50-5.00	1,852,000	1,279,000	83,000	1,196,000	48,798
General Obligation Bonds	08/01/05	08/01/26	4.00-5.00	49,222,000	44,627,000	2,288,000	42,339,000	1,957,890
General Obligation Bonds	11/01/08	11/01/12	3.29	367,000	87,000	87,000	0	1,431
General Obligation Bonds	11/01/08	11/01/29	4.39	8,700,000	8,132,200	303,100	7,829,100	350,351
General Obligation Bonds	03/26/09	03/26/34	3.00-5.00	49,875,000	49,855,000	225,000	49,630,000	2,336,263
Total Water and Sewer Obligations				\$ 126,186,000	\$ 111,324,972	\$ 3,960,865	\$ 107,364,107	\$ 4,937,515

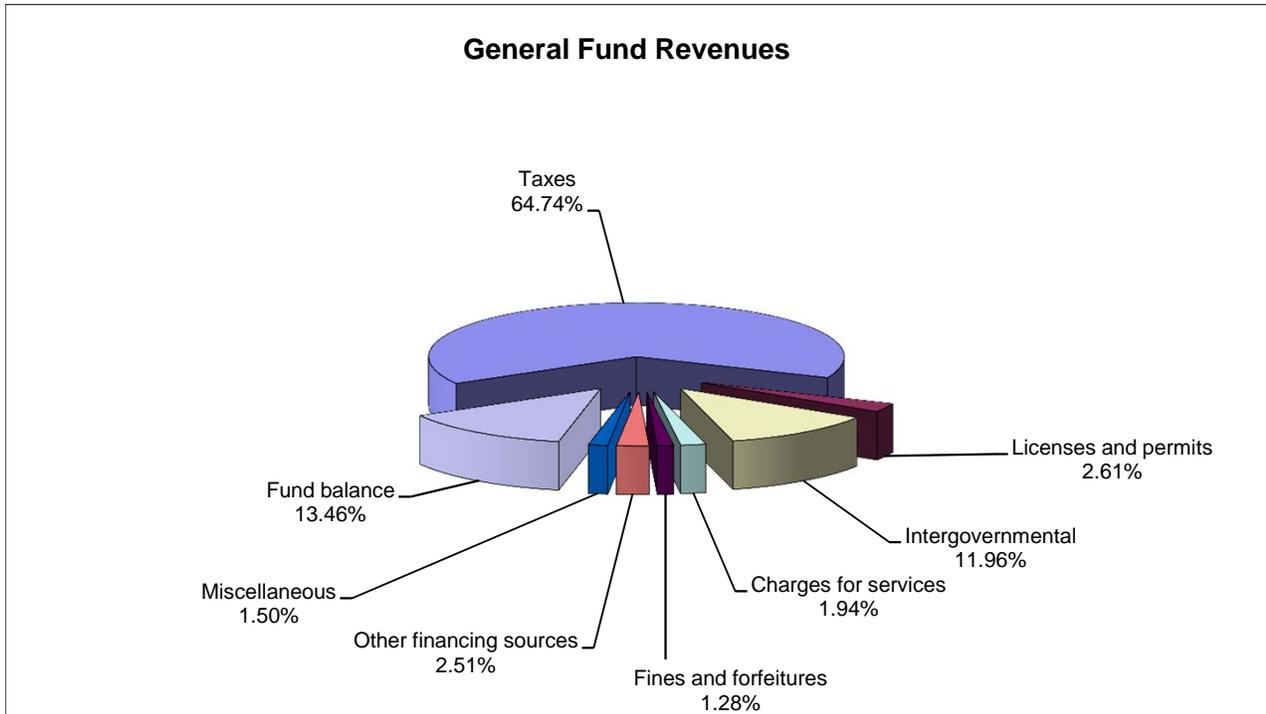
FY 2012 Long Term Debt Summary

	Date of Issue	Date of Maturity	Range of Interest Rates	Original Issue Amount	Beginning Bal. Outstanding 7/1/2011	Principal Payments, or (Increase) or Decrease FY '12	Ending Bal. Outstanding 6/30/2012	Estimated Interest Expense FY '12
Parking Fund:								
General Obligation Bonds	08/01/01	08/01/22	3.25-5.00	5,125,000	2,198,000	223,000	1,975,000	94,741
General Obligation Bonds	08/01/05	08/01/26	4.00-5.00	20,028,000	11,343,000	602,000	10,741,000	497,748
General Obligation Bonds	11/01/08	11/01/12	3.29	283,000	63,000	63,000	0	1,037
General Obligation Bonds	03/26/09	03/29/29	3.26-6.93	12,000,000	11,230,000	380,000	10,850,000	709,623
Total Parking Obligations				\$ 37,436,000	\$ 24,834,000	\$ 1,268,000	\$ 23,566,000	\$ 1,303,149
Storm Water Fund:								
General Obligation Bonds	03/26/09	03/29/29	3.00-5.00	1,230,000	1,185,000	45,000	1,140,000	51,819
Total Storm Water Obligations				\$ 1,230,000	\$ 1,185,000	\$ 45,000	\$ 1,140,000	\$ 51,819
Airport Fund:								
General Obligation Bonds	08/01/01	08/01/22	4.00-5.00	4,095,000	2,675,000	190,000	2,485,000	124,060
General Obligation Bonds	03/26/09	03/26/29	3.00-5.00	640,000	615,000	25,000	590,000	26,900
Bond Anticipation Notes	03/26/09	03/26/13	4.52	13,655,000	13,655,000	0	13,655,000	617,206
Total Airport Obligations				\$ 18,390,000	\$ 16,945,000	\$ 215,000	\$ 16,730,000	\$ 768,166
Golf Course Fund:								
General Obligation Bonds	03/26/09	03/29/29	3.00-5.00	985,000	950,000	35,000	915,000	41,569
Total Golf Course Obligations				\$ 985,000	\$ 950,000	\$ 35,000	\$ 915,000	\$ 41,569
Total Long Term Obligations				\$ 280,616,450	\$ 226,507,820	\$ 9,845,410	\$ 216,662,410	\$ 10,006,004

General Fund Revenue Summary

The following chart compares General Fund revenue sources. The percent change from FY 2011 to FY 2012 shows the trends affecting the City's revenue streams.

Revenues				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Taxes	\$ 47,910,631	\$ 50,946,547	-5.96%	\$ 49,424,051
Licenses and permits	1,933,734	1,659,850	16.50%	2,375,344
Intergovernmental	8,850,164	8,614,270	2.74%	8,435,394
Charges for services	1,438,768	1,454,276	-1.07%	1,435,878
Fines and forfeitures	944,000	982,750	-3.94%	537,712
Other financing sources	1,855,000	2,377,500	-21.98%	2,026,162
Miscellaneous	1,113,594	1,055,167	5.54%	1,072,228
Fund balance	9,960,289	9,422,456	5.71%	-
Total Revenues	\$ 74,006,180	\$ 76,512,816	-3.28%	\$ 65,306,769



General Fund Revenues - Property Taxes

Property taxes are generated based on the assessed value of real property and on the assessed value of business property. The tax rate is the amount charged per \$100 of assessed value, as determined by the State Department of Assessments and Taxation.

The Mayor and Board of Aldermen establish the tax rate each year through the adoption of a special ordinance.

The City is under a tri-annual assessment period for real property and increases are limited to 5% under the City's Homestead Tax Credit. The last assessment was completed in January 2011 for the FY 2012 budget cycle.

The following chart shows the estimated assessed value of taxable property:

Fiscal Year	Real Property		Business Property	
	Estimated Assessed Value	Direct Tax Rate	Estimated Assessed Value	Direct Tax Rate
2002	\$ 3,118,925,484	0.62	\$ 161,659,484	1.55
2003	3,356,541,848	0.64	172,173,441	1.55
2004	3,500,070,576	0.64	163,929,676	1.55
2005	3,644,565,359	0.69	165,417,459	1.55
2006	4,138,633,781	0.69	162,163,125	1.55
2007	4,675,591,445	0.69	161,366,880	1.55
2008	5,299,468,558	0.67	156,302,412	1.55
2009	5,877,472,266	0.65	156,520,834	1.55
2010	6,304,484,509	0.65	154,396,152	1.55
2011	6,757,160,186	0.65	154,500,000	1.55
2012	6,105,851,403	0.65	154,389,000	1.55

The following chart shows actual and projected revenues for real and business property taxes:

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual	FY 2009 Actual
Real Property	\$ 39,717,881	\$ 43,296,807	-8.27%	\$ 41,108,547	\$ 38,204,842
Business Property	2,392,750	2,397,740	-0.21%	2,393,138	2,426,074
Total Property Taxes	\$ 42,110,631	\$ 45,694,547	-7.84%	\$ 43,501,685	\$ 40,630,916

General Fund - Revenues by Source

Taxes

The real property assessment used to calculate the FY 2012 tax revenue budget is \$6,105,851,403. This is a 11 % decrease from the FY 2011 assessment of \$6,757,160,186. The adopted tax rate for FY 2012 is \$.65 per \$100 of assessed value for real property and \$1.55 per \$100 of assessed value for business property.

	Taxes		
	FY 2012 Adopted	FY 2011 Adopted	FY 2010 Actual
Real Property: Revenues from taxes on assessed value of real property	\$ 39,717,881	\$ 43,296,807	\$ 41,108,547
Business Property: Revenues from taxes on assessed values of certain business property	1,433,750	1,433,740	1,430,230
Public Utilities: Revenues from taxes on assessed value of certain property of public utilities	959,000	964,000	962,908
Personal Income Taxes: City's share of income taxes received by the State for returns filed from Frederick.	5,550,000	5,000,000	5,548,046
Admissions and Amusements: Taxes on gross receipts from admissions, the use or rental of recreation or sports equipment, and the sale of merchandise, refreshments, or services where entertainment is provided.	300,000	335,000	305,873
Other: Interest, credits, additions, abatements, discounts and other miscellaneous tax adjustments	(50,000)	(83,000)	68,447
Total Taxes	\$ 47,910,631	\$ 50,946,547	\$ 49,424,051

General Fund - Revenues by Source

Licenses and Permits

These revenues are budgeted based on trends and historical information. The increase in building permits is due to an upward trend in the construction industry.

Licenses and Permits

	FY 2012 Adopted	FY 2011 Adopted	FY 2010 Actual
Alcoholic Beverage Licenses: City's share of fees charged from licenses issued to allow sale of beer, wine, and liquor	\$ 78,000	\$ 70,000	\$ 78,228
Traders Licenses: Fees collected by the State from City businesses	145,000	145,000	145,098
Building Permits and Inspections : Revenue from permits issued for construction, electrical work, fire protection and plan review	1,109,100	943,000	1,551,760
Cable Television: Franchise fees for cable television in the City	500,000	475,000	484,440
Other: Occupational licenses, road closures, appeals, vending permits, parade permits, and other miscellaneous permits	101,634	26,850	115,818
Total Licenses and Permits	\$ 1,933,734	\$ 1,659,850	\$ 2,375,344

General Fund - Revenues by Source

Intergovernmental

These revenues are from various funding agreements and grants from other governmental agencies. Grants vary from year to year based on availability. Highway user fees were cut drastically by the State in FY 2010, however were partially restored for FY 2012

Intergovernmental

	FY 2012 Adopted	FY 2011 Adopted	FY 2010 Actual
Tax Setoff: Reimbursements to the City by Frederick County for services the City provides but for which the County collects tax revenue	\$ 5,016,903	\$ 5,011,040	\$ 4,395,138
Frederick Community Action Agency: Various Federal, State, and local grants to support the Frederick Community Action Agency	1,818,862	2,420,599	1,921,331
Police: Various Federal, State, and local grants to support the Frederick Police Department	1,103,463	790,625	1,511,013
Highway User Revenue: City's share of gasoline tax and motor vehicle registrations collected by the State	656,916	101,807	290,938
Other: Costs assumed by Frederick County and other miscellaneous intergovernmental revenues	254,020	290,199	316,974
Total Intergovernmental	\$ 8,850,164	\$ 8,614,270	\$ 8,435,394

General Fund - Revenues by Source

Charges for Services

Fees are projected based on historical information and evaluation of programs anticipated in the budget year. Decreases in development inspection and review fees are a result of the decline in the construction industry from FY 2010 to FY 2012.

Charges for Services

	FY 2012 Adopted	FY 2011 Adopted	FY 2010 Actual
Filing Fees: Charges relating to zoning such as map enhancements, text amendments, and use permits	\$ 142,000	\$ 142,000	\$ 127,138
Development Inspection and Review Fees: Charges for plan review by the Engineering department and inspection of new development	225,000	291,000	341,761
General Services: Reimbursement for services provided by the City for non-City events (Frederick Marathon, Festival of the Arts, etc.)	99,400	57,606	118,297
Charges for Repairs: Reimbursement from individuals for damages done to City property	24,003	28,324	33,776
Recreation Fees: Revenues from gym memberships, camps, various recreation programs, classes, and use of City swimming pools	878,330	876,996	761,349
Other: Legal review fees, police academy training, maintenance for Memorial Park, trash collection, bulk trash	70,035	58,350	53,557
Total Charges for Services	\$ 1,438,768	\$ 1,454,276	\$ 1,435,878

General Fund - Revenues by Source

Fines and Forfeitures

Fines and forfeitures are budgeted based on historical information. Speed camera enforcement is a new program which was implemented in the City during FY 2011.

Fines and Forfeitures

	FY 2012 Adopted	FY 2011 Adopted	FY 2010 Actual
Municipal Infractions: Fines for City code violations	\$ 9,000	\$ 12,500	\$ 14,913
Red Light Cameras: Fines generated by red light traffic violations at various locations in the City	425,000	450,000	446,909
False Alarm Fees: Fines imposed for repeat false alarms	60,000	70,000	75,840
Speed Camera Citations: Fines generated by speeding violations at various locations in the City	450,000	450,000	-
Park Enforcement Fines: Revenues from miscellaneous park infractions	-	250	50
Total Fines and Forfeitures	\$ 944,000	\$ 982,750	\$ 537,712

Miscellaneous Revenues

Increases in miscellaneous revenue are due to an increase in the rental of City facilities. Other items are budgeted based on historical information.

Miscellaneous Revenues

	FY 2012 Adopted	FY 2011 Adopted	FY 2010 Actual
Investment Interest : Earnings on cash in bank	\$ 200,000	\$ 203,172	\$ 266,861
Rents : Revenues generated by the rental of City facilities.	530,237	507,945	514,347
Donations : Donations made to the City by individuals or organizations	8,500	5,600	39,200
Other Miscellaneous Receipts: Return check fees, discounts earned, and other various receipts	374,857	338,450	251,820
Total Miscellaneous Revenues	\$ 1,113,594	\$ 1,055,167	\$ 1,072,228

General Fund - Revenues by Source

Other Financing Sources

Revenues from the sale of capital assets are not usually budgeted but are included in the actual results for the year.

Other Financing Sources

	FY 2012 Adopted	FY 2011 Adopted	FY 2010 Actual
Interfund Transfers: Transfers from other funds to the general fund. Typically for overhead costs.	\$ 1,847,500	\$ 2,367,500	\$ 1,902,170
Insurance Reimbursements: Proceeds from insurance for replacement or repair of assets	5,000	5,000	48,190
Sale of Capital Assets: Proceeds from sale of assets	2,500	5,000	75,802
Total Other Financing Sources	\$ 1,855,000	\$ 2,377,500	\$ 2,026,162

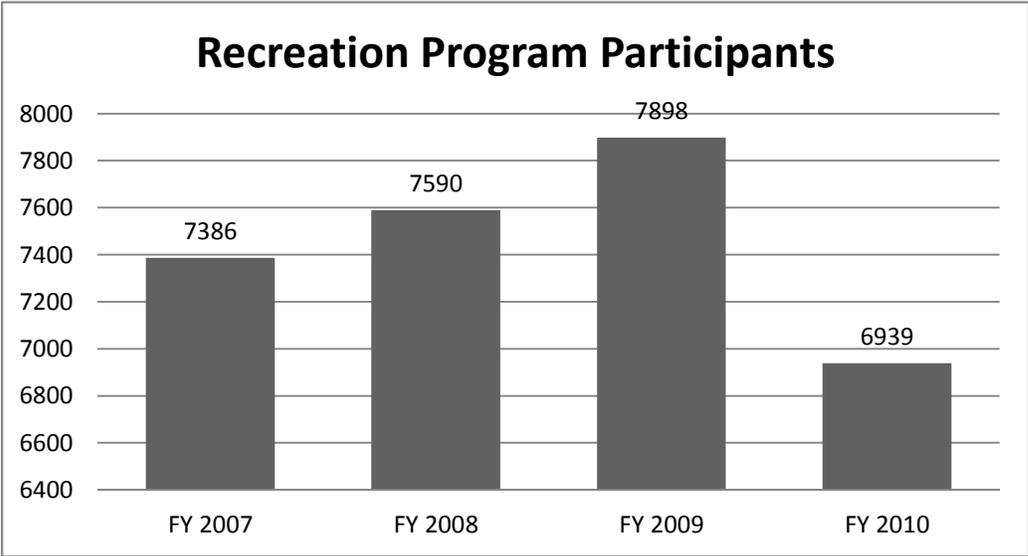
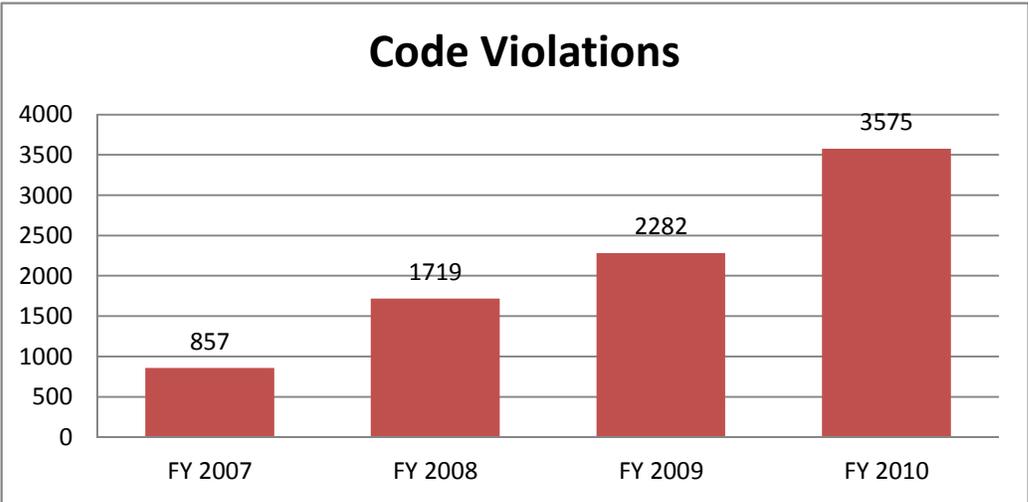
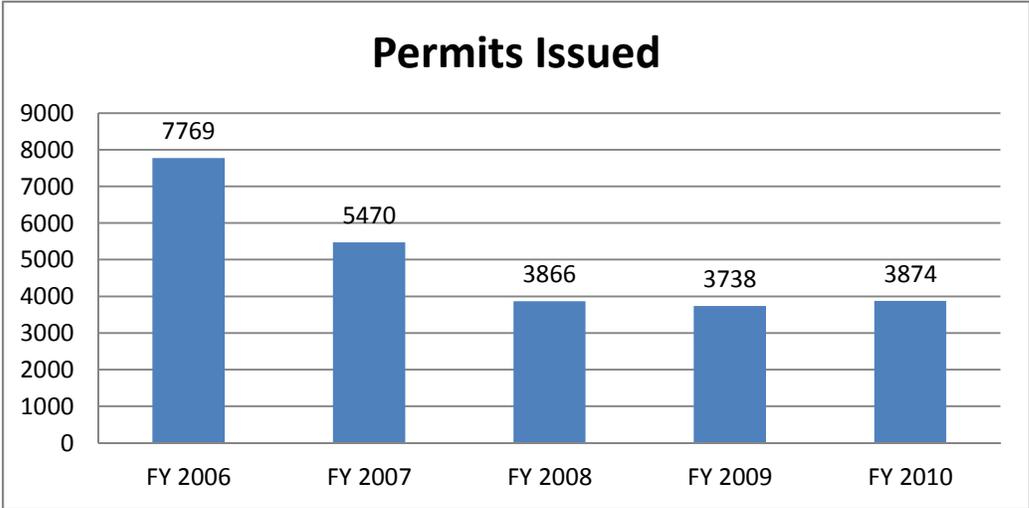
General Fund - Expenditures

Expenditures by Department				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Mayor's Office	\$ 956,340	\$ 1,116,690	-14.36%	\$ 1,275,121
Legal	743,635	649,535	14.49%	612,616
Election Board	3,508	3,830	-8.41%	127,160
Finance	1,105,589	1,132,770	-2.40%	1,063,030
Purchasing	628,373	614,215	2.31%	591,980
Information Technology	697,758	821,657	-15.08%	754,823
Geographic Information Systems	229,454	431,434	-46.82%	327,953
Audio Visual	124,040	-	100.00%	-
Human Resources	609,328	536,433	13.59%	460,655
Safety	198,788	199,213	-0.21%	193,839
Planning	1,075,202	1,108,802	-3.03%	1,082,254
Code Enforcement	525,051	639,929	-17.95%	602,237
Facility Maintenance	854,770	842,087	1.51%	763,855
Asset Management	505,736	566,454	-10.72%	638,262
Municipal Annex	392,239	424,790	-7.66%	396,328
Community Promotion	57,799	70,324	-17.81%	398,170
Special Events	280,220	281,188	-0.34%	265,868
Police	25,817,823	25,986,163	-0.65%	23,792,014
Fire	337,503	337,934	-0.13%	337,524
Building Inspection	966,933	975,841	-0.91%	1,077,685
Electrical Inspection	300,177	271,335	10.63%	269,299
DPW Projects	439,051	535,884	-18.07%	475,388
General Administration - DPW	1,176,984	1,240,332	-5.11%	1,152,165
Maintenance - Equipment				
and Machinery	1,015,227	1,004,329	1.09%	935,687
Engineering	1,306,828	1,430,785	-8.66%	1,281,697
Waste Collection	3,531,953	3,800,666	-7.07%	3,427,063
Street Maintenance	2,009,608	1,942,419	3.46%	1,679,753
Snow Removal	243,047	358,553	-32.21%	1,039,699
Street Lights and Signals	2,200,328	2,467,940	-10.84%	2,203,226
Traffic Lines and Signs	635,589	610,083	4.18%	507,546
Bus Maintenance	29,447	46,932	-37.26%	46,317
Grounds Maintenance	2,861,425	3,072,849	-6.88%	2,956,994
Harry Grove Stadium	136,971	134,573	1.78%	118,763
Recreation Centers	1,260,357	1,312,252	-3.95%	1,152,272
Burck Street Center	14,925	-	100.00%	-
Summer Playground Program	114,202	112,901	1.15%	129,812

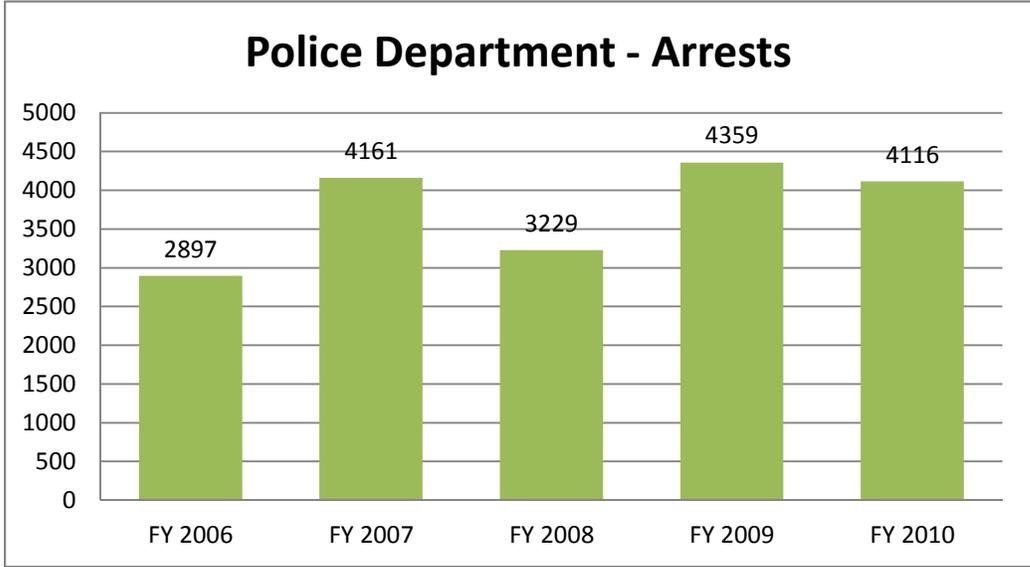
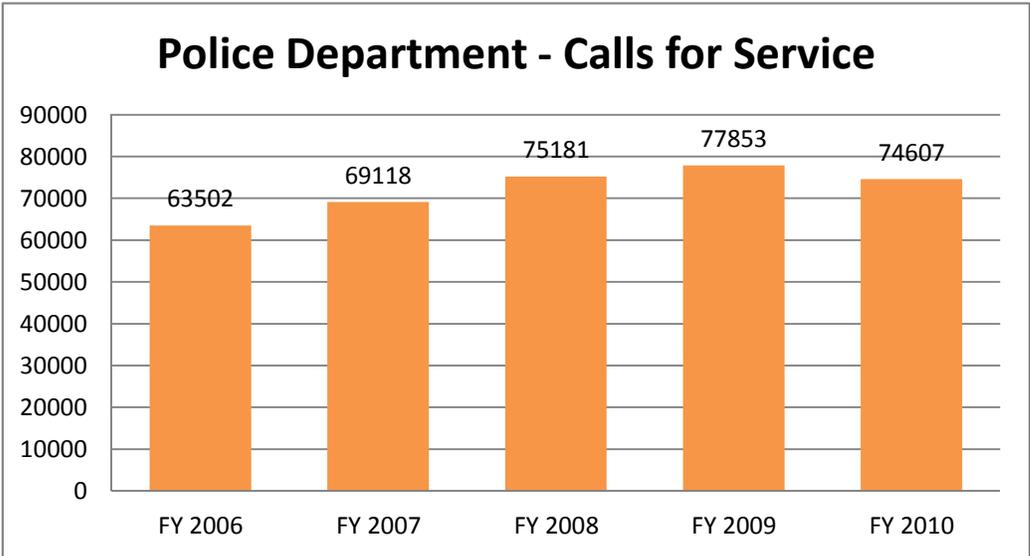
General Fund - Expenditures

Expenditures by Department				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Swimming Pools	271,153	271,731	-0.21%	275,028
Community Development	63,038	75,295	-16.28%	91,065
Economic Development	389,892	474,635	-17.85%	570,293
Frederick Community				
Action Agency	2,896,345	3,354,167	-13.65%	3,210,718
Debt Service	7,298,490	7,075,703	3.15%	6,869,653
Interfund Transfers	1,543,870	891,883	73.10%	499,397
Contingency	227,949	250,000	-8.82%	-
Fund Balance (Reserves)	7,929,235	9,038,280	-12.27%	-
Total Expenditures	\$ 74,006,180	\$ 76,512,816	-3.28%	\$ 63,653,209

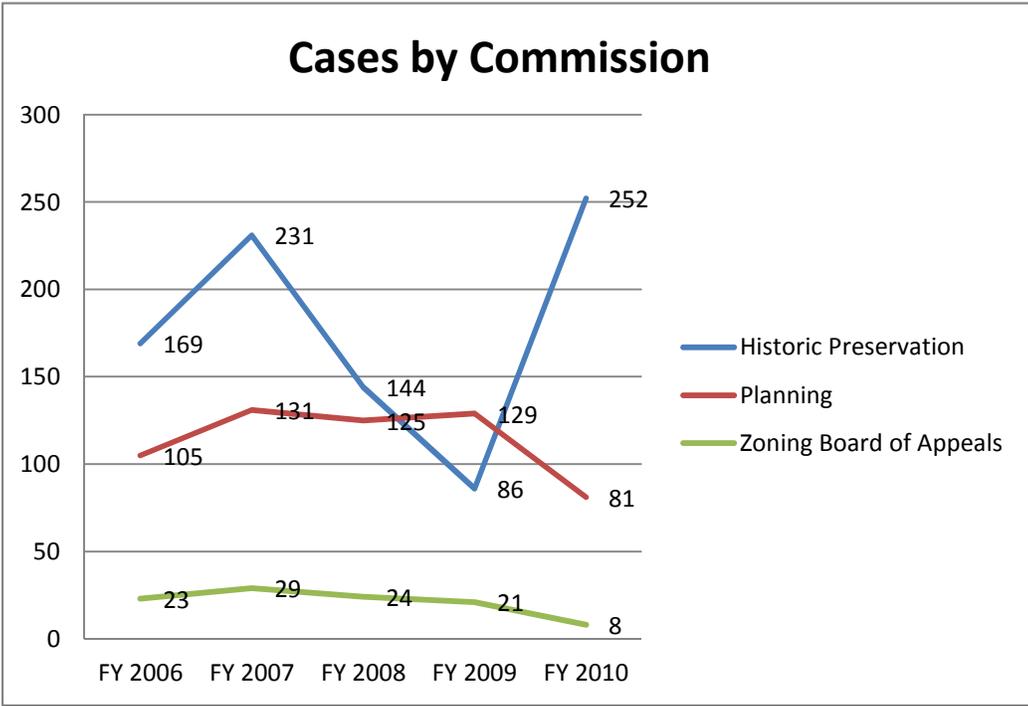
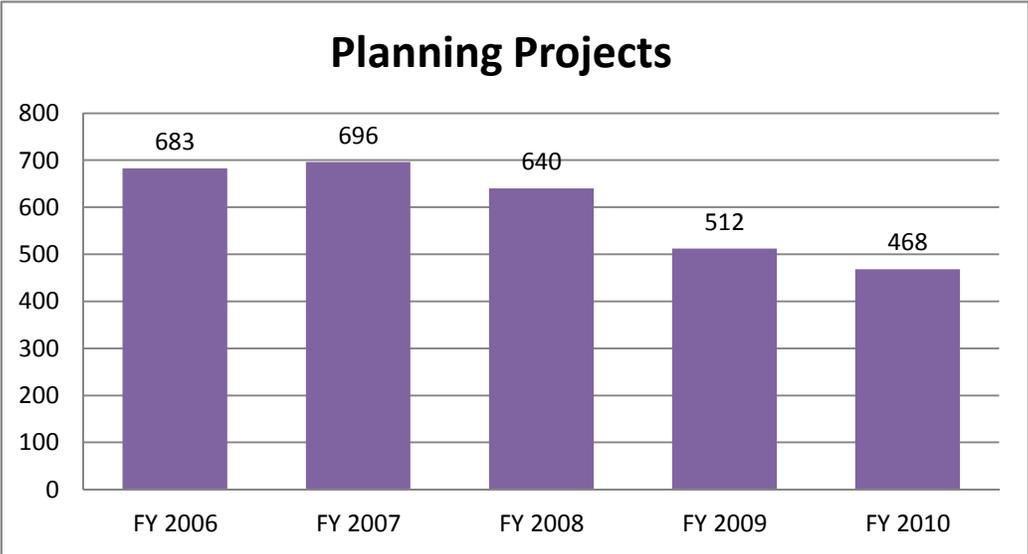
General Fund - Operating Indicators



General Fund - Operating Indicators



General Fund - Operating Indicators



General Fund - Office of the Mayor and Board of Aldermen

MISSION STATEMENT

To deliver quality customer service to City residents and promote accessible open government through the enhancement of communications between departments and providing administrative support, leadership and guidance to City staff.

ACTIVITY BACKGROUND

The Mayor and Board of Aldermen (5) are the elected officials of the City of Frederick. The Mayor shall see that the ordinances of the City are executed and shall be the President of the Board of Aldermen, and the head of the administrative branch of the city government. The Mayor shall be responsible for the administration of the City's affairs, including preparation of the annual report, preparation of the budget, the supervision of finances, the supervision of purchases, the appointment and discharge of officers and employees and the creation of committees.

The Board of Aldermen serve as the legislative branch of the city government and have the power to pass ordinances, not contrary to the Constitution, the laws of Maryland or the City Charter, as it may deem necessary for the good government of the City.

TRENDS

Some challenging economic issues have faced the City of Frederick in recent times. The recession has slowed new growth and contributed to the rise in fuel and utility costs, unsteady stock market performance and increased insurance premiums. The Mayor and the Board of Aldermen continue to examine City spending priorities and develop a fiscally responsible plan for the City's future.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 763,884	\$ 878,160	-13.01%	\$ 1,021,162
Other Operating Expenditures	192,456	238,530	-19.32%	253,959
Total Expenditures	\$ 956,340	\$1,116,690	-14.36%	\$ 1,275,121

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Office of the Mayor and Board of Aldermen	7.70	9.20	-16.30%	11.00

General Fund - Legal Department

MISSION STATEMENT

To provide quality legal advice and representation to the Mayor, Board of Aldermen, City agencies, City staff, and all City boards and commissions in an efficient, timely and cost effective manner for the benefit of the citizens of The City of Frederick.

ACTIVITY BACKGROUND

The Legal Department provides the City with comprehensive legal services, including: 1) Advisory – provide legal advice to the Mayor and Board of Aldermen, City staff and departments, and various boards and commissions, to ensure legally sound decisions in developing and carrying out City laws, regulations and policies; 2) Legislative – prepare ordinances, resolutions and related documents; 3) Civil Litigation – initiate or defend lawsuits which cannot otherwise be avoided; 4) Enforcement – fairly and effectively enforce all municipal infractions of City ordinances, including building and zoning code violations; and 5) Transactional – drafting/review for legal sufficiency contracts, agreements, deeds, and all other documents in which the City is a party.

TRENDS

The local, State and nationwide trend is toward increased litigation. As citizens' groups become more sophisticated and active in the governmental process and their community, it is anticipated that litigation will continue to increase. The use of mediation as a form of conflict resolution is a trend that municipalities are embracing, particularly in light of the increased use of court-ordered mandatory mediation across the State. Environmental issues are of increasing significance as expanding local, State and national regulatory controls collide with a finite supply of natural resources, including water and developable land.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 605,083	\$ 573,677	5.47%	\$ 572,101
Other Operating Expenditures	138,552	75,858	82.65%	40,515
Total Expenditures	\$ 743,635	\$ 649,535	14.49%	\$ 612,616

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Legal	6.00	6.00	0.00%	6.00

General Fund - Election Board

MISSION STATEMENT

To successfully manage all municipal elections in The City of Frederick, providing scheduling, personnel, machinery and supplies.

ACTIVITY BACKGROUND

The Election Board Department captures the City's share of the cost of City elections. Generally, a City election occurs every four years. During an election year, there will be an increase in the annual request. The associated supplies and other expenses are charged to this department.

TRENDS

The budget for the Election Board is expected to change as the City assumes a bigger role in the administration of its elections.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Other Operating Expenditures	\$ 3,508	\$ 3,830	-8.41%	\$ 127,160
Total Expenditures	\$ 3,508	\$ 3,830	-8.41%	\$ 127,160

General Fund - Finance Department

MISSION STATEMENT

To support the operation of City government by effectively and efficiently budgeting, managing, processing, controlling, recording and reporting financial transactions of the City.

ACTIVITY BACKGROUND

The Finance Department is responsible for overseeing the citywide financial, budgeting, accounting, purchasing, accounts payable, accounts receivable, payroll, cash management and risk management functions. The department processes 17,000 payroll checks, 10,000 disbursements checks and 82,000 cash receipts per year. In addition, the department bills approximately 17,000 water and sewer accounts on a quarterly basis. Responsibilities include management of approximately \$85 million in investments.

TRENDS

The Finance Department anticipates upgrading its section of the City's web site www.cityoffrederick.com. Current budget and annual reports as well as contact information will be available. In the future, it is anticipated that on-line credit card payment of miscellaneous accounts receivables and business tax bills will be initiated. The City has also initiated the option of ACH bill collection for certain recurring recreation fees. It is anticipated that this feature will be expanded to other types of revenue sources as well.

The City is also in the early stages of a financial software conversion and anticipates that this endeavor should be completed during the upcoming fiscal year.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 956,428	\$ 915,782	4.44%	\$ 895,079
Other Operating Expenditures	149,161	216,988	-31.26%	167,951
Total Expenditures	\$ 1,105,589	\$ 1,132,770	-2.40%	\$ 1,063,030

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Finance	8.50	8.50	0.00%	9.25

General Fund - Purchasing Department

MISSION STATEMENT

To provide efficient, effective and fair procurement in support of the provision of services to Frederick citizens.

ACTIVITY BACKGROUND

There are five functional areas within the department: purchasing, accounts payable, central supply warehouse, mail services and surplus management. The department facilitates all aspects of City procurement, inclusive of informal purchase orders, formal bids, request for proposals and request for qualifications. Approximately 8,000 purchase orders are issued per year, for around \$40 million. Approximately 10,000 invoices per year are processed in accounts payable. The central supply warehouse stocks around 3,000 items. The department also handles the delivery of mail and warehouse materials, registration for all City vehicles, maintaining petty cash for DPW and maintenance of the City gas pumping system.

TRENDS

Continued development of the City Purchasing Web Page has allowed the capability of posting all formal solicitations inclusive of plans and specifications, expanded the City vendor database and broadened vendor response to solicitations. The Department will continue implementation of On-line Auctions for disposal of surplus items as they become available, as well as maintaining an active vendor database, ensuring that all information is accurate for City utilization for solicitations. The Purchasing Department looks forward to increasing local vendor participation through the implementation of a Local/State Vendor Preference Policy. The Department further anticipates enhancing research and continuing to advise the departments of current market trends in ordering commodities.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 597,888	\$ 571,946	4.54%	\$ 558,213
Other Operating Expenditures	30,485	42,269	-27.88%	33,767
Total Expenditures	\$ 628,373	\$ 614,215	2.31%	\$ 591,980

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Purchasing	7.50	7.73	-2.98%	7.73

General Fund - Information Technology Department

MISSION STATEMENT

To support City departmental computer technology needs with the goal of maximizing employee efficiency and effectiveness.

ACTIVITY BACKGROUND

The Information Technology Department is responsible for researching, implementing and maintaining current information system technology. It currently maintains the City's wide area/local area network, which includes over 300 computers in multiple locations connected via fiber optics, T1, DSL and point to point wireless. The department keeps abreast of new technologies, servers, and applications, with the goal of creating efficiencies. The IT department is currently implementing a disaster recovery plan, an improved backup system, server consolidation via VMware virtual server, and migration to a new municipal software package.

TRENDS

New technology and the Internet are enabling the City to communicate more effectively, efficiently and timely than was possible in the near past. Further development is planned with the goal of keeping citizens informed and up-to-date on City operations. The department will continue to upgrade its servers and desktops to the latest operating systems and will implement several products to help increase the efficiency and quality of work in the upcoming year. Web site enhancements are planned, including the capability to look up the status of account balances, permits, other development review and on-line bill paying.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 304,233	\$ 219,781	38.43%	\$ 389,416
Other Operating Expenditures	393,525	601,876	-34.62%	365,407
Total Expenditures	\$ 697,758	\$ 821,657	-15.08%	\$ 754,823

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Information Technology	3.20	2.00	60.00%	4.00

General Fund - Geographic Information System Department

MISSION STATEMENT

The mission of the City of Frederick GIS Department is to provide an updated and accurate enterprise-wide Geographic Information System service that is utilized by departments, agencies and citizens to improve efficiency and decision processes.

ACTIVITY BACKGROUND

The GIS Department is responsible for the implementation of a fully functional, comprehensive City of Frederick Geographic Information System with all associated hardware, software, and data infrastructure. It is clear that there are numerous ways GIS can provide City of Frederick services more effectively and efficiently. The department is tasked with providing information and analysis to all city departments and staff. It currently maintains around 100 GIS layers and around 100,000 individual features through a variety of software platforms. The GIS department launched the SpiresGIS online mapping system in August 2006 for staff and public use. The department is currently undertaking a project to begin to capture all utility and asset infrastructure. Staff continues to work with Public Works staff to increase efficiencies throughout their daily processes. This data, along with the completed cadastral and planimetric base layers, will improve the overall efficiency and effectiveness of the enterprise GIS.

TRENDS

Since going live the SpiresGIS online mapping site has grown exponentially in popularity. That surge in usage has resulted in an increased demand for similar websites and analysis that provide up to the minute data information to staff and the public. This trend will continue as more people gain access to high speed internet connections, and become increasingly aware of the capabilities of SpiresGIS. Staff is also moving towards adopting a biannual aerial orthophoto update schedule. The State of Maryland is also in the process of adopting a statewide biannual orthophoto update. By partnering with the State, the City can acquire orthophotos at a desired resolution while benefiting from much lower prices due to the economies of scale. These photos are used daily by most City departments and are vital to data analysis. Staff has recently begun benefitting from 3D modeling real world scenarios. These 3D modeling requests will continue to grow as other staff become aware of its benefits. As staff completes mapping of all utilities, Public Works will begin to see the efficiencies gained in mapping all features.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 177,689	\$ 302,494	-41.26%	\$ 289,704
Other Operating Expenditures	51,765	128,940	-59.85%	38,249
Total Expenditures	\$ 229,454	\$ 431,434	-46.82%	\$ 327,953

General Fund - Geographic Information System Department

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
GIS	2.20	3.40	-35.29%	3.40

General Fund - Human Resources Department

MISSION STATEMENT

To promote a service delivery philosophy among City employees, by which employees are empowered to deliver prompt, quality, effective, professional and cost-effective services to citizens and visitors, in order to make The City of Frederick a better place to live, work and visit. To partner with the leadership, managers, supervisors and employees to provide quality HR services across a wide range of HR functions to attract, develop, motivate and retain a diverse workforce within a supportive work environment.

ACTIVITY BACKGROUND

The HR Department supports a diverse workforce of about 535 full-time, and 250 part-time employees, and retirees. Human Resources manages a full range of HR functions, including: recruiting and hiring, new employee orientation, benefits and compensation, employee relations, training and development, performance management, policy & procedure development and communication, and HR compliance.

TRENDS

Our people interact with citizens to serve and protect their needs. They are our most valuable asset. Human Resources plays a critical role in current times by providing new and progressive ways to help the City effectively utilize its human capital. As a strategic business partner, HR plays an important role in fostering a workplace culture which promotes a service delivery philosophy among City employees, encouraging them to seek creative and flexible solutions to problems, to provide sensitive service to residents, to be efficient and results oriented, and to establish partnerships with the community in making The City of Frederick a better place to live, work and visit.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 483,285	\$ 404,612	19.44%	\$ 394,639
Other Operating Expenditures	126,043	131,821	-4.38%	66,016
Total Expenditures	\$ 609,328	\$ 536,433	13.59%	\$ 460,655

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Human Resources	5.00	4.00	25.00%	5.00

General Fund - Occupational Safety and Health Department

MISSION STATEMENT

To develop, organize, coordinate, administer and manage the City's risk management/loss prevention programs to protect the City from exposure to risk that could have adverse consequences to City operations, financial position or community reputation.

ACTIVITY BACKGROUND

The department provides general direction and supervision of the Risk Management staff, overseeing and directing all loss control initiatives, such as: the development, implementation and evaluation of a diverse range of policies and procedures, hazard control and training initiatives, budget preparation and maintenance, as well as Workers Compensation Claims Management, Drug and Alcohol Testing, Fleet Safety and Modified Duty Return to Work. The department also ensures compliance with Federal, State and local occupational safety and health rules and regulations.

The Risk Manager will liaison with all levels of management and labor, providing loss control direction and support. The Risk Manager will additionally interface with insurance representatives/consultants, City contractors, and Federal, State and local officials fostering a positive relationship to achieve the City's goal.

TRENDS

The Occupational Safety and Health Department is dedicated to the Mayor's goal, "To commit all necessary resources to eliminate the causes of workplace accidents, to control employee health hazard exposures and to promote off-the-job safety and health".

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 194,678	\$ 187,805	3.66%	\$ 184,556
Other Operating Expenditures	4,110	11,408	-63.97%	9,283
Total Expenditures	\$ 198,788	\$ 199,213	-0.21%	\$ 193,839

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Safety	2.00	2.00	0.00%	2.00

General Fund - Planning Department

MISSION STATEMENT

To serve the public by promoting the orderly physical development of the City of Frederick; by preserving the unique architectural heritage; by providing sound advice and technical expertise to our elected and appointed officials in understanding community issues and priorities; and by facilitating the involvement of the citizens to shape the City's future.

ACTIVITY BACKGROUND

The Planning Department is responsible for land use planning, zoning administration, development review, historic preservation, as well as other urban development activities. The Department also provides staff support to the Planning Commission, Zoning Board of Appeals, and the Historic District Commission. A major responsibility of the Planning Department is to prepare and maintain the City's Comprehensive Plan. The more short-term or maintenance responsibilities of the Department include preparation of State reports, assessing rezoning petitions, updating the City's land development regulations, and producing neighborhood plans. The Department is also tasked with reviewing proposed subdivisions, site plans and building permit applications to insure compliance with The City's Comprehensive Plan, Land Management Code, and other local regulations.

TRENDS

With Frederick County continuing to express concern over growth in the County and proposing additional restrictions on residential development, and with the City of Frederick's proposed annexations, there is increased interest in infill development, particularly in the downtown. This has placed additional demands on the existing staff to meet the needs of the development community wanting to reinvest in the downtown, while still preserving the historic character of the Fredericktown Historic District. Finally, the Planning Department maintains a limited neighborhood planning effort to address the problems that residents experience daily. However, without further provision of planning resources, neighborhood planning services can only be provided on a very limited basis.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 989,168	\$ 1,039,800	-4.87%	\$ 1,025,264
Other Operating Expenditures	86,034	69,002	24.68%	56,990
Total Expenditures	\$ 1,075,202	\$ 1,108,802	-3.03%	\$ 1,082,254

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Planning	10.60	11.50	-7.83%	12.50

General Fund - Code Enforcement Department

MISSION STATEMENT

To promote and maintain a safe and desirable living and working environment through a proactive effort in the enforcement of laws, regulations and ordinances that help to improve the quality of life for all its citizens.

ACTIVITY BACKGROUND

The Code Enforcement Department is responsible for addressing violations of the City's zoning, land development, building code, property management and rental housing regulations. Code Enforcement assists property owners in achieving compliance with the regulations by coordinating the provisions of City services and offering remedial alternatives.

TRENDS

Addressing neighborhood quality of life issues has become one of the City's top priorities. As the City grows, zoning violations and deteriorated properties have increased. With neighborhoods becoming more organized and wanting community concerns addressed, additional staff and other resources have been allocated to insure the preservation of property values, the elimination of land use conflicts, and the abatement of local nuisances.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 495,368	\$ 610,676	-18.88%	\$ 571,173
Other Operating Expenditures	29,683	29,253	1.47%	31,064
Total Expenditures	\$ 525,051	\$ 639,929	-17.95%	\$ 602,237

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Code Enforcement	6.00	8.00	-25.00%	8.00

General Fund - Facility Maintenance Department

MISSION STATEMENT

To maximize the use of City facilities through preventative maintenance, timely repair and appropriate modification.

ACTIVITY BACKGROUND

This Department provides for the new construction, renovation, and repair of all City facilities, including the park system. This allows the City to execute a wide array of construction, fabrication, and repair projects in a timely and cost-efficient manner. The Department includes a diverse group of highly skilled tradesmen who are becoming increasingly cross-trained to allow for better job planning and scheduling. The City continues to use this group for important projects whose success depends on concise scheduling and prompt deadlines. The Department also handles graffiti removal and office relocation.

TRENDS

Most City facilities are older structures, which affects both the frequency and types of repairs needed. This Department has become more involved in coordinating and affecting extensive renovations to parkland which involves the integration of nonprofit groups, contractors, and other City departments. Other City departments will continue to rely on this group to bring in quality construction and renovation projects at very reasonable rates.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 816,964	\$ 801,845	1.89%	\$ 721,355
Other Operating Expenditures	37,806	40,242	-6.05%	42,500
Total Expenditures	\$ 854,770	\$ 842,087	1.51%	\$ 763,855

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Facilities Maintenance	10.20	10.20	0.00%	10.20

General Fund - Asset Management Department

MISSION STATEMENT

To acquire, maintain, manage and sell all City properties, as necessary, with the goal of providing adequate office space in support of the provision of services to the citizens of Frederick, and the goal of supporting City projects with respect to land-related issues.

ACTIVITY BACKGROUND

Facilities Administration is responsible for the asset management of all City owned or operated buildings. This includes the coordination and oversight of planning, estimating, and directing activities associated with maintenance, renovation, and new construction for City properties. Also included are operating budgets for City Hall and the Municipal Annex. The unit reviews plans and specifications to ensure continuity of development for new construction and renovation of City owned properties; coordinates the maintenance or replacement of facilities systems utilizing City Staff or Contract Services; participates in the functions involving lease preparation, proposals, and negotiations; manages the acquisition and disposition of City owned property; represents the City on specific project development issues affecting City owned properties; serves as designated ADA Coordinator for City. Finally, the Facility Administrator represents the City with County, State, and Federal governmental agencies.

TRENDS

Facility Administration will continue its evaluation of outsourcing services and a preventative maintenance program in order to reduce fixed costs. Utilities will remain the same with fixed contracts in place. There is a potential for long term increases in some utility cost due to increasing rates fueled by the increase in oil prices. We may also experience additional expenses at the Municipal Annex due to the facility exiting from its initial warranty period.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 143,331	\$ 146,741	-2.32%	\$ 206,136
Other Operating Expenditures	362,405	419,713	-13.65%	432,126
Total Expenditures	\$ 505,736	\$ 566,454	-10.72%	\$ 638,262

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Asset Management	1.61	1.61	0.00%	2.61

General Fund - Asset Management Department

Budget Summary- Municipal Annex

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Other Operating Expenditures	\$ 392,239	\$ 424,790	-7.66%	\$ 396,328
Total Expenditures	\$ 392,239	\$ 424,790	-7.66%	\$ 396,328

General Fund - Community Promotions

MISSION STATEMENT

To promote community activities that are consistent with the mission and goals of the City of Frederick.

ACTIVITY BACKGROUND

The Community Promotions Department contains all sponsorships being provided by the City to other independent organizations. The City is supporting the Delaplaine Visual Arts Center in the amount of \$50,000 and the Neighborhood Advisory Councils in the amount of \$12,000.

The department also funds the City-owned Carillon in Baker Park, and the Carrillonneur.

TRENDS

The City has continued to be supportive of many and varied community promotion efforts, particularly for services that the City might theoretically provide, but currently does not. Emphasis is placed on the number of City citizens served.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Other Operating Expenditures	\$ 57,799	\$ 70,324	-17.81%	\$ 398,170
Total Expenditures	\$ 57,799	\$ 70,324	-17.81%	\$ 398,170

General Fund - Office Of Special Events

MISSION STATEMENT

In partnership with Celebrate Frederick, Inc., a dynamic non-profit organization comprised of volunteers and the corporate community, to provide free or low cost, diverse events that offer the community a shared cultural experience.

ACTIVITY BACKGROUND

The Office of Special Events works in conjunction with Celebrate Frederick, Inc. to produce fifteen “city sanctioned” events annually. These events, administered by OSE, bring over 250,000 people into the City each year. A contract between Celebrate Frederick and the City outlines the relationship with OSE. OSE strives to follow the trends of the day to make the events grow and become more culturally and economically diverse. A majority of the events remain FREE to the public enabling all facets of the community to enjoy each program. The partnership between The City of Frederick, Celebrate Frederick, the event volunteers and the generosity of the business community enables the Frederick community to enjoy a quality of life that is unmatched by any other city.

TRENDS

Many of the events planned have longevity of over 25 years including Frederick’s 4th – An Independence Day Celebration, the Summer Concert Series and In The Street. The Office continues to focus on growing the events and adding new programs, like Pangaea Frederick-A Festival Celebrating our Heritage, which celebrates the growing and diverse population of Frederick. OSE receives grants from the Tourism Council of Frederick County and the Frederick Arts Council to support program development and advertising. The Office continues to build partnerships with other organizations in the community who share a similar mission. OSE raises annual corporate sponsorships to fund the events. OSE is represented on the Downtown Frederick Partnership promotion committee, Tourism Marketing committee, and has worked with Economic Development on community related projects. In addition, OSE will also offer logistical advice to city departments and others for event coordination.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 267,424	\$ 249,568	7.15%	\$ 242,729
Other Operating Expenditures	12,796	31,620	-59.53%	23,139
Total Expenditures	\$ 280,220	\$ 281,188	-0.34%	\$ 265,868

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Office of Special Events	3.00	3.00	0.00%	3.00

General Fund - Police Department

MISSION STATEMENT

To provide professional police services in partnership with our community.

ACTIVITY BACKGROUND

The Frederick Police Department is a progressive, innovative, and community oriented agency committed to ensuring Frederick City's exceptional quality of life. Our employees are driven to ensuring customer satisfaction and providing professional police service in partnership with our community. We believe that our commitment to provide enlightened, effective, and sophisticated police services, while maximizing the intelligent and innovative use of technology, makes Frederick a unique and wonderful place where all residents thrive. Our residents enjoy the close-knit feeling of community and our officers are an integral part of their lives as well as activities of Frederick. Frederick Police Officers are highly trained and motivated and have the highest respect for all residents. They never tolerate the taking of one's dignity and realize that the police exist to serve the public as police power derives from the people. We expect excellence, responsiveness, and respect in all we do. We believe that policing is the epitome of public service.

The Frederick Police Department is a full service, nationally accredited police agency providing police services to the more than 65,000 residents of Frederick as well as hundreds of thousands of yearly visitors. With a total FY12 budgeted strength of 145 sworn officers and 43.8 full-time civilians, the agency provides an array of multi-faceted police services through multiple divisions within the agency in an effort to keep our quality of life high and effectively prevent and combat crime.

TRENDS

- There is a continued increase in citizens' requests for police services in the form of calls for service and demands for special event coverage.
- The City of Frederick continues to grow with the pending 2009 annexation requests approaching 700 acres, adding to the corporate limits and area of responsibility. Now that the moratorium on additional annexations has been lifted, additional requests are expected.
- The Frederick Police Department continues to affect approximately 50% of all arrests occurring in Frederick County. (According to the FCSO Central Booking Statistics)
- The Department is engaging in a multi-faceted approach to combat gangs, which essentially utilizes each division in the agency.

General Fund - Police Department

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 23,367,495	\$ 23,368,372	0.00%	\$ 21,085,656
Other Operating Expenditures	2,450,328	2,617,791	-6.40%	2,706,358
Total Expenditures	\$ 5,817,823	\$ 25,986,163	-0.65%	\$ 23,792,014

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Police	179.57	188.80	-4.89%	192.70

General Fund - Building Department

MISSION STATEMENT

To serve the Community by ensuring that the health, safety and welfare of the citizens are addressed through its responsibilities in the administration and enforcement of all adopted building, life safety and construction codes of The City of Frederick. In its commitment to excellence in community growth and development, the Building Department will strive to afford an efficient and responsive environment by providing consistent, organized and courteous service to the public.

ACTIVITY BACKGROUND

The Building Department provides permitting, building and fire plan review and inspection services to citizens, developers, and builders ensuring compliance with all applicable codes and regulations as they relate to the construction industry

TRENDS

The Building Department strives to provide licensing, permitting and inspection services in a timely, professional manner. By keeping abreast of advances in technology, the training of personnel, and providing sufficient support to address demand, the Department will be able to effectively and efficiently maintain the desired level of services for our community.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 914,743	\$ 919,326	-0.50%	\$ 1,034,851
Other Operating Expenditures	52,190	56,515	-7.65%	\$ 42,834
Total Expenditures	\$ 966,933	\$ 975,841	-0.91%	\$ 1,077,685

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Building Inspection	8.40	8.40	0.00%	10.40

**General Fund - Building Department
Electrical Division**

MISSION STATEMENT

To serve the Community by ensuring that the health, safety and welfare of the citizens are addressed through its responsibilities in the administration and enforcement of all adopted building, life safety and construction codes of The City of Frederick. In its commitment to excellence in community growth and development, the Building Department will strive to afford an efficient and responsive environment by providing consistent, organized and courteous service to the public.

ACTIVITY BACKGROUND

The Electrical Division provides licensing, permitting and inspection services to the community to ensure compliance with adopted electrical codes.

TRENDS

The Electrical Division strives to provide licensing, permitting and inspection services in a timely, professional manner. By keeping abreast of advances in technology, the training of personnel, and providing sufficient support to address demand, the department will be able to effectively and efficiently maintain the desired level of services for our community.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 288,503	\$ 259,620	11.13%	\$ 260,648
Other Operating Expenditures	11,674	11,715	-0.35%	\$ 8,651
Total Expenditures	\$ 300,177	\$ 271,335	10.63%	\$ 269,299

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Electrical Inspection	2.80	2.80	0.00%	2.80

General Fund – DPW Projects

MISSION STATEMENT

To ensure the health, safety, mobility and welfare of the citizens of The City of Frederick through the administration and enforcement of adopted construction ordinances and codes and other pertinent regulations, and to offer an efficient and responsive environment by providing consistent, organized and courteous construction inspection and project management services to the public.

ACTIVITY BACKGROUND

The DPW Projects Division provides contract inspection services for Capital Improvement Program (CIP) Projects and development inspection services for both on-site construction and work performed within the City’s rights-of-way. Inspection services include quality control of construction practices, forestation inspections, contract time and budget oversight.

TRENDS

City expansion has created an increased demand for contract and development inspection, so much so that this department has been reorganized, renamed DPW Projects Department and now reports directly to the Deputy Director of Public Works-Operations. The cost of running the department will increase as payroll and operating expenses rise. By keeping abreast of advances in technology, training of personnel, and providing sufficient support to address an ever-increasing demand, the department will be able to effectively and efficiently maintain the growing needs of our community and its citizens.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 418,883	\$ 503,812	-16.86%	\$ 450,905
Other Operating Expenditures	20,168	32,072	-37.12%	24,483
Total Expenditures	\$ 439,051	\$ 535,884	-18.07%	\$ 475,388

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
DPW Projects	3.88	4.88	-20.49%	6.10

MISSION STATEMENT

To safely manage highly skilled employees to provide and maintain essential services/facilities (water, sewer, storm, street, parks, and sanitation) for the City of Frederick residents, businesses and visitors.

ACTIVITY BACKGROUND

The General Administration Department of Public Works Operations provides overall management and planning support for the 19 separate budgetary departments. General Administration establishes policies, procedures and programs that reflect regulating laws, as well as the goals and objectives of the City's Operations.

In addition, the General Administration's Operations Support team provides administrative support for the Assistant Deputy Director, the Deputy Director and all DPW Operations Departments including: Water Treatment, Water Quality, Water Distribution, Sewer Collection, Inflow and Infiltration, Storm Water Management, Wastewater Treatment, Water and Sewer Facility Maintenance, Waste Collection and Disposal, Building and Maintenance, Street Maintenance, all Snow related operations, Street Sweeping, Vehicle and Equipment Maintenance, Street Light and Traffic Control, Traffic Lines (Paint & Sign), Safety and Loss Control, and General Administration. We provide oversight of the DPW buildings and compound (security cameras, building maintenance and repair cost oversight, training room and conference room scheduling, etc.).

TRENDS

The operation of the Department of Public Works for Operations will face many challenges in the upcoming years as a result of 1) city growth, 2) increased federal, state and local regulations, 3) cost of labor, 4) increased internal demands, 5) an aging vehicle and equipment fleet, and 6) economic issues. The City is still growing which directly increases our workload – providing citizen services, infrastructure growth, maintenance and repairs, etc. We have been able to offset this increased workload with improved equipment and processes. However, additional manpower is going to be an inevitable necessity. Regulatory agencies that influence our efforts continue to impose new requirements (i.e. unfunded mandates), which impact our ability to perform our duties with the current level of resources. Some examples are the Safe Drinking Water Act, the Storm Water NPDES Phase II Discharge Permit Program, OSHA regulations, updates to the Uniform Manual of Traffic Control Devices, and the Enhanced Nutrient Removal Program for Wastewater Treatment Processing.

General Fund - Public Works General Administration

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 845,847	\$ 837,846	0.95%	\$ 809,443
Other Operating Expenditures	331,137	402,486	-17.73%	\$ 342,722
Total Expenditures	\$ 1,176,984	\$ 1,240,332	-5.11%	\$ 1,152,165

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Public Works General Administration	11.21	15.36	-27.02%	14.56

General Fund - Maintenance Shop

MISSION STATEMENT

To support the provision of services to City citizens by keeping the City fleet and equipment in a safe and operable condition.

ACTIVITY BACKGROUND

The Vehicle and Equipment Maintenance Department provides maintenance and repair services for vehicles (e.g., cars, light, medium, and heavy-duty trucks), large equipment (e.g., heavy equipment, trailer-mounted equipment), small equipment (e.g., tractors, mowers, trimmers, chain saws and other misc. small equipment) and ancillary equipment (e.g., generators). The City fleet has grown to 525 vehicles and pieces of equipment to include high priority public-safety-critical police cruisers, refuse equipment, as well as critical city infrastructure maintenance vehicles and units. The department provides additional services such as safety and D.O.T. inspections, snow removal equipment readiness and repair support, CDL Driver Training, and the car wash facility and maintenance.

TRENDS

The workload of this department continues to grow, both in quantity and complexity. This is due to several factors: 1) an ever-increasing fleet of vehicles and equipment, 2) increased longevity of fleet assets, and 3) more complex vehicle and equipment subsystems such as Electronic Engine, Transmissions, Body and Climate Controls, Anti-Lock Brakes / Traction Controls, and Hybrid Vehicles. Historically, this department has resisted the outsourcing of repairs in order to limit downtime and control overall costs. This could change in the future because it is not cost effective for the City to purchase every piece of diagnostic equipment as well as train staff on every vehicle / system for all manufacturers. With the addition of automated refuse equipment and the high maintenance relationship, it will become necessary to hire additional staff for this task. This department also provides welding and metal fabrication for many departments. This service provides considerable savings for the City. With the increased number of projects throughout the City as well as size, time and logistical factors, it is becoming necessary to consider expansion in this area in the future as well.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 918,743	\$ 898,507	2.25%	\$ 837,320
Other Operating Expenditures	96,484	105,822	-8.82%	98,367
Total Expenditures	\$ 1,015,227	\$ 1,004,329	1.09%	\$ 935,687

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Maintenance Shop	10.00	10.00	0.00%	10.00

General Fund - Engineering Department

MISSION STATEMENT

To provide engineering and surveying expertise for the protection of the public health, safety, and welfare. Services include engineering and surveying oversight, property research, mapping, development review, utility planning, transportation planning, design and management of capital projects, permitting, and coordination with other local, State and Federal agencies. The Department is dedicated to providing superior customer service in a professional and efficient manner.

ACTIVITY BACKGROUND

The Engineering Department provides engineering review of all proposed public improvements and is responsible for planning, design and direction of capital projects such as roads, bridges, water, drainage and sewerage systems. For design projects not performed in-house, the department also procures necessary consulting services for design and analysis of these projects. In addition, the Engineering Department is responsible for City surveying, traffic engineering, engineering pertaining to land development and infrastructure planning, water allocation and floodplain management. The Engineering Department maintains approximately 25,000 drawings of improvement plans, site plans, plats of subdivision, street maps as well as maps of all sewer and water line locations. The department serves as caretaker of all development and construction documents pertaining to the infrastructure of the City.

TRENDS

The Engineering Department will continue to provide the various services of the department in a timely, professional manner and to utilize available technology to improve communication and access to the department's resources.

The department consists of five divisions: Surveying and Mapping, Land Development, Utilities Planning, Traffic Engineering and Building. The department continues to take on additional capital projects, specifically dealing with roadway improvements. These include projects to increase capacity of existing roads, construction of new roads and improvements to failing intersections. These projects focus on relieving congestion and increasing public safety. Some projects of focus include Monocacy Boulevard Central Section, Riverside Center Park Improvements, a parking lot at the Deck 6 property and extension of the Baker Park Shared Use Path. The department will focus on ensuring that public and private development projects provide adequate infrastructure.

General Fund - Engineering Department

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 1,223,452	\$ 1,337,422	-8.52%	\$ 1,172,322
Other Operating Expenditures	83,376	93,363	-10.70%	109,375
Total Expenditures	\$ 1,306,828	\$ 1,430,785	-8.66%	\$ 1,281,697

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Engineering	12.40	14.00	-11.43%	14.00

General Fund - Waste Collection and Disposal Department

MISSION STATEMENT

To remove and dispose of all solid waste in the City, according to City Policy, in support of the health, safety and welfare of the citizens of Frederick.

ACTIVITY BACKGROUND

The Sanitation Department provides solid waste services to an estimated 18,000 residences, businesses, and institutions. The City offers semi-weekly service, which requires the department to operate on a six-day-a-week schedule. Collection operations take place in the early morning hours to achieve the greatest efficiencies and minimize safety hazards. Commercial customers receive twice-weekly collection services except for the core of the downtown commercial area where the City provides six-day-a-week collection services to approximately 460 commercial and governmental customers. In May of 2006, the City implemented a Yard Waste Collection Program in response to a new Frederick County ordinance banning yard waste from the refuse disposal area of the County landfill. All waste is taken to the Frederick County Landfill where the City maintains a disposal contract.

TRENDS

The City's automated trash collection program for single family homes was deemed successful by the Board of Aldermen and has expanded to 9600 homes. Automated trash collection is a technologically advanced system of refuse collection that allows one person to safely and efficiently collect curbside refuse. The system is called "automated" because a special truck, equipped with a mechanical arm, automatically lifts and empties the trash container without the driver leaving the cab of the truck.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 1,749,629	\$ 1,702,281	2.78%	\$ 1,638,142
Other Operating Expenditures	1,782,324	2,098,385	-15.06%	1,788,921
Total Expenditures	\$ 3,531,953	\$ 3,800,666	-7.07%	\$ 3,427,063

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Waste Collection	23.34	23.29	0.21%	23.25

General Fund - Street Maintenance Department

MISSION STATEMENT

To ensure safety and efficient flow of vehicular and pedestrian traffic through the maintenance of all City-owned streets, alleys, bikeways and sidewalks.

ACTIVITY BACKGROUND

The Street Maintenance Department is responsible for the maintenance of all of the City-owned streets and alleys, including the concrete curb and gutter. This work includes full depth and skin patching, crack sealing, asphalt grinding, and pothole patching. This department also is responsible for special bulk trash collection and the annual leaf collection. General grading, excavation and construction support are also a part of this department.

TRENDS

The City of Frederick has an estimated 250 miles of roads. The average city street should have the cracks sealed at year 10 and 15. At years 20 - 30 the road should be resurfaced. Current level of funding is not adequate to properly maintain the roads to the current condition level. Long term State Highway User Revenue funding has been cut drastically in recent years due to the State budget crisis. In the future, we will need to increase the level of funding, staffing and road reconstruction projects since a backlog has been developing.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 1,305,364	\$ 1,304,196	0.09%	\$ 1,192,544
Other Operating Expenditures	704,244	638,223	10.34%	487,209
Total Expenditures	\$ 2,009,608	\$ 1,942,419	3.46%	\$ 1,679,753

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Street Maintenance	12.64	13.66	-7.47%	13.66

General Fund - Snow Removal Department

MISSION STATEMENT

To maximize the safety of the City's roads by promptly removing snowfall and ice.

ACTIVITY BACKGROUND

The Snow Removal Department is responsible for the removal of snow and ice from the City streets and alleys, City-owned sidewalks, parking lots and parking decks, the parks and the Frederick Municipal Airport.

This department has no full time employees or vehicles and equipment assigned to it, but relies on the use of employees from all City departments, and vehicles and equipment from all DPW departments. This work is performed with the use of deicing chemicals and skid preventing abrasives, and snowplows mounted to dump trucks, loaders, pickup trucks, and Jeeps, as well as walk-behind snow blowers and spreaders for sidewalks and paths.

TRENDS

With the construction of new subdivisions, with cul-de-sacs and alleys, more small trucks are being used for plowing, because the larger dump trucks cannot maneuver efficiently through these areas.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Other Operating Expenditures	\$ 243,047	\$ 358,553	-32.21%	\$ 1,039,699
Total Expenditures	\$ 243,047	\$ 358,553	-32.21%	\$ 1,039,699

General Fund - Street Lights and Traffic Signals

MISSION STATEMENT

To help provide public safety for both vehicular and pedestrian traffic within the City of Frederick by maintaining the streetlights and traffic signals. To ensure safe and effective electrical and HVAC climate control services in City owned facilities.

ACTIVITY BACKGROUND

Street Light & Traffic Control maintains approximately 9,000 street lights and approximately 71 signalized intersections. This department also maintains all electrical and HVAC needs for approximately 40 city-owned facilities. Plan review and electrical inspections for contractor installed streetlights and traffic lights are performed by department electricians. Street Light and Traffic Control also handled over 5800 Miss Utility requests for locates.

TRENDS

The City will continue initiatives to upgrade traffic controls and traffic signals and will also continue to upgrade streetlights to more reliable and energy efficient technology.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 1,187,742	\$ 1,119,026	6.14%	\$ 1,067,681
Other Operating Expenditures	1,012,586	1,348,914	-24.93%	1,135,545
Total Expenditures	\$ 2,200,328	\$ 2,467,940	-10.84%	\$ 2,203,226

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Street Lights and Signals	14.20	13.90	2.16%	13.90

General Fund - Traffic Lines

MISSION STATEMENT

To help provide public safety for both vehicular and pedestrian traffic within the City of Frederick by maintaining the roadway signs and pavement markings

ACTIVITY BACKGROUND

The Paint and Sign Department maintains all of the signs in the City of Frederick. There are approximately 30,000 signs, of many different types. The Department installs and maintains all traffic control pavement markings, including traffic arrows, yellow curbs, centerlines, lane lines, edge lines and parking stalls, using traffic paint and thermoplastic materials. This Department also installs all meter posts in the City parking decks.

TRENDS

There is a change to The U.S. Department of Transportation, Federal Highway Administration guidelines and standards that will directly impact the material cost to the City of Frederick. The Department is requesting no additional dollars for the FY12 budget but anticipate a significant increase the future.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 433,075	\$ 419,711	3.18%	\$ 385,584
Other Operating Expenditures	202,514	190,372	6.38%	121,962
Total Expenditures	\$ 635,589	\$ 610,083	4.18%	\$ 507,546

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Traffic Lines	5.43	6.48	-16.20%	6.48

General Fund - Parks Department

MISSION STATEMENT

To provide maintenance and beautification of parks, city owned facility grounds and roadsides, as well as tree trimming, in support of the excellent quality of life of the City of Frederick.

ACTIVITY BACKGROUND

The Parks Division is responsible for the “Green Industry” operations of the City and special event support. The Department maintains the parks, roadsides, and park facilities and are responsible for managing the landscaping, trees, benches, trash, sidewalks, bathrooms, pavilions, tables, playgrounds, sports fields, fencing, vandalism repair, construction, creeks, ponds and waterways. The current management scope is in excess of 65 different maintenance areas with more than 948 acres of grounds, 30 miles of roadsides and 7,500 street trees. The City works with professional, civic, and community groups in the improvement of these areas. Frederick has been a Tree City USA for over 25 years and a Maryland PLANT Community for the last 19 years. The City has been a recipient of the Growth Award five times. This division also helps with the setup and clean up efforts of the City’s special events and assists with leaf cleanup, bulk cleanup, and snow removal. Currently, the division’s initiatives are to support an increasing number of parks and special events, completion of CIP park projects, and to improve landscaping at City facilities while restructuring maintenance where possible.

TRENDS

In the last several years, the demand for increasing the quality of maintenance of all park and facility areas throughout the United States is on the increase. Not only do people want and need open areas for sports activities, the same is to be said for the passive areas as well. There is an increase of expectations for these areas to be highly maintained. Additionally, the need for a reduction of response time to internal and external customers is being addressed. Another issue on the rise is trash removal in the Parks. Staff is being rescheduled to cover up to 7 days a week in the busiest seasons in order to keep up with the increasing needs of the residents. Due to budgetary constraints, several services are being streamlined in order to accommodate these increased needs and the time between routine maintenance will increase in lower priority areas.

General Fund - Parks Department

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 2,232,717	\$ 2,199,907	1.49%	\$ 2,221,384
Other Operating Expenditures	628,708	872,942	-27.98%	735,610
Total Expenditures	\$ 2,861,425	\$ 3,072,849	-6.88%	\$ 2,956,994

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Parks	25.25	28.25	-10.62%	30.05

General Fund - Recreation Department

MISSION STATEMENT

To provide quality recreational activities and special events to all Frederick City citizens. By doing so, utilizing and safely maintaining parks, swimming pools, sports facilities and golf course for public use and benefit.

ACTIVITY BACKGROUND

The Recreation Department's programs include: sports leagues, sport instruction, fitness, dance, self-defense and crafts. The department also provides and schedules public activities in the City park system, Board of Education facilities and sports complexes.

TRENDS

As the City continues to grow, the Recreation Department continues to offer programs and services for all of the City's residents. There is a continuous need for more parks, ball fields, and gymnasiums for organized programs and leagues for both youth and adults.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 939,094	\$ 932,885	0.67%	\$ 843,598
Other Operating Expenditures	321,263	379,367	-15.32%	308,674
Total Expenditures	\$ 1,260,357	\$ 1,312,252	-3.95%	\$ 1,152,272

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Recreation	17.57	18.96	-7.33%	19.58

General Fund - Summer Playground Department

MISSION STATEMENT

To provide daytime recreational alternatives during summer for the citizens of Frederick.

ACTIVITY BACKGROUND

Currently the department offers the Summer Playground Program at two locations for an eight week program for children ages 6 – 14. Two day camps are offered for children ages 6 – 12 at Whittier and Talley. The Whittier Camp runs for four two-week sessions and the Talley Camp has four two-week sessions and one nine-week session. Both have extended care options. There is a pre-school program for children ages 4 & 5 called the Angels in the Park that runs with four two-week sessions, with full or half day options, and extended care. The Department also currently runs four sports clinics for youth ages 6 – 17.

TRENDS

With more working parents there is a larger demand for extended care during summer months for youth. The City’s day camp program continues to grow for that reason. These programs operate with longer hours and are open rain or shine.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 96,828	\$ 95,427	1.47%	\$ 103,142
Other Operating Expenditures	17,374	17,474	-0.57%	26,670
Total Expenditures	\$ 114,202	\$ 112,901	1.15%	\$ 129,812

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Summer Playground	2.18	1.72	26.74%	2.84

General Fund - Swimming Pools

MISSION STATEMENT

To provide water related recreational opportunities to the citizens of Frederick.

ACTIVITY BACKGROUND

This division of the Recreation Department manages the 2 municipal swimming pools - the Diggs Pool in Mullinix Park and the Thomas Pool in Baker Park. Both are outdoor facilities that are open to the public from Memorial Day weekend to Labor Day. Swimming instruction and concessions are both available during the summer.

TRENDS

Based on the National Parks and Recreation Association standards, it is recommended that there be 1 pool for every 10,000 population. Frederick's population is 60,000 and will be building an additional indoor aquatic facility on the west side of the city where there is a large youth population. Renovations at both the Thomas and Diggs pools have expanded the water recreation opportunities for the community. Both pools now offer a wide variety of water play activities.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 73,762	\$ 73,272	0.67%	\$ 73,543
Other Operating Expenditures	197,391	198,459	-0.54%	201,485
Total Expenditures	\$ 271,153	\$ 271,731	-0.21%	\$ 275,028

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Swimming Pools	2.18	2.24	-2.68%	2.20

General Fund - Economic Development

MISSION STATEMENT

To increase economic opportunity for the citizens of Frederick through job creation, revitalization and reinvestment.

ACTIVITY BACKGROUND

Job Creation – Retention, Expansion, and Recruitment – The Department of Economic Development works to retain and expand the 3,500 businesses and 49,000 jobs in the City and recruit new businesses. The Department promotes Frederick using the “Great American Business Destination” and “Be a Major Element in Frederick” marketing programs and fosters entrepreneurship through partnerships with FITCI, TEDCO, Chamber, and OED. Staff attend trade shows, conferences, and other economic development events to promote Frederick. The Department advocates for infrastructure development including roads, water, sewer and broadband. The DED is focused on downtown revitalization (Carroll Creek Park, Main Street Program, Arts and Entertainment District, Brownfields Development, Infill Development), partnering with Downtown Frederick Partnership and Tourism Council of Frederick County . Additionally, the staff is focused on corridor revitalization including the Golden Mile Revitalization District, East Street, Thomas Johnson Drive, Route 15.

TRENDS

The City of Frederick is one of the largest cities in Maryland. Frederick County has been one of the leading job creation centers in the State and much of that growth continues to occur in the City. The City has experienced high demand for commercial development at businesses like BPSolar, MedImmune, Wells Fargo Home Mortgage, Charles River Labs, and Fort Detrick. Residential and commercial growth places increasing pressure on infrastructure, including roads, water and county schools. Forty percent of the City’s population commutes to jobs in Montgomery County, Baltimore and Northern Virginia. DED works hand-in-hand with the Frederick County Office of Economic Development to recruit and retain jobs for our citizens, thereby increasing quality of life while decreasing vehicle trips and distance traveled to work. As a historic city, Frederick has many aging neighborhoods and commercial districts that need special attention. As the City grows, the diversity of its population increases, leading to an increased need for specialized services and businesses.

General Fund - Economic Development

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 292,641	\$ 281,031	4.13%	\$ 279,203
Other Operating Expenditures	97,251	193,604	-49.77%	291,090
Total Expenditures	\$ 389,892	\$ 474,635	-17.85%	\$ 570,293

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Economic Development	3.00	3.00	0.00%	3.00

General Fund - Frederick Community Action Agency

MISSION STATEMENT

To operate programs and services that ameliorates the causes and effects of poverty in Frederick County, Maryland.

ACTIVITY BACKGROUND

Through a wide array of programs and services, the Frederick Community Action Agency (FCAA) provides food, shelter, medical care, housing, transportation and other forms of assistance to help families and individuals that are low-income or homeless. Started in 1968, the Frederick Community Action Agency is sponsored by the City of Frederick and the Friends for Neighborhood Progress, Inc. with support from the United Way of Frederick County. At present, the FCAA operates twenty (20) different programs and services that range from a soup kitchen to a primary health care clinic. The FCAA is the federally designated Community Action Agency for all of Frederick County and provides services on a countywide basis. The major programs and services operated by the FCAA can be categorized into seven (7) broad program areas: Food and Nutrition Programs; Outreach and Transportation Programs; Health Care Programs; Homeless Service Programs; Case Management and Housing Counseling Programs; Weatherization and Housing Assistance Programs; and Youth Programs through a partnership with the Boys & Girls Club of Frederick County.

TRENDS

Programs and services offered by the FCAA continue to grow, especially in the following key areas of service: primary health care programs and the expansion of the medical clinic; housing counseling programs including default/foreclosure counseling and homebuyer education; a “green jobs” training program for unemployed workers; and home weatherization services – a major expansion of the national weatherization assistance network is being funded through the American Recovery and Reinvestment Act of 2009.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 2,147,031	\$ 2,249,478	-4.55%	\$ 2,076,809
Other Operating Expenditures	749,314	1,104,689	-32.17%	1,133,909
Total Expenditures	\$ 2,896,345	\$ 3,354,167	-13.65%	\$ 3,210,718

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
FCAA	39.96	43.81	-8.79%	46.04

Water and Sewer Fund

The Water and Sewer fund is an enterprise fund used to account for the activity associated with the operation of the City's water and sewer system. The fund's primary source of revenue is user charges from water and sewer customers. Water and Sewer rates are set each year by the Mayor and Board of Aldermen, with the goal of covering the costs of providing water and sewer services to existing customers. A 10% rate increase is included in the proposed budget.

Revenues

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Licenses and permits	\$ 162,600	\$ 151,050	7.65%	\$ 167,303
Charges for services	22,323,448	18,863,220	18.34%	15,882,098
Fines and forfeitures	20,500	11,400	79.82%	24,564
Other financing sources	2,550,000	956,622	166.56%	5,201,527
Miscellaneous	7,000	44,700	-84.34%	87,923
Fund balance	29,965	5,000,000	-99.40%	-
Total Revenues	\$ 25,093,513	\$ 25,026,992	0.27%	\$ 21,363,415

Expenditures by Department

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Finance	\$ 266,644	\$ 270,135	-1.29%	\$ 291,538
Plumbing Inspection	295,362	266,479	10.84%	324,751
Water Services	2,322,767	2,319,606	0.14%	3,397,437
Water Quality	376,499	348,434	8.05%	356,784
Water Treatment	5,539,883	5,110,290	8.41%	3,995,517
Wastewater Treatment Plant	3,398,526	3,768,657	-9.82%	4,568,827
Sewer Maintenance	747,805	688,241	8.65%	1,353,729
Inflow and Infiltration	357,217	392,716	-9.04%	405,541
Plant Maintenance	1,010,823	1,038,798	-2.69%	1,117,040
Debt Service	8,927,987	8,973,636	-0.51%	2,685,888
Interfund Transfers	1,650,000	1,650,000	0.00%	1,643,783
Contingency	200,000	200,000	0.00%	-
Total Expenditures	\$ 25,093,513	\$ 25,026,992	0.27%	\$ 20,140,835

Water and Sewer Fund

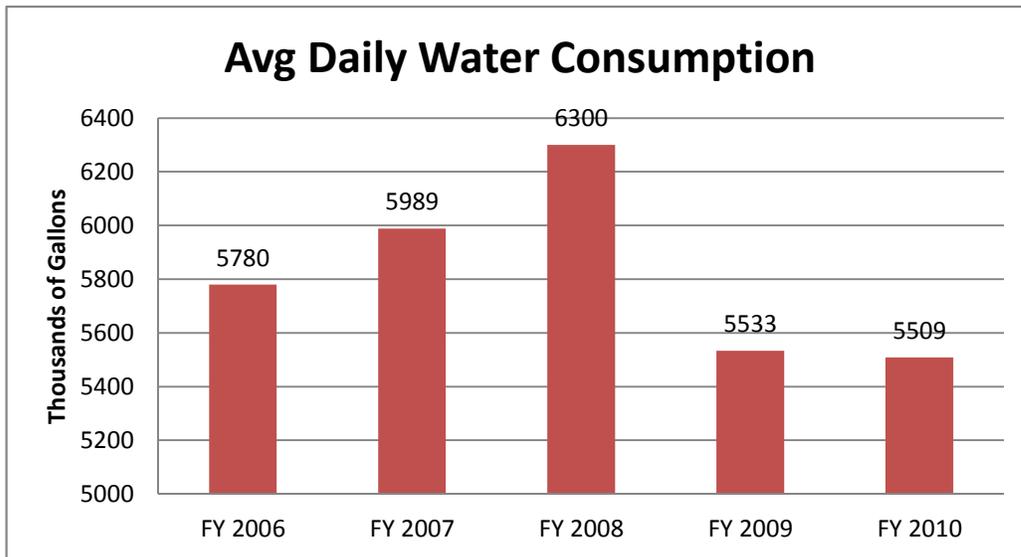
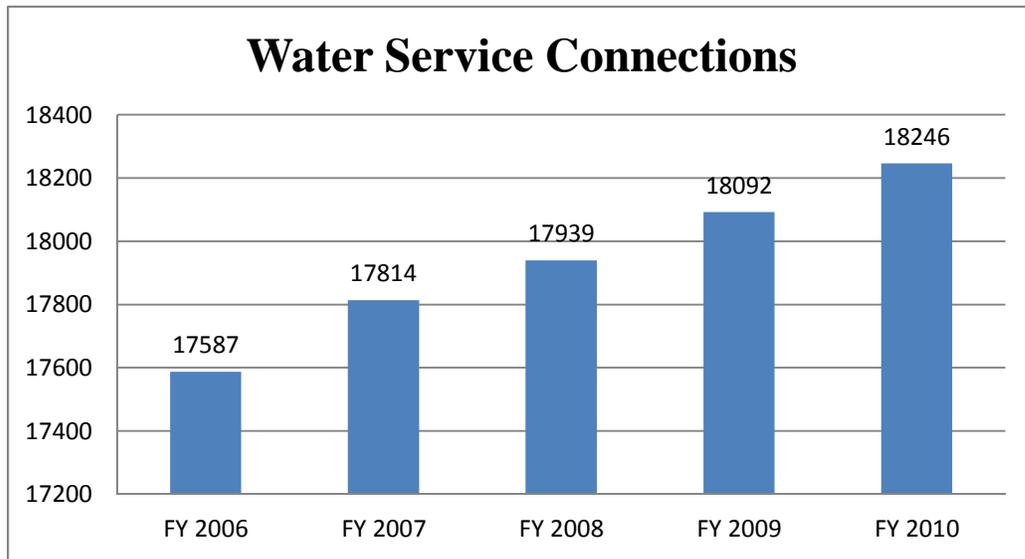
Water & Sewer Rate Comparison
Quarterly Rates

Tier		FY 2012 Rates	FY 2011 Rates	% Increase
<6000		\$ 3.01	\$ 2.74	10%
6001-16000		4.37	3.97	10%
16001-24000		4.62	4.20	10%
24001-32000		4.83	4.39	10%
>32001		5.24	4.76	10%
Base Charge				
Meter Size	75	\$ 31.77	\$ 28.88	10%
Meter Size	100	44.47	40.43	10%
Meter Size	125	50.82	46.20	10%
Meter Size	150	57.23	52.03	10%
Meter Size	200	92.11	83.74	10%
Meter Size	300	349.38	317.62	10%
Meter Size	400	444.66	404.24	10%
Meter Size	600	666.99	606.35	10%
Meter Size	800	921.09	837.35	10%

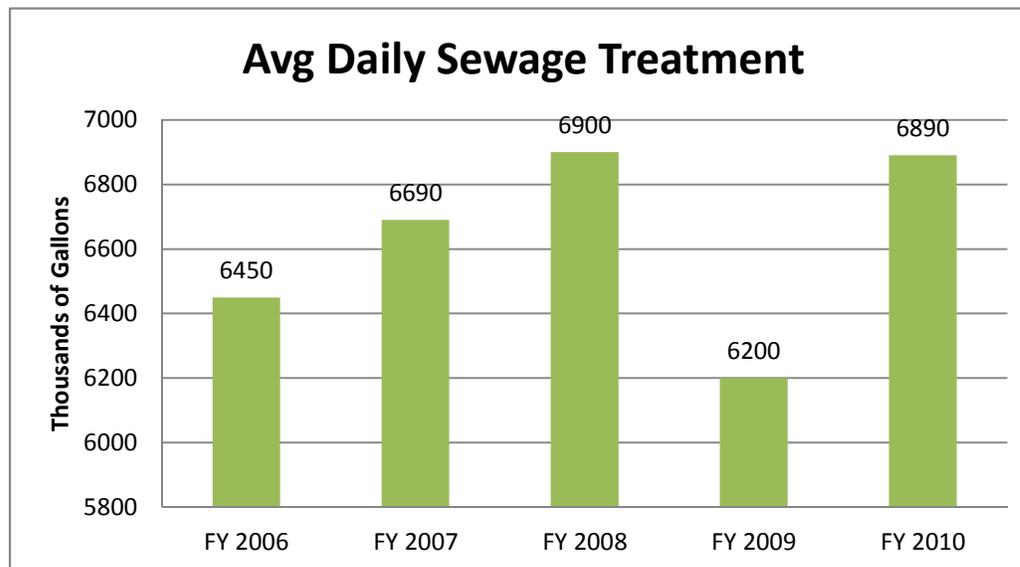
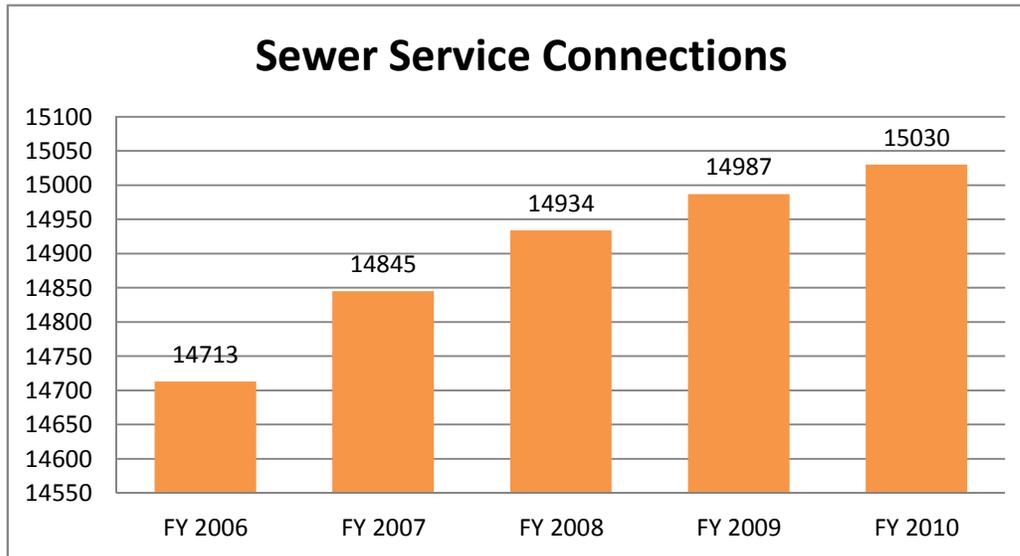
The following graph shows the average quarterly residential water bill from 2007 - 2012:



Water and Sewer Fund - Operating Indicators



Water and Sewer Fund - Operating Indicators



Water and Sewer Fund - Finance Department

MISSION STATEMENT

To support the operation of the City government by effectively and efficiently processing, controlling and recording all financial transactions of the City.

ACTIVITY BACKGROUND

The Finance Department is responsible for the billing and collections of approximately 17,000 water and sewer accounts on a quarterly basis.

TRENDS

The Finance Department anticipates upgrading its section of the City's web site www.cityoffrederick.com. Current budget and annual reports as well as contact information will be available. In the future, it is anticipated that the City will move toward easier on-line payments. The City is also in the early stages of a financial software conversion and anticipates that this endeavor should be completed during the upcoming fiscal year.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 202,852	\$ 203,636	-0.39%	\$ 250,079
Other Operating Expenditures	63,792	66,499	-4.07%	41,459
Total Expenditures	\$ 266,644	\$ 270,135	-1.29%	\$ 291,538

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Finance Department	3.00	3.00	0.00%	3.00

**Water and Sewer Fund - Building Department
Plumbing Division**

MISSION STATEMENT

To serve the Community by ensuring that the health, safety, and welfare of the citizens are addressed through its responsibilities in the administration and enforcement of all adopted building, life safety, and construction codes of The City of Frederick. In its commitment to excellence in community growth and development, the Building Department will strive to afford an efficient and responsive environment by providing consistent, organized, and courteous service to the public.

ACTIVITY BACKGROUND

The Plumbing Division provides licensing, permitting and inspection services to the community to ensure compliance with adopted Plumbing and Gas Codes.

TRENDS

The division provides licensing, permitting and inspection services in a timely, professional manner. By keeping abreast of advances in technology, the training of personnel, and providing sufficient support to address demand, the department will be able to effectively and efficiently maintain the desired level of services for our community.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 283,581	\$ 254,073	11.61%	\$ 314,350
Other Operating Expenditures	11,781	12,406	-5.04%	10,401
Total Expenditures	\$ 295,362	\$ 266,479	10.84%	\$ 324,751

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Plumbing Inspection	2.80	2.80	0.00%	2.80

Water and Sewer Fund - Water Services Department

MISSION STATEMENT

To provide an operational, well-maintained distribution system in support of the provision of water to residents of The City of Frederick.

ACTIVITY BACKGROUND

The Water Services Department is responsible for delivering water to the Citizens of the City of Frederick and Frederick County. The Department operates and maintains over 320 miles of water mains and services, over 2500 fire hydrants, 6 storage tanks with 6.75 million gallons capacity, and 3 water boosting stations. The Department is also responsible for metering and reading over 18,100 accounts each quarter. Preventive maintenance programs performed by the Department include valve maintenance, hydrant flushing, and leak detection and repair. The Department handles over 4,800 requests a year for service.

The Department also responds to emergencies 24/7, 365 days a year for water and any other Department that needs assistance. This Department maintains and monitors interconnectors with Frederick County and Fort Detrick.

TRENDS

With the aging of our system, breakdowns are occurring more often, repairs are more expensive and there is a greater use of man-hours per job. Increased staffing will be necessary in the near future.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 1,569,232	\$ 1,469,168	6.81%	\$1,654,060
Other Operating Expenditures	753,535	850,438	-11.39%	1,743,377
Total Expenditures	\$ 2,322,767	\$ 2,319,606	0.14%	\$3,397,437

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Water Services	16.60	15.30	8.50%	15.79

Water and Sewer Fund - Water Quality Department

MISSION STATEMENT

To provide efficient and reliable laboratory, field-testing, and other regulatory support services in the provision of drinking water and the treatment of wastewater for the citizens of the City of Frederick.

ACTIVITY BACKGROUND

The Water Quality Department performs and manages water related regulatory compliance monitoring for plant process control, distribution quality control, customer drinking water complaint investigations, and other special testing and reporting services as needed under the City's water and sewer fund. Most of our activities are mandated under the federal Clean Water Act (CWA) and Safe Drinking Water Act (SDWA).

TRENDS

The drinking water testing functions, especially the need for contract testing, have increased significantly in the past few years. Further special sampling and testing will be required under the Safe Drinking Water Act (SDWA) as the new provisions of the Disinfection Byproducts; Microbial; and Lead and Copper Rules are implemented over the next few years. Along with this increased testing has come increased reporting and other administrative duties associated with the regulatory compliance program.

The City's "Consumer Confidence Report" on drinking water quality continues to be prepared annually as mandated by the SDWA, and we continue to meet all regulatory requirements. Our drinking water complaint investigations and new pipeline testing needs vary from year to year, but the overall demand for new line testing has stabilized over the last year due to slower development and that trend is expected to continue during FY 12.

Future upgrades at the water and wastewater plants and increased drinking water monitoring requirements may require upgraded lab equipment and expanded laboratory and office facilities to meet the City's need for testing services. Additional lab personnel may also be required in FY 12 due to the increased monitoring and reporting workload.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 268,223	\$ 263,597	1.75%	\$ 281,222
Other Operating Expenditures	108,276	84,837	27.63%	75,562
Total Expenditures	\$ 376,499	\$ 348,434	8.05%	\$ 356,784

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Water Quality	3.13	3.13	0.00%	3.14

Water and Sewer Fund - Water Treatment Department

MISSION STATEMENT

To supply the residents of the City of Frederick with an adequate amount of safe and aesthetically pleasing water.

ACTIVITY BACKGROUND

The Water Treatment Department is tasked with the operation and maintenance of four treatment facilities: Monocacy River, Linganore Creek, L.R. Dingle, and Fishing Creek and three additional water resources: the Well field (wells 3,4 and 7) at Schifferstadt Boulevard, L.R Dingle Tuscarora Rechlorination System and the Ballenger Creek Water Interconnection Station. Using the four water treatment facilities listed above, the Department takes water from the source, give it a complete treatment method, including pH, fluoridation, chlorination, flocculation, sedimentation and filtration (according to State of Maryland Department of Environment and EPA guidelines and regulations) and pumps it into the water tanks and distribution system for use.

TRENDS

The water treatment field is experiencing advancements in communication technology (Supervisory Control and Data Acquisition, or SCADA). The City has a very diverse system, being physically spread throughout the County. Further implementation of SCADA will allow staff to see what is happening at these facilities regarding processes and status of equipment without physically being on site. This allows centralization of offices and generates greater productivity. This is also a very valuable tool in dealing with the threat of terrorism.

The water treatment field has seen and will continue to see more intense regulation by many enhanced EPA and MDE regulations. This has increased the requirement for accountability in both monitoring and reporting practices.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 1,642,758	\$ 1,703,334	-3.56%	\$ 1,917,952
Other Operating Expenditures	3,897,125	3,406,956	14.39%	2,077,565
Total Expenditures	\$ 5,539,883	\$ 5,110,290	8.41%	\$ 3,995,517

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Water Treatment	18.33	18.33	0.00%	18.34

Water and Sewer Fund - Wastewater Treatment Department

MISSION STATEMENT

To collect and treat through physical, biological and chemical processes all wastewater generated by the City of Frederick and to ensure that all treated wastewater returned to the environment meets the discharge quality standards as set forth by Federal and State regulatory compliance agencies. We perform hundreds of sample analysis tests through the City's Water Quality Department to ensure optimal discharge standards are met in the most cost effective manner.

ACTIVITY BACKGROUND

The Wastewater Treatment Department (WWTP) is designed and responsible for the collection and treatment of 8.0 million gallons of wastewater per day, generated by the City of Frederick. The objective of the WWTP is to meet discharge permit requirements while maintaining the safety, health, and well being of the citizens, the environment and plant employees. Although the plant primarily collects and treats residential wastewater, several industries and commercial businesses located within the City also discharge wastewater into the Plant from their respective production activities. These may contain significant quantities of toxic pollutants and other substances that can adversely affect system performance. Consequently, the Plant administers and maintains an industrial pretreatment program, which establishes monitoring and pretreatment standards at the industry's site as outlined in the Code of Laws of the City of Frederick, Appendix L, Industrial Pretreatment Ordinance.

TRENDS

The trend in environmental issues today is to enact tighter and stricter regulations because of our dwindling or depleting natural resources. New and stricter regulations are constantly being proposed that are of a concern to the water and sewer industry and any of these many regulations, if enacted, would have an impact on our cost and way of doing business. For example, the expansion and upgrade for the WWTP to ENR to further improve the quality of the Chesapeake Bay, via removal of excess nitrogen and phosphorus in the treatment process, is currently being designed.

Water and Sewer Fund - Wastewater Treatment Department

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 1,290,427	\$ 1,239,505	4.11%	\$ 1,413,452
Other Operating Expenditures	2,108,099	2,529,152	-16.65%	3,155,375
Total Expenditures	\$ 3,398,526	\$ 3,768,657	-9.82%	\$ 4,568,827

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Waste Water Treatment Plant	13.23	13.24	-0.08%	13.23

Water and Sewer Fund - Sewer Maintenance Department

MISSION STATEMENT

To provide an operational and well maintained collection system in support of the provision of water to residents of the City of Frederick.

ACTIVITY BACKGROUND

The Sewer Collection Department is responsible for maintaining the safe travel of raw sewage from the homeowner's property to the Waste Water Treatment Plant. The Department operates and maintains over 161 miles of sewer mains, 4365 manholes, over 15,000 services and 9 lift stations. Preventive maintenance programs performed by the Department includes, but is not limited to, preventive maintenance of sewer house connections (TVing, servicing and inventorying/GPS) jet cleaning main lines, repairs made to main lines, service lines, and responding to all sewer related calls through out the City. The Department also handles Miss Utility locates for City's sewer system and in the near future Miss Utility will be requiring us to locate storm drains (proposed to start this year).

TRENDS

Increased preventive and proactive maintenance has led to a decrease in sewer related complaints. Efforts continue to repair problem sewers, reduce sewer blockages and eliminate inflow and infiltration. Trenchless rehabilitation methods are being utilized to repair deteriorated sewers.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 549,943	\$ 525,249	4.70%	\$ 599,527
Other Operating Expenditures	197,862	162,992	21.39%	754,202
Total Expenditures	\$ 747,805	\$ 688,241	8.65%	\$ 1,353,729

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Sewer Maintenance	5.66	5.66	0.00%	6.13

Water and Sewer Fund - Inflow and Infiltration Department

MISSION STATEMENT

To identify and reduce Inflow & Infiltration into the City's sanitary system, helping to prevent sanitary sewer overflows and reduce the amount of ground water unnecessarily treated by the Waste Water Treatment Plant.

ACTIVITY BACKGROUND

The I&I Department is responsible for TVing all of the sanitary sewer mains running throughout the City as well as TVing all new developments insuring that the City is getting a sealed and completely functional sewer system. They also read flow meters and weather stations that are placed through out the City to help identify potential inflow or infiltration areas. This Department is currently working with the GIS Department to locate and identify all of the City's utilities and handicap ramps. With the data that is collect by the camera truck and a GPS unit the GIS Department is able to put this data on-line where it can be used for I&I studies, Sewer related problems and Miss Utility Locates. Additionally, the Engineering Department is looking to use this data to create an in-house sewer Master plan instead of outsourcing the complete Master plan. Currently we are also performing the same tasks in the Storm Drain Department but this data is used to help us map the Storm Drain System as part of an agreement with MDE for our NPDES Phase II Storm Water Permit.

TRENDS

The inflow and infiltration program has led to a drastic reduction in I/I within the sanitary sewer system, which in turn reduces the wastewater treatment burden. There is a constant ongoing program to keep on top of the I/I problem, and to identify areas with I/I for future rehabilitation. This helps the City maximize the capacity of its wastewater treatment facility. We are also striving to make the work safer and more efficient with the use of updated equipment.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 282,192	\$ 264,593	6.65%	\$ 301,878
Other Operating Expenditures	75,025	128,123	-41.44%	103,663
Total Expenditures	\$ 357,217	\$ 392,716	-9.04%	\$ 405,541

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Inflow and Infiltration	3.23	3.23	0.00%	3.24

Water and Sewer Fund - Water and Sewer Facilities Maintenance

MISSION STATEMENT

To maintain all water and sewer facilities of the City of Frederick so that they are safety compliant and operable within permit requirements.

ACTIVITY BACKGROUND

The Water and Sewer Facilities Maintenance Department is responsible for maintaining all thirty five water and sewer facilities in the City of Frederick. This includes eleven (11) sanitary lift stations, one (1) wastewater treatment plant, four (4) water treatment facilities, two (2) reservoirs, three (3) wells, six (6) water storage tanks, three (3) booster pumping stations, and five (5) storm water management facilities. We provide preventive and predictive maintenance services as well as repairs and improvements as needed. We also administer many maintenance contracts and agreements for professional services and support the design and construction process for capitol improvements.

TRENDS

The City's water system is growing with new facilities and/or improvements planned for its future. We have experienced a considerable back-log of work over the last several years due to increased involvement in improvements and/or project related work. We have experienced technology advancements in SCADA/instrumentation related assignments which have caused training deficiencies and more time needed for these tasks.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 913,943	\$ 912,228	0.19%	\$ 976,471
Other Operating Expenditures	96,880	126,570	-23.46%	140,569
Total Expenditures	\$ 1,010,823	\$ 1,038,798	-2.69%	\$ 1,117,040

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Plant Maintenance	10.13	10.13	0.00%	10.00

Parking Fund

MISSION STATEMENT

To support existing land uses, assist the City's economic development initiatives, and preserve parking for its residents, by providing adequate and high quality parking resources and related services for all user groups that need to park within the City.

ACTIVITY BACKGROUND

The Parking Department is responsible for the parking in the downtown business district. The department oversees and is responsible for five parking garages, 700 parking meters, 3 parking lots and the parking enforcement program. The primary mission of the department is to provide convenient, clean and safe parking for the residents, visitors, employees and business patrons of downtown Frederick. We do this by implementing programs and policies that balance the conflicting needs of these parking customers, given the scarce parking resources available downtown.

TRENDS

The City is experiencing tremendous growth and though we have the new East All Saints Street Garage operational, we see the need for one new additional parking garage in the future. The location of this garage will be in the East Street corridor, specifically, the corner of East Street and South Street. Due to anticipated development, this area has been identified as the highest need area at this time. We will be looking to add parking where we can and keep up with the expected development around town.

As a result of our parking programs and policies, parking issues have significantly reduced during the past 17 years; however, with the continued growth of the downtown we need to ensure that additional parking facilities are secured to compliment this growth. The issue of our aging parking decks will come into play in the next few years, as we refurbish these 17 and 35 year old structures.

Parking Fund

REVENUES

The fund's primary source of revenue is user charges attributed to the City's 5 parking decks and parking meters located in the downtown area. Rates are set by the Mayor and Board of Aldermen with the goal of covering the expenses of the parking system.

Revenues

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Licenses and permits	\$ 173,740	\$ 112,450	54.50%	\$ 94,098
Intergovernmental	128,250	115,000	11.52%	119,790
Charges for services	3,357,028	3,476,588	-3.44%	2,674,381
Fines and forfeitures	685,230	643,273	6.52%	474,470
Other financing sources	-	15,000	-100.00%	4,786,303
Miscellaneous	347,471	362,000	-4.01%	365,585
Fund balance	1,023,909	204,235	401.34%	-
Total Revenues	\$ 5,715,628	\$ 4,928,546	15.97%	\$8,514,627

STAFFING AND EXPENDITURES

Expenditures by Department

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Public Parking	\$ 797,543	\$ 799,285	-0.22%	\$ 790,496
Church Street Deck	275,724	333,710	-17.38%	272,431
Court Street Deck	217,757	212,899	2.28%	450,389
Carroll Creek Deck	317,963	384,066	-17.21%	448,412
West Patrick Street Deck	184,588	214,543	-13.96%	853,259
East All Saints Street Deck	145,539	127,832	13.85%	55,878
Debt Service	2,576,514	2,656,211	-3.00%	1,092,193
Interfund Transfers	1,150,000	150,000	666.67%	975,000
Contingency	50,000	50,000	0.00%	-
Total Expenditures	\$ 5,715,628	\$ 4,928,546	15.97%	\$4,938,058

Parking Fund

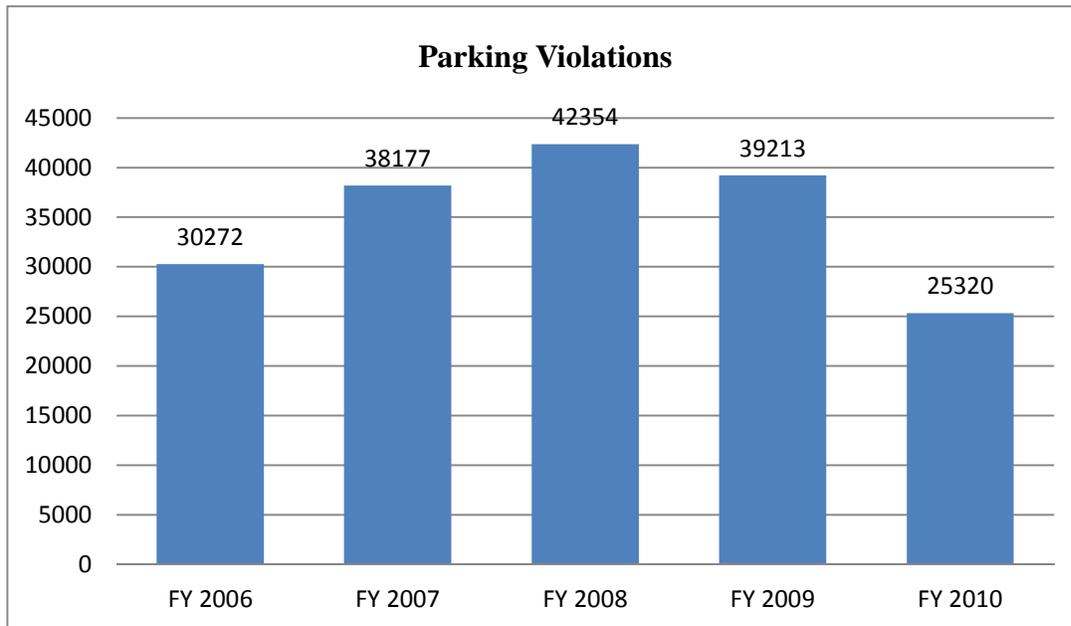
Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 1,003,429	\$ 1,000,225	0.32%	\$ 972,502
Other Operating Expenditures	4,712,199	3,928,321	19.95%	3,965,556
Total Expenditures	\$ 5,715,628	\$ 4,928,546	15.97%	\$ 4,938,058

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Parking	16.22	17.03	-4.76%	16.26

OPERATING INDICATOR



Clustered Spires Municipal Golf Course

MISSION STATEMENT

Promotes family enjoyment through recreation, exercise and green space appreciation.

ACTIVITY BACKGROUND

Clustered Spires is an 18-hole golf course with 2 putting greens, a practice bunker, and a grass driving range, as well as a restaurant. The newly renovated clubhouse now offers a professional club fitting room with state of the art equipment to measure your club speed and swing. Tee times may be reserved 5 days in advance by calling or visiting the Pro Shop.

The facility provides a complete golf experience to the Frederick region. The total facility is approximately 175 acres and attracts over 50,000 players per year. We provide junior golf instruction camps, tournament play, from amateur to professional level, fundraisers and league play.

TRENDS

Current trends are well stated in a Washington Golf article that discussed how a decade of movement toward upscale public courses has had a trickle down effect on the municipal level. Clustered Spires has improved service and conditions in order to compete. Courses like ours provide a tremendous service by providing affordable golf to those who can't afford the sixty to one hundred dollars to play the upscale courses. Clustered Spires proves local governments can operate a high quality golf course while still maintaining greens fees at a reasonable cost. Construction of Monocacy Boulevard has improved access to the course, which will enhance our growth.

REVENUES

Revenue is generated through green fees, cart rentals, driving range fees, snack bar, and pro shop sales. Fluctuations in revenues are typically related to the weather, which determines how many days per year the golf course can open.

	Revenues			
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Charges for services	\$ 1,697,500	\$ 1,749,500	-2.97%	\$1,508,373
Other financing sources	-	435,054	-100.00%	10,033
Miscellaneous	500	2,500	-80.00%	17,211
Total Revenues	\$ 1,698,000	\$ 2,187,054	-22.36%	\$1,535,617

Clustered Spires Municipal Golf Course

STAFFING AND EXPENDITURES

Expenditures by Department

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Maintenance	\$ 582,333	\$ 599,487	-2.86%	\$ 846,265
Clubhouse	724,131	760,574	-4.79%	708,641
Restaurant	256,824	339,621	-24.38%	305,328
Debt Service	76,629	487,372	-84.28%	104,483
Interfund transfers	58,083	-	0.00%	-
Total Expenditures	\$ 1,698,000	\$ 2,187,054	-22.36%	\$ 1,964,717

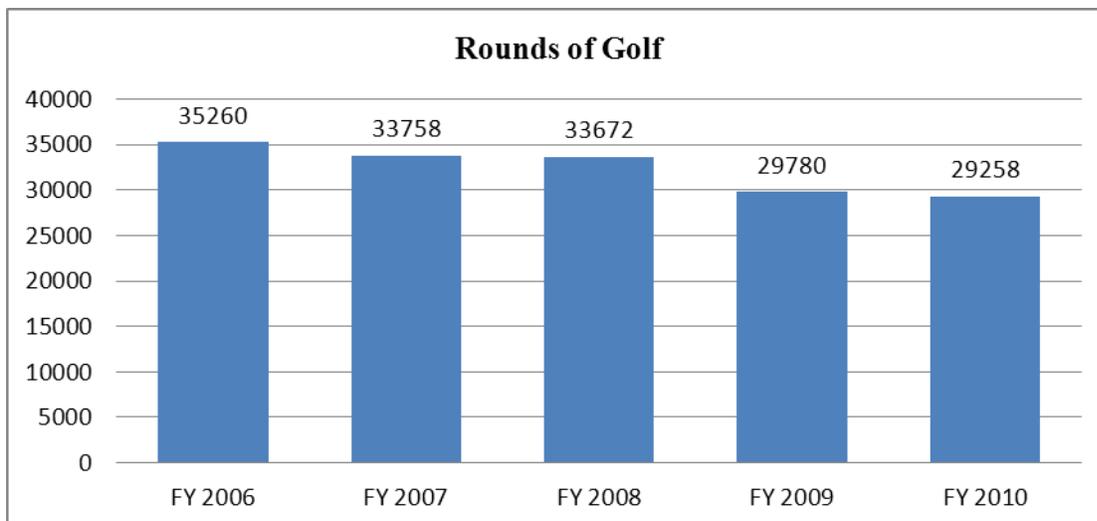
Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 975,742	\$ 980,606	-0.50%	\$ 1,042,755
Other Operating Expenditures	722,258	1,206,448	-40.13%	921,962
Total Expenditures	\$ 1,698,000	\$ 2,187,054	-22.36%	\$ 1,964,717

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Golf Course	15.70	19.85	-20.91%	18.77

OPERATING INDICATOR



Storm Water Fund

MISSION STATEMENT

To support the health, safety and welfare of the citizens of Frederick by installing, maintaining and repairing the storm water collection system

ACTIVITY BACKGROUND

The purpose of the Storm Water fund is to maintain 210 miles of Storm Drain lines, 4 open channel swells, 2004 Manholes, 5244 intakes, 31 City owned Storm Water Ponds, 10 City owned Storm Water Underground Facilities, and 4 Storm Water pumping stations along Carroll Creek.

Preventive maintenance programs performed by the fund include, but are not limited to, the repair of deteriorating intakes/structures, cleaning of debris from Carroll Creek spillway as well as removing debris throughout the entire Carroll Creek Flood system, cleaning debris from intakes through out the City, jetting main lines, pre and post storm inspections of known trouble areas throughout the City.

Street sweeping is critical to continuing to improve the quality of storm runoff and provide a sanitary environment for downtown businesses, residents, and visitors. The City's major thoroughfares receive weekly sweeping, the downtown area receives twice-weekly sweeping, and the downtown commercial areas (Market and Patrick Streets) receive daily sweeping. All other areas receive twice-monthly sweeping. This operation is run during the day and in the evenings.

TRENDS

Storm Water fees are expected to rise to cover the increasing cost of State Chesapeake Bay initiatives and stricter regulations in general. Increased preventative maintenance efforts have led to a decrease in complaints and fewer flood prone areas throughout the City. Efforts to upgrade the storm sewer infrastructure are continuing.

REVENUES

Revenue is generated through user fees of the storm water system.

	Revenues			
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Charges for services	\$ 1,653,240	\$ 1,624,800	1.75%	\$ 1,504,592
Other financing sources	-	7,500	0.00%	522,637
Miscellaneous	-	-	0.00%	24
Total Revenues	\$ 1,653,240	\$ 1,632,300	1.28%	\$ 2,027,253

Storm Water Fund

STAFFING AND EXPENDITURES

Expenditures by Department

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Street Sweeping	\$ 324,275	\$ 325,118	-0.26%	\$ 376,233
Storm Water	584,717	422,008	38.56%	1,948,476
Debt Service	96,894	98,244	-1.37%	20,240
Interfund Transfers	47,500	47,500	0.00%	414,757
Contingency	10,000	10,000	0.00%	-
Fund Balance (Reserves)	589,854	729,430	0.00%	-
Total Expenditures	\$ 1,653,240	\$ 1,632,300	1.28%	\$ 2,759,706

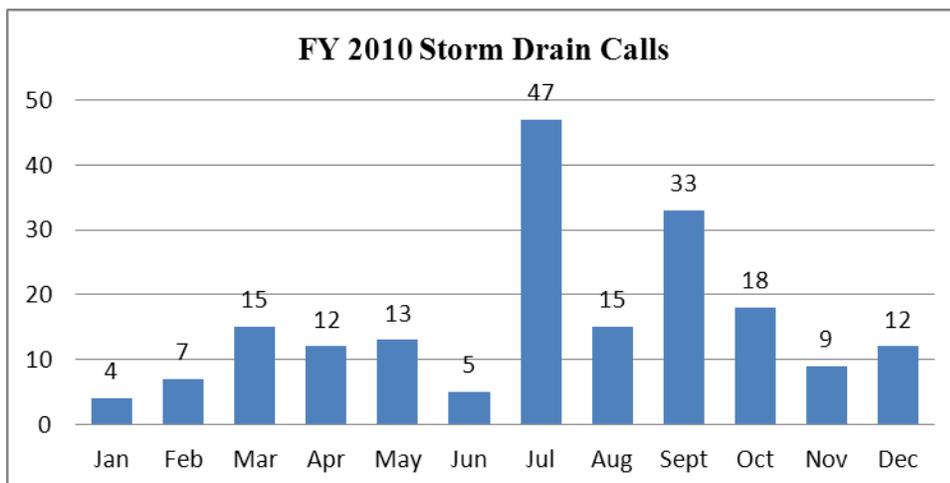
Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 627,698	\$ 585,265	7.25%	\$ 617,412
Other Operating Expenditures	1,025,542	1,047,035	-2.05%	2,142,294
Total Expenditures	\$ 1,653,240	\$ 1,632,300	1.28%	\$ 2,759,706

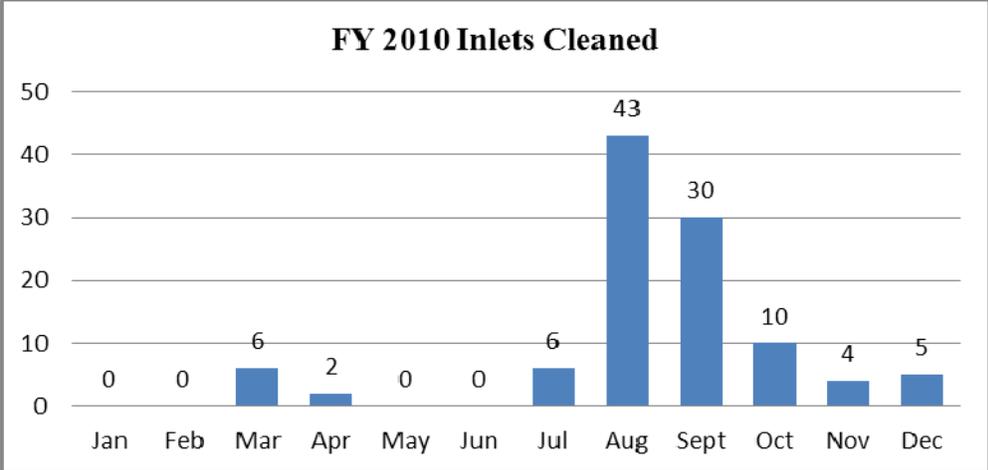
Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Storm Water	7.45	7.05	5.67%	7.07

OPERATING INDICATORS



Storm Water Fund



Frederick Municipal Airport

MISSION STATEMENT

To provide aviation services to our based tenants and the air transportation industry. To foster and develop aviation in The City of Frederick and Frederick County, Maryland and to provide general aviation relief to commercial airports located within the Baltimore – Washington Corridor.

ACTIVITY BACKGROUND

The Frederick Municipal Airport is located at the junction of I-70 and I-270, and provides direct interstate access to Baltimore and Washington, D.C. This and other factors have led to significant local population growth and economic development, which are accommodated by the Airport’s well-developed airside facilities. The Airport supports the second highest level of based aircraft and annual operations in Maryland. The following services are offered at the Airport:

Fuel sales (100LL and Jet A)	Airport restaurant	Aircraft T-hangar storage
Major and minor power plant repair	Flight Instruction	Aircraft Tie-down
Major and minor airframe repair	Aircraft charter & rental	Aircraft sales
Avionics repair & Installation	Car rental	Helicopter Medevac
Aerial photography and survey		

In addition to these services, the Aircraft Owners and Pilots Association (AOPA) and AVEMCO, a national aviation insurance provider, are located immediately adjacent to the Airport. The aviation and business activity at the Airport helps to generate a positive economic impact on the local community.

TRENDS

The Airport has completed its 20 Year Master Plan Update. Future development plans include the extension of Runway 5/23 to 6,000 feet, the construction of an Air Traffic Control Tower, implementation of additional aircraft storage units, as well as a perimeter fence. As part of the City’s Capital Improvement Program, the Airport has completed the acquisition of all properties in fee simple as identified in the approved Master Plan, and is currently in the process of acquiring (11) aviation easements for the purpose of removing obstructions to the Runway 5 approach. With the planned development projects, the Airport will be able to accommodate the anticipated growth over the next five years.

Frederick Municipal Airport

REVENUES

Revenues are generated through fees charged to airport users for the services listed above.

Revenues				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Charges for services	\$ 853,505	\$ 887,362	-3.82%	\$ 834,332
Other financing sources	710,774	739,370	-3.87%	642,267
Miscellaneous	-	8,200	-100.00%	28,031
Total Revenues	\$ 1,564,279	\$ 1,634,932	-4.32%	\$ 1,504,630

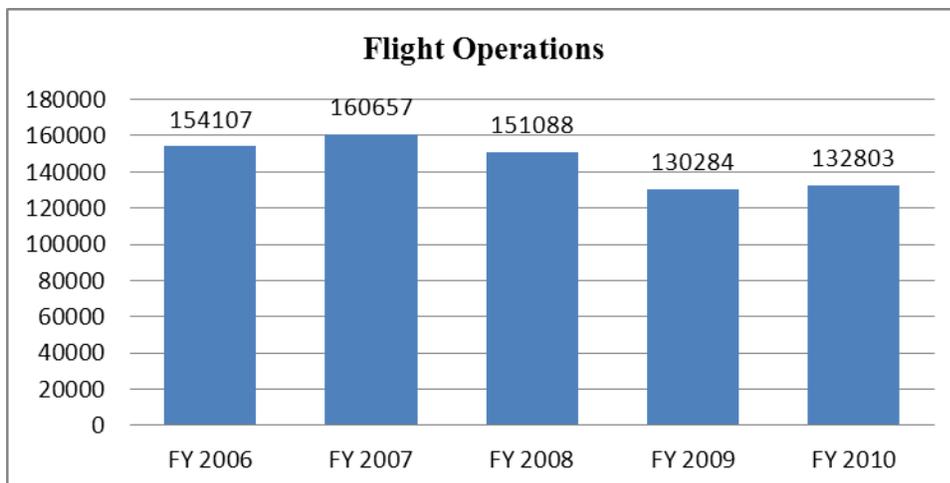
STAFFING AND EXPENDITURES

Budget Summary				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 297,748	\$ 286,910	3.78%	\$ 355,355
Other Operating Expenditures	1,266,531	1,348,022	-6.05%	1,797,019
Total Expenditures	\$ 1,564,279	\$ 1,634,932	-4.32%	\$ 2,152,374

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Airport	2.50	2.50	0.00%	2.86

OPERATING INDICATOR



Weinberg Center for the Arts

MISSION STATEMENT

To entice, enliven, educate, and enchant patrons of all ages and interests by providing quality, diverse, professional arts programs to the community.

ACTIVITY BACKGROUND

The Weinberg Center presents professional performing arts for the community and provides a professionally staffed rental space for use by community arts organizations. As an arts presenter, the Weinberg provides an attractive alternative to traveling to venues in Washington and Baltimore. Many of the artists presented by the Weinberg have been or will be seen on stage at Wolftrap, the Kennedy Center and other major venues across the country. The Center has organized *smARTS!* educational programming in partnership with the Frederick County Public School System. This series of performances enhances and supports the curriculum of the public and private schools in the area, serving about 12,000 school children annually. The Center also hosts over 20 community arts organizations. There is a combined audience attendance of approximately 65,000 people per year. It is also important to note that the Weinberg Center is actively soliciting corporate sponsorship for *LIVE!* at the Weinberg events, individual and corporate memberships, in addition to grant funding for operating and programming costs and state bond funding for capital improvements.

TRENDS

Recent studies have documented the importance of arts in education. The arts are also an important tool for economic development. A study conducted by the Maryland State Arts Council determined that for every dollar spent on the arts, an additional \$2.30 was spent in restaurants, hotels, parking, etc. Using that multiplier, over six million dollars will be spent in and around the area each year due specifically to the operation of the Weinberg Center. The Weinberg continues to lobby Frederick County and the State of Maryland to become equal partners with the City in supporting the operations of the Center and has previously garnered (and will continue to seek) similar support for long overdue renovation projects. In an effort to close the annual operating deficit, block booking and partnering with other arts presenters in the Mid-Atlantic region will be aggressively sought.

Weinberg Center for the Arts

REVENUES

The majority of revenues for the Weinberg are generated through rentals, ticket, merchandise, and concession sales.

Revenues				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Intergovernmental	\$ 41,121	\$ 51,000	-19.37%	\$ 59,922
Charges for Services	718,950	888,450	-19.08%	895,455
Other financing sources	147,745	152,513	-3.13%	89,991
Miscellaneous	400,000	202,800	97.24%	489,821
Total Revenues	\$ 1,307,816	\$ 1,294,763	1.01%	\$ 1,535,189

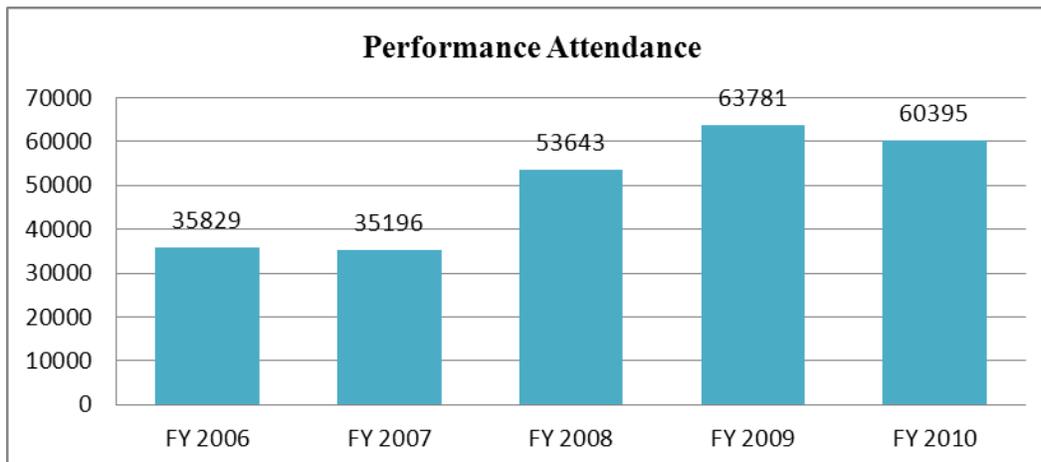
STAFFING AND EXPENDITURES

Budget Summary				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 419,386	\$ 405,304	3.47%	\$ 387,478
Other Operating Expenditures	888,430	889,459	-0.12%	\$ 870,708
Total Expenditures	\$ 1,307,816	\$ 1,294,763	1.01%	\$ 1,258,186

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Weinberg Center for the Arts	6.80	6.31	7.77%	6.31

OPERATING INDICATOR



Rental Operations Fund

MISSION STATEMENT

To provide low rent housing opportunities to disadvantage and low-income people.

ACTIVITY BACKGROUND

The Frederick Community Action Agency manages five (5) units of project-based Section 8 housing owned by the City of Frederick.

REVENUES

Revenues are generated through rental income and HUD subsidies.

Revenues				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Charges for Services	\$ -	\$ -	0.00%	\$ 221
Other financing sources	26,304	17,232	52.65%	17,522
Miscellaneous	13,188	9,996	31.93%	4,142
Fund balance	23,029	7,050	226.65%	-
Total Revenues	\$ 62,521	\$ 34,278	82.39%	\$ 21,885

STAFFING AND EXPENDITURES

Budget Summary				
	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 35,311	\$ 28,066	25.81%	\$ 31,735
Other Operating Expenditures	27,210	6,212	338.02%	\$ 19,273
Total Expenditures	\$ 62,521	\$ 34,278	82.39%	\$ 51,008

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
Rentals Operations	0.50	0.50	0.00%	0.50

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities. The City has two (2) such funds: The Community Development Block Grant and the Controlled Dangerous Substance Fund.

Community Development Block Grant

The Community Development Block Grant (CDBG) Program is a grant from the U.S. Department of Housing and Urban Development, and is involved in various non-CDBG activities such as affordable housing, community development and housing rehabilitation.

CDBG activities

- General Administration: Record keeping, environmental reviews, required reporting
- Planning: Five-year Consolidated Plan, Annual Action Plans, neighborhood planning
- Activities to Affirmatively Further Fair Housing, including staff support of Frederick's Fair Housing Commission
- Oversight and monitoring of CDBG funded activities by the City and by sub-recipients
- Administration of Housing Rehabilitation Programs & loan portfolio management

Non-CDBG

- Administration of Md. DHCD Special Loan Program- Housing Rehabilitation and Lead Based Paint remediation
- Participation with others in various community development programs such as – Community Legacy by the MD Department of Housing and Community Development

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Personnel	\$ 117,432	\$ 174,091	-32.55%	\$ 202,068
Other Operating Expenditures	347,168	503,547	-31.06%	357,570
Total Expenditures	\$ 464,600	\$ 677,638	-31.44%	\$ 559,638

Full Time Equivalent Positions

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Adopted
CDBG	1.40	2.00	-30.00%	2.50

Special Revenue Funds

Controlled Dangerous Substance Fund

The Controlled Dangerous Substance Fund is a small cost center used to account for property seized during drug related arrests. Proceeds can be used for police activities related to drug activity.

Budget Summary

	FY 2012 Adopted	FY 2011 Adopted	Percent Change	FY 2010 Actual
Other Operating Expenditures	\$ 89,016	\$ 86,848	2.50%	\$ 42,970
Total Expenditures	\$ 89,016	\$ 86,848	2.50%	\$ 42,970

Capital Improvements Program

FY 2012 - FY 2017

The Capital Improvements Program (CIP) is a multi-year plan for the City's capital investments. Projects included in the CIP usually fall into one of the following categories:

- 1.) Project or Asset has a useful life of more than 3 years, preferably 10
- 2.) Project or Asset will take longer than 3 years to design/purchase/construct
- 3.) Project or Asset costs more than \$100,000
- 4.) Project or Asset is a strong candidate for outside (federal/state) grant funding
- 5.) Project or Asset adds significant new demonstrable capacity/capability to the City
- 6.) Project or Asset is not a repair, refurbishment or ongoing maintenance item
- 7.) Project or Asset is critical to the mission/goals of the City and is sufficient to justify incurring debt in order to pay for it

The recommended CIP includes six years of projected capital needs. The first year of the program is adopted by the Mayor and Board of Aldermen and becomes the capital budget for the year. The remaining 5 years of the CIP serves as the financial plan for future investments. The CIP is reviewed and updated each year as part of the budget process.

If a project meets the above criteria but funding for the project can not be reasonably insured, the project is placed on the "wish list" and will be reevaluated for inclusion in the CIP each year as part of the budget process.

**Capital Improvements Program
Funding Summary**

Project Number	Project Name	Operating Funds	Debt Issue	Other	Total
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General Fund:

110006	Joint Communications	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
120002	DPW Building A Roof Replacement	(20,458)	-	-	(20,458)
310303	Gas House Pike Improvements	(49,220)	(135,824)		(185,044)
301304	Monocacy Blvd - Central Section	(485,824)	485,824		-
320007	Opossumtown Pike / TJ Drive Intersection		300,000	200,000	500,000
340005	Pedestrian Signal at US40/Waverly Drive	-	-	(200,000)	(200,000)
340102	Sidewalk Retrofit	(8,295)	-	7,610	(685)
340401	New Traffic Signal Construction	30,000	-	-	30,000
340402	Traffic Light Conversion			16,600	16,600
380001	Shared Use Path Improvement	-	-	30,000	30,000
410001	Carroll Creek Linear Park	250,000	-	(400,000)	(150,000)
410008	Walnut Ridge Park	(6,364)	-	-	(6,364)
410024	Carrollton Park	(16,684)	-	-	(16,684)
411201	Hill Street Regional Park	(7,804)	-	1,150	(6,654)
Total General Fund		\$ 685,351	\$ 650,000	\$ (344,640)	\$ 990,711

411201

360009	Water Distribution	\$ (3,952)	\$ (773,650)	\$ 3,952	\$ (773,650)
360015	North Side Water Tank	-	-	1,000,000	1,000,000
360018	Water Loss Reduction	(128,599)	(17,126)	-	(145,725)
360022	Water Resource Project	-	(94,745)	-	(94,745)
360023	Ballenger Creek Interconnect	-	(196,678)	-	(196,678)
360024	Patrick Street Water Main Replacement	-	(1,385,317)	-	(1,385,317)
370008	Gas House Pike WWTP Upgrades	132,551	9,000,000	-	9,132,551
370009	Ballenger-McKinney WWTP	-	14,800,000	-	14,800,000
Total Water and Sewer Fund		-	21,332,484	1,003,952	22,336,436

Airport Fund

380067	Bailes Lane Demo and Site Work	\$ 5,228	\$ -	\$ 412,972	\$ 418,200
380077	Air Traffic Control Tower	-	(650,000)	-	(650,000)
Total Airport Fund		\$ 5,228	\$ (650,000)	\$ 412,972	\$ (231,800)

Parking Fund

380401	Parking Deck #4	\$ -	\$ (105,864)	\$ -	\$ (105,864)
380413	Church Street Deck - Rehab/Rebuild	1,000,000	105,864	-	1,105,864
Total Parking Fund		\$ 1,000,000	\$ -	\$ -	\$ 1,000,000

Total FY 2012 CIP Funding		\$ 1,690,579	\$ 21,332,484	\$ 1,072,284	\$ 24,095,347
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Note: () Brackets indicate a reduction in funding.

**Capital Improvements Program
Expenditure Summary**

Project Number	Project Name	Planning / Engineering	Construction	Other	Total
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General Fund:

110006	Joint Communications	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
120002	DPW Building A Roof Replacement	-	(20,458)	-	(20,458)
310303	Gas House Pike Improvements	(11,243)	(85,801)	(88,000)	(185,044)
301304	Monocacy Blvd - Central Section	-	-	-	-
320007	Opossumtown Pike / TJ Drive Intersection	-	-	500,000	500,000
340005	Pedestrian Signal at US40/Waverly Drive	-	(200,000)	-	(200,000)
340102	Sidewalk Retrofit	-	(685)	-	(685)
340401	New Traffic Signal Construction	-	30,000	-	30,000
340402	Traffic Light Conversion	-	16,600	-	16,600
380001	Shared Use Path Improvement	-	30,000	-	30,000
410001	Carroll Creek Linear Park	-	(150,000)	-	(150,000)
410008	Walnut Ridge Park	(725)	(5,639)	-	(6,364)
410024	Carrollton Park	-	(16,684)	-	(16,684)
411201	Hill Street Regional Park	(6,654)	-	-	(6,654)
Total General Fund		\$ (18,622)	\$ (402,667)	\$ 1,412,000	\$ 990,711

411201

360009	Water Distribution	\$ (213,709)	\$ (559,941)	\$ -	\$ (773,650)
360015	North Side Water Tank	-	-	1,000,000	1,000,000
360018	Water Loss Reduction	(145,725)	-	-	(145,725)
360022	Water Resource Project	-	-	(94,745)	(94,745)
360023	Ballenger Creek Interconnect	-	(196,678)	-	(196,678)
360024	Patrick Street Water Main Replacement	(1,385,317)	-	-	(1,385,317)
370008	Gas House Pike WWTP Upgrades	8,000	9,124,551	-	9,132,551
370009	Ballenger-McKinney WWTP	-	14,800,000	-	14,800,000
Total Water and Sewer Fund		(1,736,751)	23,167,932	905,255	22,336,436

Airport Fund

380067	Bailes Lane Demo and Site Work	\$ 418,200	\$ -	\$ -	\$ 418,200
380077	Air Traffic Control Tower	(650,000)	-	-	(650,000)
Total Airport Fund		\$ (231,800)	\$ -	\$ -	\$ (231,800)

Parking Fund

380401	Parking Deck #4	\$ -	\$ (105,864)	\$ -	\$ (105,864)
380413	Church Street Deck - Rehab/Rebuild	-	1,105,864	-	1,105,864
Total Parking Fund		\$ -	\$ 1,000,000	\$ -	\$ 1,000,000

Total FY 2012 CIP Expenditures	\$ (1,987,173)	\$ 23,765,265	\$ 2,317,255	\$ 24,095,347
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Note: () Brackets indicate a reduction in funding.

**Capital Improvements Program
FY 2012 - FY 2017 Summary**

Funding Summary by Fund

General Fund	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Operating Funds	\$ 18,185,698	\$ 8,988,297	\$ 685,351	\$ 2,760,000	\$ 2,607,000	\$ 2,375,050	\$ 770,000	\$ -
Debt Issue	90,250,104	53,900,104	650,000	-	-	-	13,200,000	22,500,000
Other	18,736,847	18,691,487	(344,640)	100,000	130,000	30,000	130,000	-
Total	\$ 127,172,649	\$ 81,579,888	\$ 990,711	\$ 2,860,000	\$ 2,737,000	\$ 2,405,050	\$ 14,100,000	\$ 22,500,000

Water and Sewer	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Operating Funds	\$ 19,137,731	\$ 3,937,731	\$ -	\$ 3,700,000	\$ 4,400,000	\$ 2,000,000	\$ 2,500,000	\$ 2,600,000
Debt Issue	190,591,844	112,659,360	21,332,484	-	47,500,000	8,500,000	600,000	-
Other	20,027,985	3,024,033	1,003,952	1,000,000	7,500,000	7,500,000	-	-
Total	\$ 229,757,560	\$ 119,621,124	\$ 22,336,436	\$ 4,700,000	\$ 59,400,000	\$ 18,000,000	\$ 3,100,000	\$ 2,600,000

Airport	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Operating Funds	\$ 1,572,228	\$ 1,404,000	\$ 5,228	\$ 51,000	\$ 39,000	\$ 28,000	\$ 9,000	\$ 36,000
Debt Issue	-	650,000	(650,000)	-	-	-	-	-
Other	44,744,434	31,798,462	412,972	3,949,000	3,061,000	2,172,000	547,000	2,804,000
Total	\$ 46,316,662	\$ 33,852,462	\$ (231,800)	\$ 4,000,000	\$ 3,100,000	\$ 2,200,000	\$ 556,000	\$ 2,840,000

Note: () Brackets indicate a reduction in funding.

**Capital Improvements Program
FY 2012 - FY 2017 Summary**

Funding Summary by Fund

Parking	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Operating Funds	\$ 1,614,636	\$ 15,000	\$ 1,000,000	\$ 599,636	\$ -	\$ -	\$ -	\$ -
Debt Issue	43,250,000	27,520,000	-	-	-	-	-	15,730,000
Other	4,843,500	4,275,000	-	568,500	-	-	-	-
Total	\$ 49,708,136	\$ 31,810,000	\$ 1,000,000	\$ 1,168,136	\$ -	\$ -	\$ -	\$ 15,730,000

Storm Water	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Operating Funds	\$ 8,114,629	\$ 6,864,629	\$ -	\$ -	\$ -	\$ 1,250,000	\$ -	\$ -
Debt Issue	19,484,703	15,484,703	-	-	-	-	2,000,000	2,000,000
Other	33,142,567	33,142,567	-	-	-	-	-	-
Total	\$ 60,741,899	\$ 55,491,899	\$ -	\$ -	\$ -	\$ 1,250,000	\$ 2,000,000	\$ 2,000,000

Grand Total	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Operating Funds	\$ 48,624,922	\$ 21,209,657	\$ 1,690,579	\$ 7,110,636	\$ 7,046,000	\$ 5,653,050	\$ 3,279,000	\$ 2,636,000
Debt Issue	343,576,651	210,214,167	21,332,484	-	47,500,000	8,500,000	15,800,000	40,230,000
Other	121,495,333	90,931,549	1,072,284	5,617,500	10,691,000	9,702,000	677,000	2,804,000
Grand Total	\$ 513,696,906	\$ 322,355,373	\$ 24,095,347	\$ 12,728,136	\$ 65,237,000	\$ 23,855,050	\$ 19,756,000	\$ 45,670,000

Note: () Brackets indicate a reduction in funding.

**Capital Improvements Program
FY 2012 - FY 2017 Summary**

Expenditure Summary by Fund

General Fund	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Planning/Engineering	\$ 11,154,285	\$ 10,177,907	\$ (18,622)	\$ 175,000	\$ 30,000	\$ 790,000	\$ -	\$ -
Construction	84,448,236	44,365,903	(402,667)	2,685,000	2,707,000	505,000	12,088,000	22,500,000
Other	31,570,128	27,036,078	1,412,000	-	-	1,110,050	2,012,000	-
Total	\$ 127,172,649	\$ 81,579,888	\$ 990,711	\$ 2,860,000	\$ 2,737,000	\$ 2,405,050	\$ 14,100,000	\$ 22,500,000

Water and Sewer	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Planning/Engineering	\$ 9,270,365	\$ 9,207,116	\$ (1,736,751)	\$ 1,600,000	\$ 200,000	\$ -	\$ -	\$ -
Construction	216,568,666	107,500,734	23,167,932	3,000,000	59,200,000	18,000,000	3,100,000	2,600,000
Other	3,918,529	2,913,274	905,255	100,000	-	-	-	-
Total	\$ 229,757,560	\$ 119,621,124	\$ 22,336,436	\$ 4,700,000	\$ 59,400,000	\$ 18,000,000	\$ 3,100,000	\$ 2,600,000

Airport	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Planning/Engineering	\$ 1,941,200	\$ 1,617,000	\$ (231,800)	\$ -	\$ -	\$ -	\$ 556,000	\$ -
Construction	15,977,462	3,837,462	-	4,000,000	3,100,000	2,200,000	-	2,840,000
Other	28,398,000	28,398,000	-	-	-	-	-	-
Total	\$ 46,316,662	\$ 33,852,462	\$ (231,800)	\$ 4,000,000	\$ 3,100,000	\$ 2,200,000	\$ 556,000	\$ 2,840,000

Note: () Brackets indicate a reduction in expenditure budget.

**Capital Improvements Program
FY 2012 - FY 2017 Summary**

Expenditure Summary by Fund

Parking	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Planning/Engineering	\$ 4,065,000	\$ 3,835,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,000
Construction	42,943,136	25,275,000	1,000,000	1,168,136	-	-	-	15,500,000
Other	2,700,000	2,700,000	-	-	-	-	-	-
Total	\$ 49,708,136	\$ 31,810,000	\$ 1,000,000	\$ 1,168,136	\$ -	\$ -	\$ -	\$ 15,730,000

Storm Water	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Planning/Engineering	\$ 7,072,800	\$ 7,072,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	46,934,070	41,684,070	-	-	-	1,250,000	2,000,000	2,000,000
Other	6,735,029	6,735,029	-	-	-	-	-	-
Total	\$ 60,741,899	\$ 55,491,899	\$ -	\$ -	\$ -	\$ 1,250,000	\$ 2,000,000	\$ 2,000,000

Grand Total	Total Amount	Prior Years	FY 2012	FY 2013	FY2014	FY2015	FY2016	FY2017
Planning/Engineering	\$ 33,503,650	\$ 31,909,823	\$ (1,987,173)	\$ 1,775,000	\$ 230,000	\$ 790,000	\$ 556,000	\$ 230,000
Construction	406,871,570	222,663,169	23,765,265	10,853,136	65,007,000	21,955,000	17,188,000	45,440,000
Other	73,321,686	67,782,381	2,317,255	100,000	-	1,110,050	2,012,000	-
Grand Total	\$ 513,696,906	\$ 322,355,373	\$ 24,095,347	\$ 12,728,136	\$ 65,237,000	\$ 23,855,050	\$ 19,756,000	\$ 45,670,000

Note: () Brackets indicate a reduction in expenditure budget.

**Capital Improvements Program
FY 2012 - FY 2017 Project Summary**

Project Number	Project Name	Prior Years	FY 2012	FY 2013	FY 2014	FY 2015- FY 2017	Total
General Fund:							
110006	Joint Communications	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
120002	DPW Building A Roof Replacement	600,000	(20,458)	-	-	-	579,542
120003	New DPW Storage Building	-	-	1,000,000	-	-	1,000,000
310004	Monocacy Blvd / Rt 15 Interchange	1,000,000	-	-	-	1,250,000	2,250,000
310303	Gas House Pike Imps	6,002,981	(185,044)	-	-	-	5,817,937
310304	Monocacy Blvd - Central Section	15,419,119	-	-	-	36,380,000	51,799,119
320007	Opossumtown Pike / TJ Drive Imps	828,095	500,000	1,500,000	1,500,000	-	4,328,095
340000	Streetlight Upgrades	3,157,047	-	-	-	-	3,157,047
340005	Pedestrian Signal at US40/Wav Dr	268,052	(200,000)	-	-	-	68,052
340006	Streetlight Replacement - ARRA	455,494	-	-	-	-	455,494
340102	Sidewalk Retrofit	593,981	(685)	-	-	-	593,296
340401	New Traffic Signal Construction	634,420	30,000	225,000	30,000	225,000	1,144,420
340402	Traffic Light Conversion - ARRA	148,132	16,600	-	-	-	164,732
380001	Shared Use Path Plan Imps	675,009	30,000	-	120,000	240,000	1,065,009
380006	Way Finding	640,000	-	-	-	-	640,000
410001	Carroll Creek Linear Park	22,919,000	(150,000)	100,000	100,000	100,000	23,069,000
410007	Riverside Center Park	960,480	-	-	-	610,050	1,570,530
410008	Walnut Ridge Park	387,971	(6,364)	-	-	-	381,607
410011	Avalon Park	-	-	-	384,000	-	384,000
410017	Clover Ridge Park	-	-	35,000	403,000	-	438,000
410024	Carrollton Park	90,000	(16,684)	-	-	-	73,316
411201	Hill Street Regional Park	3,811,107	(6,654)	-	-	-	3,804,453
411202	West Side Regional Park	18,889,000	-	-	200,000	200,000	19,289,000
450102	Grove Stadium Imps	4,100,000	-	-	-	-	4,100,000
Total General Fund		\$ 81,579,888	\$ 990,711	\$ 2,860,000	\$ 2,737,000	\$ 39,005,050	\$ 127,172,649

**Capital Improvements Program
FY 2012 - FY 2017 Project Summary**

Project Number	Project Name	Prior Years	FY 2012	FY 2013	FY 2014	FY 2015- FY 2017	Total
Water and Sewer Fund:							
310304	Monocacy Blvd- Central Section	\$ 7,014,000	\$ -	\$ -	\$ -	\$ 1,700,000	\$ 8,714,000
360009	Water Distribution	12,705,000	(773,650)	-	-	-	11,931,350
360011	New Design Water Plant Expansion	51,750,000	-	-	-	-	51,750,000
360015	North Side Water Tank	150,000	1,000,000	1,000,000	2,000,000	-	4,150,000
360018	Water Loss Reduction	5,311,000	(145,725)	2,000,000	2,000,000	6,000,000	15,165,275
360022	Water Resource Project	5,128,000	(94,745)	-	8,000,000	-	13,033,255
360023	Ballenger Creek Interconnect	2,809,000	(196,678)	-	-	-	2,612,322
360024	Patrick St Water Main	8,190,252	(1,385,317)	-	-	-	6,804,935
360025	Water & Sewer Security	220,000	-	-	-	-	220,000
360028	East Street Interchange Utilities	250,000	-	-	-	-	250,000
360029	Bowers/Whittier Connector Pipeline	4,486,782	-	-	-	-	4,486,782
360031	Fishing Creek Pipeline	80,000	-	1,000,000	12,500,000	-	13,580,000
360032	SCADA System	500,000	-	-	-	-	500,000
360033	Lake Linganore	29,900	-	200,000	200,000	-	429,900
360601	Watershed Land Acquisition	763,353	-	-	-	-	763,353
370003	Shookstown Interceptor Sewer	898,000	-	-	-	-	898,000
370007	Wastewater Flow Meter	320,000	-	-	200,000	-	520,000
370008	Gas House Pike WWTP	11,241,000	9,132,551	500,000	34,500,000	16,000,000	71,373,551
370009	Ballenger -McKinney WWTP	2,683,000	14,800,000	-	-	-	17,483,000
370300	Inflow and Infiltration Reduction	5,091,837	-	-	-	-	5,091,837
Total Water and Sewer Fund		\$ 119,621,124	\$ 22,336,436	\$ 4,700,000	\$ 59,400,000	\$ 23,700,000	\$ 229,757,560

**Capital Improvements Program
FY 2012 - FY 2017 Project Summary**

Project Number	Project Name	Prior Years	FY 2012	FY 2013	FY 2014	FY 2015- FY 2017	Total
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Airport Fund:

380051	FAA Part 77	\$ 856,000	\$ -	\$ -	\$ -	\$ -	\$ 856,000
380054	Airport Property Acquisitions	17,114,000	-	-	-	-	17,114,000
380062	Bowman's Farm Acquisition	5,550,000	-	-	-	-	5,550,000
380065	Runway 5-23 and 30 Extension	-	-	-	-	3,396,000	3,396,000
380067	Bailes Lane Demolition & Site Work	950,000	418,200	3,500,000	3,100,000	2,200,000	10,168,200
380068	Waffle House - Acquire / Remove	2,400,000	-	-	-	-	2,400,000
380071	Tulip Hill Houses - Acquire / Remove	1,000,000	-	500,000	-	-	1,500,000
380077	Air Traffic Control Tower	5,482,462	(650,000)	-	-	-	4,832,462
380079	Localizer Antenna Replacement	500,000	-	-	-	-	500,000
Total Airport Fund		\$ 33,852,462	\$ (231,800)	\$ 4,000,000	\$ 3,100,000	\$ 5,596,000	\$ 46,316,662

Parking Fund:

380401	Parking Deck #4	\$ 18,425,000	\$ (105,864)	\$ -	\$ -	\$ -	\$ 18,319,136
380402	Parking Deck #5	12,250,000	-	-	-	-	12,250,000
380408	Site G Deck #6	1,135,000	-	-	-	15,730,000	16,865,000
380413	Church Street Deck - Rehab	-	1,105,864	1,168,136	-	-	2,274,000
Total Parking Fund		\$ 31,810,000	\$ 1,000,000	\$ 1,168,136	\$ -	\$ 15,730,000	\$ 49,708,136

Storm Water:

350001	South Street Storm Drain	\$ 836,894	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 4,836,894
350020	Carroll Creek Flood Control Project	54,655,005	-	-	-	1,250,000	55,905,005
Total Storm Water		\$ 55,491,899	\$ -	\$ -	\$ -	\$ 5,250,000	\$ 60,741,899

Grand Total		\$ 322,355,373	\$ 24,095,347	\$ 12,728,136	\$ 65,237,000	\$ 89,281,050	\$ 513,696,906
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Note: () Brackets indicate a reduction in funding and expenditure budget

**Capital Improvements Program
Operating Cost Impact of Projects**

Project Number	Project Name	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
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General Fund:

110006	Joint Communications	-	500	500	500	500	500
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The procurement of equipment to utilize a single consolidated County/City radio network will increase maintenance and repair costs starting in FY 2013.

120002	DPW Building A Roof Replacement	-	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
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The replacement of the roof on DPW Building A will eliminate roof leaks and reduce annual maintenance and repair costs.

120003	New DPW Storage Building	-	1,500	1,500	1,500	1,500	1,500
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The purchase and installation of a new DPW storage building will add utility costs to future budgets.

310004	Monocacy Blvd / Rt 15 Interchange	-	-	-	-	-	5,000
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The completion of this project will increase road maintenance costs in out years.

310303	Gas House Pike Imps	-	2,500	2,500	2,500	5,000	2,500
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The completion of this project will increase road maintenance costs in out years.

310304	Monocacy Blvd - Central Section	-	-	-	5,000	5,000	5,000
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The completion of this project will increase road maintenance costs in out years.

320007	Opossumtown Pike / TJ Drive Imps	-	-	-	2,500	2,500	5,000
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The completion of this project will increase road maintenance costs in out years.

340000	Streetlight Upgrades	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)
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The upgrade of existing street lights will reduce operating and maintenance costs.

**Capital Improvements Program
Operating Cost Impact of Projects**

Project Number	Project Name	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
340005	Pedestrian Signal at US40/Wav Dr	-	-	-	-	-	-
This project was to install a pedestrian countdown signal at this intersection. It has been completed and will not have an effect on the City's operating expenses.							
340006	Streetlight Replacement - ARRA	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)
The upgrade of existing street lights will reduce operating and maintenance costs.							
340102	Sidewalk Retrofit	2,500	2,500	2,500	2,500	2,500	2,500
The completion of this project will increase sidewalk maintenance costs in out years.							
340401	New Traffic Signal Construction	-	-	-	-	-	-
This project is to provide new traffic signals at various intersections in the City and will not have an effect on the City's operating expenses.							
340402	Traffic Light Conversion - ARRA	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
This project will assist the City in reducing energy costs by replacing old light bulbs with LED's in traffic signals.							
380001	Shared Use Path Plan Imps	-	-	2,500	3,000	3,000	5,000
This project will increase repair and maintenance costs for the Shared Use Path.							
380006	Way Finding	1,000	1,000	1,000	1,000	1,000	1,000
The City's new way finding signage program will increase maintenance and repair costs for damaged signs.							
410001	Carroll Creek Linear Park	-	-	15,000	15,000	15,000	15,000
The completion of the Carroll Creek Linear Park will result in an increase in park maintenance costs, police patrol costs, and utility costs.							

**Capital Improvements Program
Operating Cost Impact of Projects**

Project Number	Project Name	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
410007	Riverside Center Park	-	-	-	-	-	5,000

The completion of Riverside Center Park will increase park maintenance expenses.

410008	Walnut Ridge Park	-	-	-	-	-	-
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The completion of this park will include a playground and table pavilions. Additional operating costs will be replacement equipment that extends past FY2017.

410011	Avalon Park	-	-	-	2,500	2,500	3,000
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The completion of this park will increase park maintenance expenses.

410017	Clover Ridge Park	-	-	2,500	2,500	3,000	2,500
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The completion of this park will increase park maintenance expenses.

410024	Carrollton Park	-	-	-	-	-	-
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This project is a rehab of an existing park. Additional operating costs will be replacement equipment that extends past FY2017.

411201	Hill Street Regional Park	-	-	-	-	-	-
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This completed project was a rehab of an existing park. Additional operating costs will be replacement equipment that extends past FY2017.

411202	West Side Regional Park	3,500	3,500	3,500	3,500	3,500	3,500
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This is a long-term project for the City. Current operating costs include the maintenance of the land. The park is not expected to be constructed in the foreseeable future.

Capitol Improvements Program
Operating Cost Impact of Projects

Project Number	Project Name	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
450102	Grove Stadium Imps	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Continued improvements to Grove Stadium are expected to improve amenities and upgrade the physical condition of the stadium. This will decrease the repairs and maintenance costs associated with the Stadium.							
Total General Fund		\$ (29,500)	\$ (27,500)	\$ (7,500)	\$ 3,000	\$ 6,000	\$ 18,000

Water and Sewer Fund:

310304	Monocacy Blvd- Central Section	-	-	-	-	-	-
The completion of this project will increase road maintenance costs in out years. Savings will be realized in the General Fund.							
360009	Water Distribution	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Continuation of the improvements to the City's water distribution system will decrease the repairs and maintenance costs of the aging system.							
360011	New Design Water Plant Expansion	2,540,250	2,500,000	2,000,000	1,500,000	1,000,000	500,000
The scope of this project includes the City's proportionate share of funding of Frederick County owned water supply infrastructures and ensures water supply for future growth. Increased costs are attributed to water purchased by the City from the County but are expected to be offset by increased revenues in future years. The amount shown above is net of expected user fees.							
360015	North Side Water Tank	1,000,000	1,000,000	2,000,000	-	4,000,000	7,000,000
Once completed, this project will increase maintenance costs, however those increases extend past FY2017.							
360018	Water Loss Reduction	(50,000)	(150,000)	(300,000)	(450,000)	(600,000)	(750,000)
The continuation of this project will improve the efficiency the City's water system by repairing areas in the system that have a high probability of leaks. This project will reduce the overall expense maintaining a water system.							

Capital Improvements Program
Operating Cost Impact of Projects

Project Number	Project Name	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
360022	Water Resource Project	-	-	-	-	-	-

This project is to develop new permanent water sources for the city. This is a long-term project where the operating effects will not be determined until future years.

360023	Ballenger Creek Interconnect	-	-	-	-	-	-
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This project is in conjunction with CIP #360011, New Design Water Plant Expansion. Operating effects have been listed above.

360024	Patrick St Water Main	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
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This project was the replacement of water mains along Patrick Street to allow for a more efficient system. Operating costs for repairs and maintenance will decrease as a result of an upgraded section of the system.

360025	Water & Sewer Security	-	-	-	-	-	-
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This project involves upgrades to the City's security system and will not have an impact on operating expenses.

360028	East Street Interchange Utilities	-	-	-	-	-	-
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This project is the estimated City's share to State Highway Administration for relocation costs for utilities that are in conflict with the East Street extension. There is not an impact on operating expenses for this project.

360029	Bowers/Whittier Connector Pipeline	2,500	2,500	5,000	2,500	2,500	5,000
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This project will provide redundancy and operational backup to the Whittier storage tank and will result in an increase in maintenance costs.

360031	Fishing Creek Pipeline	-	-	-	(15,000)	(15,000)	(15,000)
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This project is to construct a water main from Fishing Creek Reservoir to the Lester Dingle Treatment Plant. This water main will replace the existing pipeline and upon completion, will decrease maintenance costs.

**Capital Improvements Program
Operating Cost Impact of Projects**

Project Number	Project Name	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
360032	SCADA System	2,500	2,500	2,500	2,500	2,500	2,500
<p>Improvements to the SCADA system will enhance the operability, security, and management of the system. This will result in an increase in support and maintenance costs.</p>							
360033	Lake Linganore	-	-	-	-	-	-
<p>The intent of this project is for the City's portion of the removal of silt from the Lake Linganore Water Reservoir and to establish a long-term funding plan to address silt build-up. It is not anticipated for this project to effect operating costs.</p>							
360601	Watershed Land Acquisition	-	-	-	-	-	-
<p>This project funds the annual acquisition of available property within the City's watershed as land becomes available to purchase. It is not anticipated for this project to effect operating costs.</p>							
370003	Shookstown Interceptor Sewer	-	-	-	-	-	-
<p>This project is to correct a developer funded project and is not anticipated to effect on-going operating costs.</p>							
370007	Wastewater Flow Meter	-	-	-	-	-	-
<p>This project is required to accurately account for flows that are introduced into the Monocacy Bypass Sewer Interceptor and is not anticipated to effect on-going operating costs.</p>							
370008	Gas House Pike WWTP	-	-	-	-	(75,000)	(75,000)
<p>This project is for major renovation to the Gas House Pike WWTP. Completion of this project will result in a decrease of maintenance and repair costs at the plant.</p>							
370009	Ballenger -McKinney WWTP	-	-	-	-	-	-
<p>The scope of this project includes City funding for a proportionate share of the construction of Frederick County owned wastewater treatment infrastructures. Future effects on operating costs can not be determined at this time.</p>							

Capitla Improvements Program
Operating Cost Impact of Projects

Project Number	Project Name	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
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370300	Inflow and Infiltration Reduction	(20,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
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This project is to provide rehab and repairs that will reduce inflow and infiltration to the City's sewer system. The result will decrease costs for wastewater treatment.

Total Water and Sewer Fund		\$ 3,435,250	\$ 3,275,000	\$ 3,627,500	\$ 960,000	\$ 4,235,000	\$ 6,587,500
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Airport Fund:

380051	FAA Part 77	-	-	-	-	-	-
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This project is to acquire easements of 11 properties that penetrate the 34:1 approach surface for Runway 5 and to allow for tree removal on the easements. This project is not anticipated to effect future operating costs.

380054	Airport Property Acquisitions	2,500	2,500	2,500	2,500	2,500	2,500
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The scope of this project is to purchase properties to remove obstructions that are within the Runway 5 Object Free Area and the Runway 5 Runway Protection Zone. All properties have been acquired. The effect on operating budgets includes the costs to maintain the properties until they can be demolished.

380062	Bowman's Farm Acquisition	2,500	2,500	2,500	2,500	2,500	2,500
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The Bowman Farm property acquisition is to secure land for future expansion of the airport. Costs to maintain this land will increase the operating budget of the airport.

380065	Runway 5-23 and 30 Extension	-	-	-	-	-	-
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The scope of this project is to extend Runway 5-23. This is a long-term project and future operating costs will extend past FY2017.

380067	Bailes Lane Demolition & Site Work	-	-	-	-	-	-
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This project is to demolish buildings acquired under CIP #380054 and will not effect future operating budgets.

**Capital Improvements Program
Operating Cost Impact of Projects**

Project Number	Project Name	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
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380068	Waffle House - Acquire / Remove	2,500	2,500	-	-	-	-
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This project is to acquire and remove the Waffle House Restaurant located within the future extension of the Runway 5 Runway Protection Zone. Maintenance costs will increase until the property can be demolished.

380071	Tulip Hill Houses - Acquire / Remove	2,500	-	-	-	-	-
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This project is to acquire and remove the 3 homes located within the future extension of the Runway 5 Runway Protection Zone. Maintenance costs will increase until the properties can be demolished.

380077	Air Traffic Control Tower	25,000	25,000	25,000	25,000	25,000	25,000
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This project is to construct an Air Traffic Control Tower in accordance with FAA regulations. While the tower will be staffed with FAA employees, the City will be responsible for maintenance, insurance, utilities, and other misc. expenses.

380079	Localizer Antenna Replacement	-	-	-	-	-	-
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The purpose of this project is to replace the existing localizer antenna with a new Mark 20A 14 element array antenna. There will be no effect on current or future operating budgets due to this project.

Total Airport Fund		\$ 35,000	\$ 32,500	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
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Parking Fund:

380401	Parking Deck #4	(580,000)	(580,000)	(580,000)	(600,000)	(620,000)	(620,000)
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This project was to construct 650 parking spaces and 30,000 square feet of City government office space. Operating effects are net of expenditures, however do not include debt service.

380402	Parking Deck #5	(250,000)	(250,000)	(250,000)	(250,000)	(200,000)	(200,000)
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This project was to construct 380 parking spaces. Operating effects are net of expenditures and do not include debt services.

**Capital Improvements Program
Operating Cost Impact of Projects**

Project Number	Project Name	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
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380408	Site G Deck #6	-	-	-	-	-	-
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This is a long-term project to construct an additional deck with a total capacity of 650 to 1100 spaces. Effects on future operating budgets extend past FY2017.

380413	Church Street Deck - Rehab	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
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This project is to rehab the aging Church Street deck. Completion of this project will reduce maintenance and repair costs for the deck.

Total Parking Fund		\$ (855,000)	\$ (855,000)	\$ (855,000)	\$ (875,000)	\$ (845,000)	\$ (845,000)
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Storm Water:

350001	South Street Storm Drain	-	-	-	-	-	15,000
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This project will provide a storm drain system capable of conveying a 10-year storm in a 433 drainage area. Routine maintenance this drain will increase operating expenses.

350020	Carroll Creek Flood Control Project	-	-	-	-	-	2,500
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This project is to construct a brick and block building, with public restrooms, on top of Pumping Station No. 3 to reduce the risk of pump station failure during flood events. Increased operating costs are included for building and restroom maintenance.

Total Storm Water		\$ -	\$ 17,500				
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Grand Total		\$ 2,585,750	\$ 2,425,000	\$ 2,795,000	\$ 118,000	\$ 3,426,000	\$ 5,808,000
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Glossary of Accounting and Budget Terms

ACCOUNTING SYSTEM – The total structure of records and procedures that identify, record, classify, summarize, and report information on the financial position and results of operations of a government.

ACCRUAL BASIS OF ACCOUNTING – The method of accounting where transactions are recognized when they occur, regardless of the timing of related cash flows.

APPROPRIATIONS – The legal authorizations made by the Mayor and Board of Aldermen to the departments, offices, and agencies of the City which approves their budgets and allows them to make expenditures and incur obligations for purposes with the accounts approved.

ASSESSABLE BASE – The total value of all real and personal property in the city which is used as a basis for levying taxes. Tax exempt property is excluded from the assessable base.

BALANCED BUDGET – A budget that has operating revenues equal to operating expenditures.

BOND – A written promise to pay a specified amount of money, called the principal amount, at specific dates in the future called maturity dates along with interest at specific rate.

BOND ANTICIPATION NOTES – Short-term interest-bearing notes issued by a government in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond to which they are related.

BONDS ISSUED – Bonds sold.

BOND RATING – A rating that indicates the probability of timely repayment of principal and interest on bonds issued.

BUDGET – A financial plan containing estimated revenues and expenses for an organization. The plans are prepared by the individual departments and reviewed and submitted by the Mayor to the Board of Aldermen for their review and approval.

BUDGET YEAR – The fiscal year for which the budget is being considered. (See also FISCAL YEAR.)

CAPITAL IMPROVEMENTS PROGRAM (CIP) – The annual updated 6-year plan or schedule of projected expenditures for buildings, public facilities, and other improvements which are of significant value and have a useful life of several years. The City's program includes estimated project costs, sources of funding, and timing of work for each project. The capital improvement program is the basis for the annual CIP appropriations and any new bond issues.

Glossary of Accounting and Budget Terms

CAPITAL EXPENSES (OUTLAY) – Departmental expenditures which generally result in the acquisition of furniture, equipment, and/or computers, which have a value of less than \$5,000, and have an estimated useful life in excess of three years. Capital expenses are reflected in the budget document in each department requesting the items.

CAPITAL PROJECTS – a specific activity or element of the Capital Improvements Program involving expenditures and funding for the creation of permanent facilities or other public assets having a relatively long useful life.

CDBG – See Community Development Block Grant

CDS – See Controlled Dangerous Substance

CIP – See Capital Improvements Program

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) – a general purpose, federal grant primarily used to promote rehabilitation and development of residential and commercial neighborhoods, and to meet all urgent community development needs.

CONTROLLED DANGEROUS SUBSTANCE (CDS) – A fund used to account for revenues generated from seized property during drug related arrests. Proceeds can be used by the Police for drug related expenditures.

CURRENT YEAR – The fiscal year that is prior to the budget year.

DEBT ISSUANCE – The sale or issuance of any type of debt instrument, such as bonds.

DEBT LIMIT – The statutory or constitutional maximum debt that an issuer can legally incur.

DEBT RATIOS – The ratios that provide measures of assessing debt load and ability to repay debt, which play a part in the determination of credit ratings. They are also used to evaluate the City's debt position over time against its own standards and policies.

DEBT SERVICE – The payment of principal and interest on borrowed funds such as bonds.

DEFICIT – The amount by which a government's budget outlays exceed its budget revenues for a given period, usually a fiscal year.

DEPARTMENT – The major organizational divisions in the City government with overall responsibility for one or more activities or functions of the City.

DEPRECIATION – An allocation made for the decrease in value of physical assets through wear, deterioration, or obsolescence.

Glossary of Accounting and Budget Terms

ENCUMBRANCE – A firm commitment to pay for future goods and services formally documented with a contract or agreement that may extend over more than one budget year. Both encumbrances and planned expenditures on a project must fit within a department's appropriation.

ENTERPRISE FUND – A fund used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing goods or services to the general public are financed or recovered primarily through user charges.

EXPENDITURE – An actual payment made by check, inter-fund transfer, or by recordation of an amount due for goods received or services rendered.

FIDUCIARY FUND – The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

FISCAL POLICIES – The City's financial management policies relating to operating budgets, accounting, capital improvements program, general fund balance levels, debt, and investments.

FISCAL YEAR – An organization's accounting or financial year. The City's fiscal year starts July 1 and ends June 30.

FIXED ASSET – Assets of a long-term character which are intended to continue to be held and used. Examples of fixed assets include items such as land, buildings, machinery, furniture, and other equipment.

FULL-TIME EQUIVALENT – Indicates the authorized number of employees in department by position type. This includes part-time staffing employees on a pro-rated basis.

FUND – A fiscal and accounting entity with a self-balancing set of accounts recording cash and all other financial resources or assets, together with all related liabilities or outside claims to those assets; and the remaining unclaimed net worth or residual equity in those assets, which are segregated for the purpose of carrying on specific activities or attaining specific program objectives.

FUND BALANCE – The cumulative difference between expenditures and revenue accumulated over the life of a fund. A negative fund balance is usually referred to as a deficit.

FY – See Fiscal Year

GAAP – See Generally Accepted Accounting Principles.

Glossary of Accounting and Budget Terms

GASB – See Governmental Accounting Standards Board.

GENERAL FUND – The major operating fund of the City used to account for all financial resources and activities, except those accounted for in one of the City’s other funds.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles as determined through common practice or as promulgated by the Governmental Accounting Standards Boards, Financial Accounting Standards Board, or various other accounting standard setting bodies.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) – This organization was established as an arm of the Financial Accounting Foundation in April 1984 to promulgate standards of financial accounting and reporting with respect to activities and transactions of state and local governmental entities.

GOVERNMENTAL FUNDS - Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

GRANTS – A transfer of county, state or federal monies to the City, usually for specific programs or activities.

INFRASTRUCTURE – The physical assets of a city (streets, water, sewer, public buildings, and/or parks) upon which the continuance and growth of a community depend.

INTERFUND TRANSFERS – Payments made from one operating fund to another as a contribution to defray a portion of the recipients fund’s costs.

INTERGOVERNMENTAL REVENUES – The revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

LEVY – (Verb) To impose taxes or special assessments for the support of governmental activities. (Noun) A tax or special assessment imposed by a government.

LIABILITIES – Debts or other legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

LINE-ITEM BUDGET – The traditional form of budgeting, where proposed expenditures are based on individual types of expenditures within a department or program. The City of Frederick Budget is a line item budget with summary and program information to aid in obtaining a more complete picture of the budget.

Glossary of Accounting and Budget Terms

LONG-TERM DEBT – Debt or obligations of the City with a final maturity or payment date of greater than one year.

MODIFIED ACCURAL BASIS OF ACCOUNTING – The accrual basis of accounting adapted to the governmental fund type. It is a modified version of the full accrual basis of accounting in that it, in general, measures financial flow (tax and spend) of an organization, rather than capital accumulation (profit or loss).

NET BONDED DEBT – Gross bonded debt less any cash or other assets available and earmarked for its retirement.

NON-DEPARTMENTAL OPERATING EXPENDITURES – Operating expenditures which are not charged directly to specific departments but are cost to the City as a whole, such as debt service payments and general liability insurance.

OBLIGATIONS – Amounts that a government may be required legally to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.

OPERATING BUDGET – The portion of the City’s budget that provides resources for the day-to-day operations of the City.

ORDINANCE – A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and resolution is that the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions that must be enacted by ordinance and those which may be enacted by resolution.

PAY-AS-YOU-GO – Capital expenditures which are funded from current revenues.

PAYMENT IN LIEU OF TAXES – Payments made by entities not legally required to pay taxes in order that they may receive the same services as private taxpayers.

PERSONNEL (COSTS) – Expenditures that include salary costs for full-time, part-time, temporary and contract employees, overtime expenses and all associated fringe benefits.

PRIOR YEAR(S) – The fiscal year(s) proceeding the current year.

PROJECTIONS – The estimate of budget authority, outlays, receipts, or other amounts extending several years into the future. Projections generally are intended to indicate the budgetary implications of existing or proposed programs.

PROPOSED BUDGET – Reflects the budget or line-item amount recommended by the Mayor to the Board of Aldermen for their review and consideration. It reflects either his assessment of what is needed to accomplish the department’s objectives, or the limited resources available to accomplish the intended objectives.

Glossary of Accounting and Budget Terms

RESOLUTION – A special or temporary order of a legislative body that requires less legal formality than an ordinance or statute.

REVENUE – Income received by the City to support its program of services to the community. It includes sources such as property taxes, admission fees, service charges, and Federal and State grants, to name just a few.

RFP – Request for Proposals, Federal mandate to request proposals from potential contractors for outsourced government services.

SHORT-TERM DEBT – Debt or obligations of the City due within one year or less.

SPECIAL ASSESSMENT – A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

TAX BASE – All forms of wealth under the City's jurisdiction that are taxable.

TAX RATE – the amount levied for every \$100 of assessed property value, as determined by the Maryland State Assessment Department on both real and personal property within the City of Frederick limits.

TAX SETOFF PAYMENT – A payment received from the County for services it does not have to provide citizens and taxpayers of the City because the City provides the services. The City currently receives payments from the County for police, parks, and planning services.

UNDESIGNATED FUND BALANCE – Funds remaining from the prior year, which are available for appropriation and expenditure in the current year.

UNRESERVED FUND BALANCE – That portion of a fund balance for which no binding commitments have been made.