

**RESOLUTION NO. RS-2023-14**

A RESOLUTION AUTHORIZING AND EMPOWERING COUNTY COMMISSIONERS OF WASHINGTON COUNTY (THE "COUNTY") TO ISSUE AND SELL AT PUBLIC SALE, UPON ITS FULL FAITH AND CREDIT, A SERIES OF ITS GENERAL OBLIGATION BONDS DESIGNATED "COUNTY COMMISSIONERS OF WASHINGTON COUNTY PUBLIC IMPROVEMENT BONDS OF 2023," IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,100,000, SUBJECT TO REDUCTION AS PROVIDED HEREIN, PURSUANT TO THE PROVISIONS OF, AS APPLICABLE, CHAPTER 99 OF THE LAWS OF MARYLAND OF 2018 AND TITLE 6 OF THE CODE OF PUBLIC LOCAL LAWS OF WASHINGTON COUNTY (2019 EDITION), EACH AS AMENDED AS APPLICABLE, FOR THE PUBLIC PURPOSES OF FINANCING THE COST OF CERTAIN PUBLIC FACILITIES AND PROJECTS IN WASHINGTON COUNTY, INCLUDING THE COST OF ACQUISITION, ALTERATION, CONSTRUCTION, RECONSTRUCTION, ENLARGEMENT, EQUIPPING, EXPANSION, EXTENSION, IMPROVEMENT, REHABILITATION, RENOVATION, UPGRADING AND REPAIR OF VARIOUS INFRASTRUCTURE, PUBLIC SAFETY, EDUCATIONAL AND ENVIRONMENTAL PROJECTS, TOGETHER WITH ANY RELATED ARCHITECTURAL, FINANCIAL, LEGAL, PLANNING OR ENGINEERING SERVICES; PRESCRIBING THE TERMS AND CONDITIONS OF SAID BONDS AND THE TERMS AND CONDITIONS UPON WHICH SAID BONDS SHALL BE ISSUED AND SOLD AND OTHER DETAILS WITH RESPECT THERETO; PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE COUNTY TO THE PAYMENT OF THE BONDS AND PROVIDING THAT, IN THE EVENT FUNDS AVAILABLE TO THE COUNTY ARE INSUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS, THE COUNTY SHALL LEVY AND COLLECT AD VALOREM TAXES UPON ALL THE LEGALLY ASSESSABLE PROPERTY WITHIN WASHINGTON COUNTY SUFFICIENT TO PROVIDE FOR SUCH PAYMENTS WHEN DUE; AUTHORIZING COUNTY OFFICIALS TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE BONDS; PROVIDING FOR THE DISBURSEMENT OF THE PROCEEDS OF THE BONDS; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE AND SALE OF SAID BONDS; MAKING CERTAIN FINDINGS CONCERNING DEBT LIMITATIONS OF WASHINGTON COUNTY; MAKING OR PROVIDING FOR THE MAKING OF CERTAIN ELECTIONS, COVENANTS OR DETERMINATIONS PERTAINING TO THE TAX-EXEMPT STATUS OF SAID BONDS; PROVIDING THAT THE PROVISIONS OF THIS RESOLUTION SHALL BE LIBERALLY CONSTRUED; AND GENERALLY PROVIDING FOR THE ISSUANCE OF SAID BONDS.

**RECITALS**

Chapter 99 of the Laws of Maryland of 2018 (the "2018 Act") authorizes and empowers County Commissioners of Washington County (the "County") to issue and sell bonds upon its full faith and credit in an aggregate principal amount not to exceed \$70,000,000 to provide funds to finance the cost of the construction, improvement or development (within the meaning of the 2018 Act) of certain public facilities (within the meaning of the 2018 Act) in Washington County. To date, the County has previously issued \$514,278 original aggregate principal amount of its County



Commissioners of Washington County Public Improvement Bonds of 2019, \$9,060,000 original aggregate principal amount of its County Commissioners of Washington County Public Improvement Bonds of 2020, \$10,785,626 original aggregate principal amount of its County Commissioners of Washington County Public Improvement Bonds of 2021, and \$9,280,000 of its County Commissioners of Washington County Public Improvement Bonds of 2022 pursuant to the bond issuing authority provided by the 2018 Act.

Title 6 of the Code of Public Local Laws of Washington County, Maryland (2019 Edition), as amended to date (the "Water and Sewer Act"), authorizes and empowers the County to issue bonds upon its full faith and credit to provide funds for the purpose of paying the cost of a water system, sewerage system or drainage system or any part of such system that the County owns, constructs or operates (referred to as "projects" in the Water and Sewer Act).

Pursuant to the authority of the 2018 Act and the Water and Sewer Act, as applicable, the County has determined to issue and sell its general obligation bonds in an original aggregate principal amount not to exceed \$15,100,000 (the "New Money Bonds") to finance the cost of the construction, improvement or development (within the meaning of the 2018 Act) of certain public facilities (within the meaning of the 2018 Act) in Washington County and the cost of certain projects (within the meaning of the Water and Sewer Act). The New Money Bonds are being issued to finance the cost of certain public facilities and projects as more particularly described in Section 2 herein. The issuance of the New Money Bonds shall not cause the County to exceed the debt limitation provided for in the Water and Sewer Act.

The Water and Sewer Act and the 2018 Act are together referred to as the "Acts".

The New Money Bonds, as authorized to be issued and sold by this Resolution, are a single series of bonds for the purposes of financing the cost of certain public facilities and projects in Washington County, all as described herein, and are referred to in the Sections of this Resolution as the "Bonds."

References in this Resolution to "principal amount" or "principal amounts" shall be construed as "par amount" or "par amounts", respectively. References in this Resolution to "finance" or "financing" are deemed to include "reimburse" or "reimbursing", respectively.

These Recitals constitute an integral part of this Resolution. Capitalized terms used in these Recitals and not otherwise defined in the following Sections of this Resolution shall have the meanings given to such terms in these Recitals.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY:

Section 1. The County hereby determines that it is necessary to borrow money and incur indebtedness pursuant to the authority of the 2018 Act and the Water and Sewer Act, as applicable, to finance the cost of the public facilities and the projects described in Section 2 hereof.

Pursuant to the authority of the 2018 Act and the Water and Sewer Act, as applicable, the County shall borrow on its full faith and credit the aggregate principal sum of not to exceed \$15,100,000 in order to provide funds to finance the cost of the construction, improvement or development of certain public facilities in Washington County (within the meaning of the 2018 Act) and to finance the cost of certain projects (within the meaning of the Water and Sewer Act), as further described in Section 2 hereof, and shall evidence such borrowing by the issuance of a series of its general obligation bonds in the original aggregate principal amount not to exceed \$15,100,000 and designated "County Commissioners of Washington County Public Improvement Bonds of 2023" (the "Bonds" or, individually, each a "Bond").

The Chief Financial Officer of the County (who constitutes the Director of the Office of Budget and Finance for purposes of the County Code, the "Chief Financial Officer"), on behalf of the County, with the advice of the financial advisor to the County and bond counsel to the County, is hereby authorized from time to time prior to the sale of the Bonds to adjust the original aggregate principal amount of the Bonds as set forth in Section 3 hereof upward or downward (so long as such original aggregate principal amount, as adjusted, does not exceed \$15,100,000), to eliminate one or more of the maturities of the Bonds provided for in Section 3 hereof and/or to adjust the original aggregate principal amounts of each maturity of the Bonds upward or downward, due to tax considerations, due to market considerations, in order to restructure the amortization schedule for the Bonds to meet financial considerations impacting the County, to account for anticipated original issue premium so as to avoid an over-issuance problem and/or in order to reduce the par amount of the Bonds needed due to anticipated original issue premium, and/or to reduce the proceeds of the Bonds to be applied to any of the contemplated public facilities or projects provided for in Section 2 hereof due to the availability of other funds for such public facilities or projects or based on a decision of the Board of County Commissioners of Washington County (the "Board") made after this Resolution is adopted to reduce the proceeds of the Bonds to be applied to any particular public facilities or projects, and any such adjustment (i) shall be reflected in the Preliminary Official Statement provided for in Section 19 hereof if such determination is made prior to the release of such Preliminary Official Statement or (ii) shall be communicated in accordance with the provisions of the official Notice of Sale provided for in Section 11 hereof if such determination is made after the release of such Preliminary Official Statement.

The final original aggregate principal amount of the Bonds, the final maturities of the Bonds and the final original aggregate principal amount of each maturity of the Bonds will be determined in accordance with an order or orders of the Chief Financial Officer delivered in conjunction with the award of the Bonds in accordance with the provisions of Section 12 hereof.

It is the stated intention of the Board that, to the extent available for such purpose, any net original issue premium resulting from the successful bidder's bid for the Bonds available after accounting for the underwriter's discount of the successful bidder for the Bonds payable from such net original issue premium (as adjusted if applicable) be allocated to the purposes contemplated in Section 2 of this Resolution, thereby reducing the par amount of the Bonds to be issued for such purposes specified in Section 2. Any rounding amounts attributable to the fact that the Bonds must be issued in denominations of \$5,000 and integral multiples thereof shall also be applied to the purposes specified in Section 2 hereof. Costs of issuance of the Bonds, other than underwriter's



discount payable to the successful bidder for the Bonds from proceeds of net original issue premium, shall be paid by the County from funds on hand.

Section 2. Subject to adjustments made in connection with the sale of the Bonds (including as contemplated in Section 1 hereof or to provide for the application of net original issuance premium received in connection with the sale and issuance of the Bonds), the projects ("projects" shall be deemed to include the public facilities contemplated by the 2018 Act) and purposes on account of which the Bonds are issued and the approximate amount of the par value of proceeds of the Bonds allocated to each class of projects are identified as follows:

<u>Proceeds</u>	<u>Use</u>
\$6,345,000	Infrastructure Projects
1,000,000	Public Safety Projects
4,655,000	Educational Projects
3,100,000	Environmental Projects

Notwithstanding the foregoing allocation, the County, without notice to or the consent of the registered owners of the Bonds, may (i) reallocate the approximate amount of the par value of the proceeds of the Bonds, and (ii) allocate and reallocate any net original issue premium received by the County with respect to the sale of the Bonds, to be spent among the projects referenced above (as such projects may be further identified in materials provided or available to the Board or in resolutions of the Board) in compliance with applicable County budgetary procedures or applicable law. If the original aggregate par amount of the Bonds is reduced prior to or in connection with the sale of the Bonds as contemplated by this Resolution, such reduction and the allocation of any net original issue premium to the uses specified in the table above may be reflected in the certificate executed and delivered by authorized County officials in accordance with the provisions of Section 14 of this Resolution. In addition, without notice to or the consent of the registered owners of the Bonds, the County may reallocate the par amount or other proceeds of the Bonds to projects not originally contemplated by this Resolution in accordance with the provisions of the Acts and any other applicable law.

Section 3. (a) The Bonds shall be dated their dated date and shall be issued in the denominations of \$5,000 each or any integral multiple thereof. The Bonds shall bear interest from their dated date. Subject to the further provisions of this Section 3, interest on the Bonds shall be payable on January 1, 2024 and on each July 1 and January 1 thereafter until maturity or, as applicable, prior redemption. Each January 1 or July 1 on which interest is due on the Bonds is referred to herein as an "Interest Payment Date." Interest shall be calculated on a 30-day month/360-day year basis.

(b) Subject to the provisions of this Resolution, the Bonds shall mature or be subject to mandatory sinking fund redemption as designated by the successful bidder for the Bonds, on July 1 of the years and in the amounts as follows:

[CONTINUED ON FOLLOWING PAGE]

<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>
2024	\$455,000	2034	\$ 750,000
2025	480,000	2035	785,000
2026	500,000	2036	830,000
2027	530,000	2037	870,000
2028	555,000	2038	915,000
2029	585,000	2039	955,000
2030	615,000	2040	995,000
2031	645,000	2041	1,035,000
2032	680,000	2042	1,080,000
2033	715,000	2043	1,125,000

Note: The original aggregate principal amount of, and original aggregate principal amount of each maturity of, the Bonds, is subject to adjustment prior to sale as provided in Section 1 hereof and in the official Notice of Sale provided for in Section 11 hereof. In addition, the original aggregate principal amount of, and/or the original aggregate principal amount of each maturity of, the Bonds is subject to adjustment after receipt of bids in accordance with the provisions of the official Notice of Sale provided for in Section 11 hereof. The final original aggregate principal amount of the Bonds, as issued, shall not exceed \$15,100,000.

(c) The foregoing provisions of this Section 3 are also subject to the provisions of Sections 1, 11 and 12 hereof.

(d) Subject to the provisions of Section 11 hereof, each Bond shall bear interest from its dated date if no interest payment has been paid or from the most recent Interest Payment Date to which interest has been paid or duly provided for; provided, however, that each Bond authenticated after the Record Date (as hereinafter defined) for any Interest Payment Date, but prior to such Interest Payment Date, shall bear interest from such Interest Payment Date. Interest on the Bonds shall be paid at the rate or rates named by the successful bidder for the Bonds in accordance with the terms of the official Notice of Sale hereinafter provided for.

(e) The County hereby appoints Manufacturers and Traders Trust Company, a New York state banking corporation with trust powers, as bond registrar and as paying agent for the Bonds (the "Bond Registrar and Paying Agent").

(f) The principal of and interest on the Bonds shall be payable in such money of the United States of America as is lawful at the time of payment.

So long as the Bonds are maintained in Book-Entry Form (as hereinafter defined), payments of principal or redemption price of the Bonds shall be made as described in Section 5 hereof. At any other time, the principal or redemption price of each Bond shall be paid upon presentment and surrender of such Bond on the date such principal or redemption price is payable or if such date is not a Business Day (as hereinafter defined) then on the next succeeding Business Day at the designated corporate trust office of the Bond Registrar and Paying Agent.

Interest on each Bond shall be payable to the person in whose name such Bond is registered (the "Registered Owner") on the registration books maintained for the Bonds as of the close of business on the 15th calendar day of the month immediately preceding each Interest Payment Date (the "Record Date"). So long as the Bonds are maintained in Book-Entry Form, payment of interest on the Bonds shall be made as described in Section 5 hereof. At any other time, payment of the interest on each Bond shall be made by check mailed on the date such interest is payable or, if such date is not a Business Day, then the next succeeding Business Day to the address of such Registered Owner as it appears on said registration books for the Bonds (the "Bond Register").

"Business Day" means a day other than a Saturday, a Sunday or a day on which the Bond Registrar and Paying Agent is authorized or obligated by law or required by executive order to remain closed.

(g) The interest on any Bond which is payable, but is not punctually paid or duly provided for, on the appropriate Interest Payment Date shall forthwith cease to be payable to the Registered Owner thereof by virtue of having been such Registered Owner on the relevant Record Date; and such interest shall be paid by the Bond Registrar and Paying Agent to the person in whose name the Bond (or its predecessor Bond) is registered at the close of business on a date to be fixed by the Bond Registrar and Paying Agent for the payment of such interest, notice thereof being given by first class mail (postage prepaid) to said person not fewer than 30 days prior to such special record date, at the address of such person appearing on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds may be listed and upon such notice as may be required by such exchange.

Section 4. The Bonds shall be issued as fully registered bonds registered on the Bond Register kept for that purpose by the Bond Registrar and Paying Agent, and shall be registered and transferred in accordance with the terms and conditions set forth in the Bonds. The Bonds shall be initially issued in the form of authenticated, fully registered Bonds in the aggregate principal amount of each separate maturity of the Bonds.

Section 5. The provisions of this Section 5 shall apply to the Bonds so long as the Bonds shall be maintained in Book-Entry Form with a Depository (as hereinafter defined), any other provisions of this Resolution to the contrary notwithstanding.

A system for registration of the Bonds in Book-Entry Form with a Depository, which shall initially be The Depository Trust Company ("DTC"), shall be in effect on the date of the issuance and delivery of the Bonds.

(a) Upon initial issuance and delivery, one fully registered bond for the original aggregate principal amount of each maturity of the Bonds will be registered in the name of Cede & Co., as nominee for DTC, and immobilized in the custody of DTC or held by the Bond Registrar and Paying Agent on DTC's behalf through DTC's "FAST" system.

(b) Transfer of ownership interests in the Bonds will be accomplished by book entries made by the Depository and, in turn, by the direct or indirect participants (the "Participants") who



act on behalf of the ultimate purchasers of the Bonds (the "Beneficial Owners"). The Beneficial Owners will not receive certificates representing their ownership in the Bonds, except as hereafter provided.

(c) The principal or redemption price (if any) of and interest on the Bonds shall be payable to the Depository, or registered assigns, as the registered owner of the Bonds, in same day funds on each date on which the principal or redemption price of (if any) or interest on the Bonds is due as provided for in this Resolution and in the Bonds or as otherwise required by the Depository. Such payments shall be made to the offices of the Depository specified by the Depository to the Bond Registrar and Paying Agent. Without notice to or the consent of the holders of the Bonds, the County, the Bond Registrar and Paying Agent and the Depository may agree in writing to make payments of principal and interest in a manner different from that set out herein; no such written agreement shall be required if a change is provided for in the Depository's operational arrangements. Neither the County nor the Bond Registrar and Paying Agent shall have any obligation with respect to the transfer or crediting of the appropriate principal and interest payments to the Participants or the Beneficial Owners or their nominees.

(d) The County may replace any Depository as the securities depository for the Bonds with another Depository or discontinue the maintenance of the Bonds with any Depository if (i) the County, in its sole discretion, determines that any (A) such Depository is incapable of discharging its duties with respect to the Bonds, or (B) the interests of the Beneficial Owners might be adversely affected by the continuation of the Book-Entry System (as hereinafter defined) with such Depository as the securities depository for the Bonds, or (ii) such Depository determines not to continue to act as a securities depository for the Bonds or is no longer permitted to act as such securities depository. Notice of any determination pursuant to clause (i) shall be given to such Depository at least 30 days prior to any such discontinuance (or such fewer number of days as shall be acceptable to such Depository). Neither the County nor the Bond Registrar and Paying Agent will have any obligation to make any investigation to determine the occurrence of any events that would permit the County to make any determination described in this paragraph.

(e) If, following a determination or event specified in subsection (d) above, the County discontinues the maintenance of the Bonds in Book-Entry Form, the County will issue replacement bonds (the "Replacement Bonds") directly to the applicable Participants as shown on the records of the Depository or, to the extent requested by any Participant, to the Beneficial Owners of the Bonds as further described in this Section. The Bond Registrar and Paying Agent shall make provisions to notify the applicable Participants and the applicable Beneficial Owners by mailing an appropriate notice to the Depository, or by other means deemed appropriate by the Bond Registrar and Paying Agent in its discretion, that the County will issue Replacement Bonds directly to the Participants shown on the records of the Depository or, to the extent requested by any Participant, to Beneficial Owners of the Bonds shown on the records of such Participant, as of a date set forth in such notice, which shall be a date at least 10 days after receipt of such notice by the Depository (or such fewer number of days as shall be acceptable to the Depository).

In the event that Replacement Bonds are to be issued to the Participants or to the Beneficial Owners with respect to the Bonds, the Bond Registrar and Paying Agent shall promptly have prepared Replacement Bonds registered in the names of such Participants as shown on the records



of the Depository or, if requested by such Participants, in the names of the Beneficial Owners of the Bonds, as shown on the records of such Participants as of the date set forth in the notice delivered in accordance with the immediately preceding paragraph. Replacement Bonds issued to Participants or to Beneficial Owners shall be in the authorized denominations, be payable as to principal and interest on the same dates as the Bonds, with interest being payable by check or draft mailed to each registered owner at the address of such owner as it appears on the Bond Register and principal being payable upon presentation to the Bond Registrar and Paying Agent, and be in fully registered form.

Replacement Bonds issued to a Depository shall have the same terms, form and content as the Bonds initially registered in the name of the Depository to be replaced or its nominee except for the name of the record owner.

(f) The Depository and its Participants and the Beneficial Owners, by their acceptance of the Bonds, agree that neither the County nor the Bond Registrar and Paying Agent shall have any liability for the failure of the Depository to perform its obligations to the Participants and the Beneficial Owners, nor shall the County or the Bond Registrar and Paying Agent be liable for the failure of any Participant or other nominee of the Beneficial Owners to perform any obligation to the Beneficial Owners of the Bonds.

For purposes of this Section 5, the following words have the following meanings:

“Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a book-entry and (ii) physical bond certificates in fully registered form are registered only in the name of a Depository or its nominee as holder, with the physical bond certificates “immobilized” in the custody of the Depository or in the custody of the Bond Registrar and Paying Agent on behalf of the Depository.

“Depository” means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interests in municipal bonds, and to effect transfers of municipal bonds, in Book-Entry Form, and includes and means initially The Depository Trust Company.

Section 6. (a) The Bonds that mature on or before July 1, 2033 are not subject to redemption at the option of the County prior to their maturities. The Bonds that mature on and after July 1, 2034 shall be redeemable at the option of the County, in whole or in part, on any date on or after July 1, 2033, in any order directed by the County, at a redemption price of the principal amount of the Bonds (or portions thereof) to be redeemed, plus accrued interest on the principal amount being redeemed to the date fixed for redemption, without premium or penalty. The particular maturities or portions of maturities of the Bonds to be so redeemed shall be determined in the sole discretion of the County.



(b) The provisions relating to the optional redemption of the Bonds and the mandatory sinking fund redemption of the Bonds (if applicable) are provided for in the form of Bond set forth in Section 8 hereof.

(c) Notwithstanding any provisions contained herein, during any period in which the Bonds are maintained pursuant to a Book-Entry System, redemption of the Bonds shall occur in accordance with the Depository's standard procedures for redemption of obligations such as the Bonds.

(d) The provisions of this Section 6 are also subject to the provisions of Section 11 hereof.

Section 7. The Bonds, when issued, shall be executed in the name of the County by the President or the Vice President of the Board, by manual or facsimile signature. The seal of, or a facsimile of the seal of, the County shall be impressed, affixed or imprinted on the Bonds, and the Bonds shall be attested by the County Clerk, by manual or facsimiles signature. The Bonds shall be authenticated by the Bond Registrar and Paying Agent, by manual signature. The provisions of this paragraph are subject to the provisions of Section 21(c) and (d) of this Resolution.

In the event any official of the County whose signature shall appear on any Bond described in this Resolution shall cease to be such official prior to the delivery of said Bond, his or her signature shall nevertheless be valid, sufficient and binding for the purposes herein intended.

There shall be printed on or attached to each of the Bonds the text of or a copy of the approving legal opinion of Bond Counsel with respect to the Bonds. Such printed text or opinion copy shall be certified by the manual or facsimile signature of the President or the Vice President of the Board to be a true and complete copy of such text or such opinion as delivered to the County on the date of delivery of the Bonds to the original purchasers thereof.

Section 8. The Bonds shall be in substantially the following form, which form together with all of the terms, covenants and conditions therein contained, is hereby adopted by the County as and for the form of obligation to be incurred by it, and said terms, covenants and conditions are hereby made binding upon the County, including the promise to pay therein contained, in accordance with said form:

[CONTINUED ON NEXT PAGE]

(Form of Face of Bond)

*Note: Bracketed language is intended to reflect that such provisions apply only in certain circumstances, and such language shall be deleted from or included in the final form of the Bonds, as appropriate.*

UNITED STATES OF AMERICA  
STATE OF MARYLAND  
COUNTY COMMISSIONERS OF WASHINGTON COUNTY

PUBLIC IMPROVEMENT BOND OF 2023

No. R-\_\_\_\_\_ \$ \_\_\_\_\_

<u>Annual Interest Rate</u>	<u>Maturity Date</u>	<u>Bond Date</u>	<u>CUSIP Number</u>
	July 1, 20_____	_____, 2023	_____

Registered Owner: Cede & Co.

Principal Amount: \_\_\_\_\_ Dollars

County Commissioners of Washington County, a body politic and corporate organized and existing under the Constitution and laws of the State of Maryland (the "County"), hereby acknowledges itself indebted for value received and, upon surrender hereof, promises to pay to the Registered Owner shown above, or his registered assigns, on the Maturity Date shown above, unless, to the extent applicable, this bond shall have been called for prior redemption and payment of the redemption price made or provided for, the Principal Amount shown above, and to pay interest on the outstanding principal amount hereof from the later of the Bond Date shown above and the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or provided for; provided, however, if this bond is authenticated after a Record Date (as hereinafter defined) for any Interest Payment Date and before such Interest Payment Date, it shall bear interest from such Interest Payment Date.

Interest on this bond shall be paid at the Annual Interest Rate shown above, payable on January 1, 2024 and semiannually thereafter on July 1 and January 1 in each year (the "Interest Payment Dates") until payment of such Principal Amount shall be discharged as provided in the Resolution (as hereinafter defined). Such interest shall be paid to the person in whose name this bond is registered on the registration books for the series of bonds of which this bond is one (the "Bond Register") maintained by the Bond Registrar and Paying Agent (as hereinafter defined) at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date (the "Record Date"). Interest shall be calculated on a 30-day month/360-day year basis.



Notwithstanding the preceding sentence, interest on this bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date shall forthwith cease to be payable to the Registered Owner by virtue of having been such Registered Owner on the relevant Record Date and such interest shall be paid by Manufacturers and Traders Trust Company, as the bond registrar and as the paying agent (such entity, or its successors or assigns, the “Bond Registrar and Paying Agent”) to the person in whose name this bond (or its predecessor bond) is registered at the close of business on a date fixed by the Bond Registrar and Paying Agent for the payment of such interest, notice thereof being given by first class mail, postage prepaid, to said person not fewer than 30 days prior to such special record date, at the address of such person appearing on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this bond may be listed and upon such notice as may be required by such exchange.

Principal or redemption price of and interest on this bond are payable in such money of the United States of America as is lawful at the time of payment. If a principal payment date or interest payment date falls on a Saturday, a Sunday or a day on which the Bond Registrar and Paying Agent is authorized or obligated by law or required by executive order to remain closed, payment may be made on the next succeeding day that is not a Saturday, a Sunday or a day on which the Bond Registrar and Paying Agent is authorized or obligated by law or required by executive order to remain closed, and no interest shall accrue on the scheduled amount due for the intervening period.

This bond is one of an issue of bonds limited in original aggregate principal amount to \$\_\_\_\_\_, all dated the date of delivery and all known as “County Commissioners of Washington County Public Improvement Bonds of 2023” (the “Bonds”). The Bonds are issued as registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The Bonds are numbered consecutively from No. R-1 upward and mature on July 1 in the years and in the amounts and bear interest at the annual rates, all as set forth below:

Maturing (July 1)	Principal Amount	Interest Rate	Maturing (July 1)	Principal Amount	Interest Rate
----------------------	---------------------	------------------	----------------------	---------------------	------------------

[(<sup>1</sup>) Denotes maturity date of a term bond.]

[AMORTIZATION SCHEDULE FOR THE BONDS TO BE COMPLETED FOLLOWING  
PRICING]

*[Include the following for each maturity constituting a term bond only to extent the successful bidder for the Bonds designates term bonds--*The Bonds maturing on July 1, \_\_\_\_\_ are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, together with interest accrued to the date fixed for redemption, on the dates and in the principal amounts set forth below:

Redemption Date

Mandatory Sinking  
Fund Installment

\_\_\_\_\_  
\* Final maturity.]

The Bonds that mature on or before July 1, 2033 are not subject to redemption at the option of the County prior to their respective maturities. The Bonds that mature on and after July 1, 2034 are subject to redemption at the option of the County, in whole or in part, on any date on or after July 1, 2033, in any order of maturity directed by the County, at a redemption price of the principal amount of the Bonds (or portions thereof) to be redeemed, plus accrued interest on the principal amount being redeemed to the date fixed for redemption, without premium or penalty.

If fewer than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds of such maturity to be redeemed in whole or in part shall be selected by such means and in such manner as the Bond Registrar and Paying Agent, in its sole discretion, shall determine. Each \$5,000 principal amount of any Bond shall be considered a separate Bond for the purposes of selection of Bonds for redemption.

If all or a portion of the Bonds outstanding are to be redeemed, the County shall give or cause to be given notice of such redemption by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to each registered owner of a Bond to be redeemed in whole or in part at the address of such registered owner appearing on the Bond Register. The failure to mail the redemption notice or any defect in the notice so mailed shall not affect the validity of the redemption proceedings. The County may, but shall not be obligated to, publish such notice of redemption at least once not fewer than 30 days prior to the date fixed for redemption in a newspaper circulating in the City of Baltimore, Maryland and also in a financial journal or daily newspaper of general circulation published in the City of New York, New York. The redemption notice shall state (i) whether the Bonds are to be redeemed in whole or in part and, if in part, the maturities, numbers, interest rates and CUSIP numbers of the Bonds to be redeemed, (ii) in the case of a partial redemption of any Bond, the portion of the principal amount which is to be redeemed, (iii) that interest shall cease to accrue on the Bonds (or portions thereof) called for redemption on the date fixed for redemption, (iv) the date fixed for redemption and the redemption price, (v) the address of the Bond Registrar and Paying Agent with a contact person and phone number, and (vi) that the Bonds to be redeemed in whole or in part shall be presented for redemption and payment on or after the date fixed for redemption at the designated corporate trust office of the Bond Registrar and Paying Agent. Any such notice may be conditioned upon receipt by the Bond Registrar and Paying Agent of sufficient funds to effect such redemption.



From and after the date fixed for redemption, if monies sufficient for the payment of the redemption price of the Bonds (or portions thereof) called for redemption plus accrued interest due thereon to the date fixed for redemption are held by the Bond Registrar and Paying Agent on such date, the Bonds (or portions thereof) so called for redemption shall become due and payable at the redemption price provided for redemption of such Bonds (or portions thereof) on such date, interest on such Bonds (or portions thereof) shall cease to accrue and the registered owners of such Bonds so called for redemption in whole or in part shall have no rights in respect thereof except to receive payment for the redemption price thereof plus accrued interest thereon to the date fixed for redemption from such monies held by the Bond Registrar and Paying Agent. Upon presentation and surrender of a Bond called for redemption in whole or in part, the Bond Registrar and Paying Agent shall pay the appropriate redemption price of such Bond plus accrued interest thereon to the date fixed for redemption. If Bonds (or portions thereof) so called for redemption are not paid upon presentation and surrender as described above, such Bonds shall continue to bear interest at the rates stated therein until paid.

In case part but not all of a Bond shall be selected for redemption, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof Bonds in any of the authorized denominations as specified by the registered owner. The aggregate principal amount of Bonds so issued shall be equal to the unredeemed balance of the principal amount of the Bond surrendered, and the Bonds issued shall bear the same interest rate and shall mature on the same date as the Bond surrendered.

*[TO BE USED FOR BONDS IN BOOK-ENTRY FORM ONLY --* So long as all of the Bonds shall be maintained in book-entry form with a Depository (as defined in the Resolution) in accordance with Section 5 of the Resolution, in the event that part, but not all, of this bond shall be called for redemption, payments of principal and interest on this bond shall be made, and notice of defaulted interest on this bond or redemption of this bond shall be given, as required by the rules or operational arrangements of such Depository, and the holder of this bond may elect not to surrender this bond in exchange for a new Bond or Bonds and in such event shall make a notation indicating the principal amount of such redemption and the date thereof on the Payment Grid attached hereto. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the lesser of (A) the Principal Amount shown on the face hereof and (B) such Principal Amount reduced by the principal amount of any partial redemption of this bond following which the holder of this bond has elected not to surrender this bond. The failure of the holder hereof to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the County hereunder. **THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.**

Unless this bond is presented by an authorized representative of The Depository Trust Company, a limited-purpose trust company organized under the New York Banking Law ("DTC"), to the County or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL**

inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

The Bonds are issued pursuant to the authority of Chapter 99 of the Laws of Maryland of 2018 and Title 6 of the Code of Public Local Laws of Washington County (2019 Edition), each as amended to date (collectively, the "Act"), and in accordance with Resolution No. RS-2023-\_\_ of the Board of County Commissioners of the County adopted on \_\_\_\_\_, 2023 (the "Resolution").

The Bonds will be transferable only upon the Bond Register by the Bond Registrar and Paying Agent. Any Bond presented for transfer, exchange, registration or payment (if so required by the Bond Registrar and Paying Agent) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner thereof or by his duly authorized attorney. Upon any transfer or exchange, the County shall execute and the Bond Registrar and Paying Agent shall authenticate and deliver in the name of the registered owner or the transferee or transferees, as the case may be, a new registered Bond or Bonds, in any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond exchanged or transferred and maturing on the same date and bearing interest at the same rate. In each case, the County and the Bond Registrar and Paying Agent may require payment by the registered owner requesting the exchange or transfer of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect thereto, but otherwise no charge shall be made to the registered owner for the exchange or transfer.

The Bond Registrar and Paying Agent shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption; provided, however, that this limitation shall not apply to any portion of a Bond which is not being called for redemption.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland and the Resolution authorizing the issuance of the issue of bonds, of which this bond is one, and that said issue of bonds, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of said State. This bond is an obligation of the County, payable as provided in the Resolution, and the full faith and credit and unlimited taxing power of County Commissioners of Washington County are hereby irrevocably pledged to the payment of the principal of this bond and of the interest to accrue hereon at the dates and in the manner mentioned herein.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until the Certificate of Authentication endorsed hereon shall have been signed by an authorized signatory of the Bond Registrar and Paying Agent.



IN WITNESS WHEREOF, the County has caused this bond to be executed in its name by the [Vice] President of the Board of County Commissioners of Washington County and attested by the County [Clerk][Administrator], and has also caused its corporate seal to be affixed or imprinted hereon.

(SEAL)

ATTEST:

COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY

By: \_\_\_\_\_  
County [Clerk][Administrator]

By: \_\_\_\_\_  
[Vice] President, Board of  
County Commissioners of Washington County

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is one of the registered bonds of County Commissioners of Washington County designated "County Commissioners of Washington County Public Improvement Bonds of 2023".

MANUFACTURERS AND TRADERS TRUST COMPANY,  
as Bond Registrar and Paying Agent

By: \_\_\_\_\_  
Authorized Signatory



PAYMENT GRID

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

## ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (Tax Identification or Social Security No. \_\_\_\_\_) the within bond and all rights thereunder, and does hereby constitute and appoint \_\_\_\_\_ attorney to transfer the within bonds on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signatures must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

\_\_\_\_\_  
(Signature of Registered Owner)  
NOTICE: Signature must correspond with the name of the Registered Owner of the within bond as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever

IT IS HEREBY CERTIFIED that the following is [the text of] [a true and correct copy of] the complete legal opinion of Funk & Bolton, P.A., Baltimore, Maryland, with respect to the issue of bonds of which this bond is one, that the original of said opinion was manually executed, dated and issued as of the date of delivery of, and payment for, said issue of bonds by the original purchaser thereof, and that an executed copy thereof is on file with the Bond Registrar and Paying Agent.

COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY

By: \_\_\_\_\_  
[Vice] President, Board of  
County Commissioners of Washington County

(Insert or Attach Text of or Copy of Opinion of Bond Counsel)

(End of Form of Bond)

[CONTINUED ON NEXT PAGE]



Section 9. The President or the Vice President of the Board shall be and is hereby authorized to make such changes in the form of bond set forth in Section 8 hereof as the President or the Vice President shall deem necessary to carry into effect the provisions of this Resolution, including, without limitation, to include or remove bracketed provisions set forth in the form of Bond provided for in Section 8 hereof, to reflect matters determined in accordance with Sections 1, 3, 11, or 12 hereof, or to comply with recommendations of bond counsel to the County; provided, however, that the President or the Vice President shall make no change materially affecting the substance of such form unless such change is determined by the Chief Financial Officer, with the advice of the financial advisor to the County, to be in the best interest of the County.

The execution of the Bonds by such officer shall be conclusive evidence of the approval by the County of all changes in the form of the Bonds and of the due execution of the Bonds by the County.

Section 10. No Bond shall be valid or obligatory for the purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication of such Bond substantially in the form hereinabove provided shall have been duly executed by the Bond Registrar and Paying Agent and such executed certificate of the Bond Registrar and Paying Agent on such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The Bond Registrar and Paying Agent's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar and Paying Agent. It shall not be necessary that the same officer or signatory of the Bond Registrar and Paying Agent sign the certificate of authentication on all the Bonds issued hereunder.

Section 11. The Bonds shall be sold at public sale by electronic bids only to the bidder therefor for cash whose bid results in the lowest true interest cost to the County in the manner and in accordance with the formula set forth in the form of Notice of Sale attached as Appendix C to the Preliminary Official Statement identified in Section 19 hereof and made a part hereof (the "Notice of Sale"), as such Notice of Sale may be modified as provided in this Resolution and therein. Electronic bids for the Bonds shall be received by the Chief Financial Officer on May 23, 2023, subject to the further provisions of this Section 11. The Chief Financial Officer shall be and is hereby authorized to make such changes in the form of Notice of Sale set forth in the form of the Preliminary Official Statement provided to the Board with this Resolution as the Chief Financial Officer shall deem necessary to carry into effect the purposes of this Resolution (including, without limitation, to reflect matters determined in accordance with Sections 1 or 3 hereof or this Section 11) or to comply with recommendations of bond counsel to the County, or, with the advice of the financial advisor to the County, to be in the best interest of the County, including, without limitation, (i) modifying or limiting the manner in which the issue price of the Bonds will be determined, (ii) modifying or limiting the premium payable by a bidder for the Bonds, (iii) modifying the manner of adjusting the amortization schedule for the Bonds pre- or post-sale, (iv) adding, modifying or eliminating any maximum interest rate for the Bonds, (v) adding, modifying or eliminating any stated maximum spread between the lowest and highest interest rates eligible to be bid by a bidder, or (vi) modifying the amount of or method of delivery for the good faith deposit. The Chief Financial Officer, upon the advice of the financial advisor to the County, is authorized to adjust the original aggregate principal amounts of the Bonds and the

maturities thereof in the manner and in accordance with Sections 1 or 3 hereof and this Section 11 and the Notice of Sale. The form of the Notice of Sale as contained in the final Preliminary Official Statement, as the same may be modified in accordance with the provisions thereof and hereof, shall constitute the official Notice of Sale.

Notwithstanding any other provision hereof, the Chief Financial Officer shall be and hereby is authorized to accept electronic bids for the Bonds, and to make such adjustments to the official Notice of Sale in the manner provided for therein as the Chief Financial Officer shall deem necessary or advisable, upon the advice of bond counsel to the County or the financial advisor to the County, including to accomplish electronic bidding procedures, to change the bid specifications for the Bonds or to comply with applicable regulations, notices and other official guidance.

In view of the desirability of flexibility in the scheduling of the sale of the Bonds to take full advantage of shifts in market conditions, the Board determines that it is in the best interest of the County to authorize and empower the Chief Financial Officer to change the time of or cancel said sale at any time prior to May 23, 2023, and to reschedule said sale without publishing a new Notice of Sale or advertisement, if (i) the financial advisor to the County has advised the Chief Financial Officer that market conditions or other scheduling considerations are such that it is in the best interest of the County to do so, and (ii) the Chief Financial Officer concurs in such recommendation to cancel and/or reschedule the sale. The Chief Financial Officer may cancel and reschedule any rescheduled sale in accordance with phrases (i) and (ii) of the preceding sentence. If the date of sale is rescheduled as provided above, the Chief Financial Officer may also reschedule the date of delivery of the Bonds, which is currently scheduled for June 6, 2023. If the sale is postponed to a date later than June 30, 2023, the Chief Financial Officer may also change the dated date of the Bonds (and hence the date from which interest shall accrue), the dates of the semi-annual interest payments and annual principal payments, the optional redemption dates, and the mandatory sinking fund redemption dates, if any, accordingly.

The Notice of Sale authorized by this Resolution shall be substantially in the form set forth in Appendix C to the form of the Preliminary Official Statement presented to the Board, and the terms, provisions and conditions set forth in the final form of the Notice of Sale provided for herein are hereby adopted and approved as the terms, provisions and conditions under which the Bonds shall be sold, issued and delivered at public sale. Said Notice of Sale, or an advertisement in substantially the form attached hereto as Exhibit A, shall be published at least once, at least ten days preceding said date of sale, in one or more daily or weekly newspapers having a general circulation in Washington County and may also be published in one or more journals having a circulation primarily among banks and investment bankers. The Chief Financial Officer, on behalf of the County, is hereby authorized to make any changes to such advertisement before publication to reflect matters determined in accordance with Sections 1, 3, or 11 of this Resolution before such publication, if applicable. In addition, the Chief Financial Officer is hereby authorized to cause to be prepared and distributed or made available to prospective bidders printed or printable copies of the Notice of Sale, as well as the Preliminary Official Statement hereinafter authorized. The Chief Financial Officer or the Chief Financial Officer's designee is hereby authorized and directed to handle all inquiries in connection with the sale authorized hereby and the Official Statement

hereafter referred to and is further authorized to reschedule any postponed sale with or without the republication of the Notice of Sale or advertisement.

Section 12. After accessing the electronic bids for the Bonds, and in accordance with the terms and conditions of the sale of the Bonds as set forth in the official Notice of Sale, the Chief Financial Officer, on behalf of the County, with the advice of the financial advisor to the County and bond counsel to the County, is hereby authorized and delegated the authority to deliver one or more orders determining the final original aggregate principal amount of the Bonds (including making any authorized adjustments to the final original aggregate principal amount of each maturity and the amortization schedule therefor following receipt of bids in accordance with the provisions of this Resolution and the official Notice of Sale), and/or fixing the interest rate or rates payable on the Bonds (within the limitations set forth in or provided for in this Resolution), unless the Chief Financial Officer determines to reject all bids for the Bonds (any such rejection also to be made by order of the Chief Financial Officer). The order or orders of the Chief Financial Officer shall be delivered following receipt of the good faith deposit for the Bonds provided for in the official Notice of Sale. The execution and delivery by the Chief Financial Officer of any such order or orders shall constitute conclusive evidence of the award or rejection of bids for the Bonds. Any such order shall be retained in the records of the County. In order to accommodate market practice, the Chief Financial Officer may indicate or provide for the indication of any preliminary or final award, or any rejection of all bids, with respect to the Bonds on or through the electronic bidding platform on which bids were received and through any other communication mechanism recommended by the financial advisor to the County. Subsequently, unless all bids for the Bonds are so rejected by the Chief Financial Officer, the Bonds shall thereupon be suitably printed or engraved and delivered to the successful bidder therefor in accordance with the conditions of delivery set forth in the official Notice of Sale.

Section 13. Expenses relating to the issuance and sale of the Bonds, including, without limitation, the cost of printing the Bonds and advertising their sale and the fees and expenses of legal counsel and the financial advisor to the County, shall be paid from other funds available to the County; provided that, the underwriter's discount of the successful bidder for the Bonds shall be paid from net original issue premium resulting from the sale of the Bonds. In the event the date of the Bonds is adjusted in accordance with Section 11 hereof to be a date other than the date of delivery of the Bonds, any accrued interest received on the sale of the Bonds shall be applied to the first interest payment on the Bonds. Any net original issue premium received from the sale of the Bonds shall be applied after payment of the underwriter's discount of the successful bidder for the Bonds to pay costs of the public facilities and projects provided for in Section 2, to the extent available for such purpose, subject to any applicable limits of the Internal Revenue Code of 1986, as amended (the "Code") or other applicable law. After providing for payment of underwriter's discount from net original issue premium, and making any such provision for accrued interest, if applicable, the balance of the proceeds of the sale of the Bonds shall be deposited in a separate account or accounts to be used as described in Section 2 hereof for the purpose of financing the public facilities and projects as described in Section 2 hereof. Any proceeds of the Bonds not required for the purposes stated in Section 2 hereof may be applied in accordance with the provisions of the applicable Acts, or the extent not provided for therein, as determined by the Chief Financial Officer, subject to applicable County law.



Pending expenditure as contemplated hereby, the Chief Financial Officer may invest all or part of such balance of the proceeds of the Bonds held by the County in such manner as may be permitted by law; provided, however, that no such investment shall be made which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and the treasury regulations with respect thereto.

Section 14. (a) On the date of issuance of the Bonds, the President or the Vice President of the Board, together with the Chief Financial Officer, shall be responsible for the execution and delivery to counsel rendering an opinion on the validity of the Bonds of a certificate of the County which complies with the requirements of Section 103 and Sections 141 through 150, inclusive, of the Code and the applicable regulations thereunder. Such officials are hereby authorized, on behalf of the County, to make in such certificate any elections, determinations or designations authorized or required by the Code and the applicable regulations thereunder.

(b) The County shall set forth in said certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds, or of any moneys, securities or other obligations which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code or the said regulations (collectively, the "Bond Proceeds"). The County covenants with each of the holders of any of the Bonds that the facts, estimates and circumstances set forth in the said certificate will be based on the County's reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the persons executing such certificate, true, correct and complete as of that date. The County may also set forth in such certificate any reduction in the par amount of the Bonds and provide for any net original issue premium to be applied to the categories of the public facilities and projects set forth in Section 2 above due to adjustments in the final par amount of the Bonds contemplated by this Resolution.

(c) The County covenants with each of the holders of any of the Bonds that it will not use, or permit the use of any of, the Bond Proceeds or any other funds of the County, directly or indirectly, to acquire any securities or obligations, and will not take or permit to be taken or fail to take any other action or actions which would cause any of the Bonds to be an "arbitrage bond" within the meaning of said Section 148 and said regulations or that would otherwise cause the interest on the Bonds to be includable in gross income of the holders of the Bonds for federal income tax purposes.

(d) The County further covenants that it will comply with said Section 148 and said regulations and such other requirements of the Code which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds.

(e) The County will hold and shall invest Bond Proceeds within its control (if such proceeds are invested) in accordance with the expectations of the County set forth in said certificate.

(f) The County shall make timely payment of any rebate amount or payment in lieu thereof (or installment thereof) required to be paid to the United States of America in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on

the Bonds and shall include with any such payment such other documents, certificates or statements as shall be required to be included therewith under then applicable law and regulations.

(g) The President or the Vice President of the Board, together with the Chief Financial Officer, may execute a certificate or certificates supplementing or amending said certificate, and actions taken by the County subsequent to the execution of such certificate shall be in accordance with said certificate as amended or supplemented; provided, however, that the County shall execute any such certificate only upon receipt by it of an opinion of bond counsel to the County addressed to the County to the effect that actions taken by the County in accordance with the amending or supplementing certificate will not adversely affect the exclusion from gross income for federal income taxation purposes of interest on the Bonds.

(h) The County shall retain such records as necessary to document the investment and expenditure of Bond Proceeds, the uses of Bond Proceeds and of the public facilities and projects financed with such proceeds, together with such other records as may be required by the tax certificate or the Internal Revenue Service in order to establish compliance with requirements of the Code and the regulations thereunder as conditions to the exclusion of interest on the Bonds from federal gross income taxation.

Section 15. For the purposes of paying the interest on and principal of the Bonds hereby authorized as such interest and principal comes due, the County shall include in the levy against all legally assessable property in Washington County, in each and every fiscal year of the County that any of said Bonds are outstanding, ad valorem taxes sufficient to provide such sums as the County may deem sufficient and necessary in conjunction with any other funds that will be available for the purpose, to provide for the payment of the interest on the Bonds coming due in each such year and to pay the principal of the Bonds maturing or otherwise coming due in each such fiscal year. In the event the proceeds from taxes so levied in any such fiscal year shall prove inadequate for such purposes, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency. The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds hereby authorized as and when such principal and interest comes due and to the levy and collection of the taxes hereinabove prescribed as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of said Bonds. The County hereby solemnly covenants to take all lawful action as may be appropriate from time to time during the period that any of said Bonds remain outstanding and unpaid to provide the funds necessary to make said principal and interest payments. The County further covenants and agrees to levy and collect the taxes hereinabove prescribed.

Subject to any applicable Code limitations, the County may apply to the payment of the principal of and interest on any of the Bonds any funds received by it and available for such purpose from the State of Maryland, the United States of America, any agency or instrumentality thereof, or from any other source, including, without limitation, other sources provided for in the applicable Acts, and, to the extent any such funds are received or receivable in any fiscal year, the taxes that required to be levied hereunder may be reduced accordingly.

Section 16. If any Bond shall become mutilated or be destroyed, lost or stolen, the County in its discretion may execute, and upon its request the Bond Registrar and Paying Agent shall authenticate and deliver, a new Bond in exchange for the mutilated Bond or in lieu of and substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the County and to the Bond Registrar and Paying Agent such security or indemnity as may be required by them to save each of them harmless from all risks, however remote, and the applicant shall also furnish to the County and to the Bond Registrar and Paying Agent evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond. Upon the issuance of any Bond upon such exchange or substitution, the County may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, shipping charges and insurance, and any other expenses, including counsel fees of the County or the Bond Registrar and Paying Agent. If any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, instead of issuing a Bond in exchange or substitution therefor, the County may pay or authorize the payment of such Bond (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the County and to the Bond Registrar and Paying Agent such security or indemnity as they may require to save them harmless, and evidence to the satisfaction of the County and the Bond Registrar and Paying Agent of the mutilation, destruction, loss or theft of such Bond.

Section 17. Each Bond paid at maturity or upon prior redemption shall be canceled or destroyed by the Bond Registrar and Paying Agent and a certificate of destruction describing the Bond so canceled or destroyed and evidencing such cancellation or destruction shall be furnished by the Bond Registrar and Paying Agent to the County upon request.

Section 18. It is hereby determined that the bonded indebtedness previously issued by the County pursuant to the authority of the 2018 Act is a \$514,278 principal portion of the County's Public Improvement Bonds of 2019, a \$9,060,000 principal portion of the County's Public Improvement Bonds of 2020, a \$10,785,626 principal portion of the County's Public Improvement Bonds of 2021, and a \$9,280,000 principal portion of the County's Public Improvement Bonds of 2022.

Section 19. (a) The County hereby approves the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement") substantially in the form presented to the Board with this Resolution. The President of the Board and the Chief Financial Officer, with the advice of bond counsel to the County or the financial advisor to the County to the extent applicable, are hereby authorized and empowered to make edits to the form of the Preliminary Official Statement presented to the Board prior to the release of the Preliminary Official Statement, including, without limitation, to (i) disclose actual or anticipated impacts on the County stemming from the COVID-19 pandemic, (ii) reflect details regarding the funds received by the County under the American Rescue Plan Act of 2021, (iii) reflect the provisions of or to conform to the provisions of this Resolution, (iv) reflect changes dictated by the terms of the official Notice of Sale, (v) to correct inaccuracies or to provide clarifications, (vi) include therein other information that is more recent than the information contained in the form of the Preliminary Official Statement presented to the Board, and (vii) make formatting edits. On behalf of the County, the President of the Board and the Chief Financial Officer shall deem the final form of the Preliminary Official Statement to



be final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to revision, completion and amendment in the final Official Statement in accordance with such Rule 15c2-12. The County authorizes the distribution of said Preliminary Official Statement in connection with its solicitation of bids for the sale of the Bonds.

(b) The County hereby approves the Official Statement for the Bonds in the form of the final Preliminary Official Statement with such changes therein as may be required or deemed appropriate by the President of the Board or the Chief Financial Officer (and with the advice of bond counsel to the County or the financial advisor to the County, to the extent applicable), including, without limitation, to reflect matters determined in accordance with this Resolution and to incorporate any information supplied by the successful bidder for the Bonds. The execution of the Official Statement by the President of the Board shall be conclusive evidence of the approval of the County of any and all such changes or modifications in said Official Statement in connection with the issuance, sale and delivery of the Bonds.

(c) The Preliminary Official Statement and the Official Statement shall each be disseminated in electronic and/or printed form as determined by the Chief Financial Officer, on behalf of the County, with the advice of the financial advisor to the County.

(d) The Preliminary Official Statement and/or the Official Statement may be amended or supplemented in such form as determined by the President of the Board or the Chief Financial Officer (and with the advice of bond counsel to the County or the financial advisor to the County to the extent applicable), and any such amendment or supplement may be disseminated in electronic and/or printed form as determined by the Chief Financial Officer, on behalf of the County, with the advice of the financial advisor to the County.

(e) Any signature of the President of the Board and/or the Chief Financial Officer with respect to the Preliminary Official Statement or the Official Statement may be made in facsimile or indicated by other customary signature convention rather than by manual signature.

Section 20. In order to assist any Participating Underwriter (as hereafter defined) for the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement (as hereafter defined). Notwithstanding any other provision of this Resolution, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an event of default with respect to the Bonds; however, subject to the Continuing Disclosure Agreement, any bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Section.



“Continuing Disclosure Agreement” shall mean that certain Continuing Disclosure Agreement with respect to the Bonds executed by the County and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Agreement shall be in substantially the form set forth as Appendix D to the Preliminary Official Statement as evidenced by its execution by the President or the Vice President of the Board.

“Participating Underwriter” shall have the meaning ascribed thereto in Securities and Exchange Commission Rule 15c2-12.

Section 21. (a) The President and Vice President of the Board, the County Administrator, the Chief Financial Officer, the County Clerk and such other officers, officials and employees of the County as the President or the Vice President shall designate, are authorized hereby to do any and all things, approve and execute all instruments, documents and certificates, and otherwise take all action necessary, proper, or expedient in connection with the issuance, sale and delivery of the Bonds. The President and the Vice President of the Board, the County Administrator, the Chief Financial Officer, the County Clerk and all other appropriate officers, officials and employees of the County are authorized and directed hereby to do all acts and things required of them by the provisions hereof and of the Bonds for the full, punctual, and complete performance of all of the terms, covenants, provisions and agreements of this Resolution and the Bonds.

(b) References in this Resolution to any official by title shall be deemed to refer (i) to any official authorized under the code of public local laws of the County, as replaced, supplemented or amended (the “County Code”), or other applicable law or authority to act in such titled official’s stead during the absence or disability of such titled official, (ii) to any person who has been elected, appointed or designated to fill such position in an acting or interim capacity under the County Code or other applicable law or authority, (iii) to any person who serves in a “deputy,” “associate” or “assistant” capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate or assistant in accordance with the County Code or other applicable law or authority, and/or (iv) to the extent an identified official commonly uses another title not provided for in the County Code, the official, however known, who is charged under the County Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

(c) In the event the position of the County Clerk is vacant or in the absence, disability or unavailability of the County Clerk, and if no other official has authority pursuant to the provisions of subsection (b) above to attest to the impression, affixing or imprinting of the County seal on the Bonds or any instruments, documents or certificates relating to the Bonds, pursuant to the authority of Resolution No. RS-23-13 adopted by the Board on April 4, 2023, the County Administrator shall attest to the impression, affixing or imprinting of the County seal on the Bonds and on any instruments, documents or certificates relating to the Bonds providing for such attestation. In addition, pursuant to Section 1-104(c)(7) of the County Code, in the event the position of the County Clerk is vacant or in the absence, disability or unavailability of the County Clerk, and if no other official has applicable authority pursuant to the provisions of subsection (b) above, the Board hereby assigns to the County Administrator or to the County Administrator’s designee the power to certify as to, or to make representations as to, matters in any instruments, documents or certificates relating

to the Bonds that are typically made by the County Clerk with respect to County obligations in the nature of the Bonds.

(d) Notwithstanding any references in this Resolution to manual or facsimile signatures of County officials or the Bond Registrar and Paying Agent, to the extent that applicable law, orders, regulations or other authority allow for signatures to be made by facsimile, electronic or other means, whether due to the impacts of the COVID-19 pandemic or for other applicable reasons, the provisions of such applicable law, orders, regulations or other authority allowing signatures to be made in a manner other than manually shall be deemed to supersede the provisions of this Resolution.

Section 22. The provisions of this Resolution shall be liberally construed in order to effectuate the transactions contemplated by this Resolution.

[CONTINUED ON FOLLOWING PAGE]


#230461;50052.052

Section 23. This Resolution shall take effect from the date of its adoption.

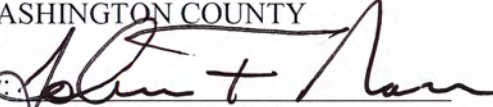
Adopted this 25<sup>th</sup> day of April, 2023.

(SEAL)

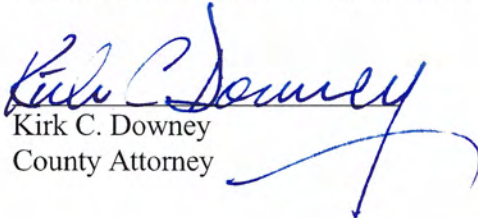
ATTEST:

  
John M. Martirano, County Administrator

COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY

By:   
John F. Barr, President  
Board of County Commissioners  
of Washington County

Approved as to form and legal sufficiency:

  
Kirk C. Downey  
County Attorney

Mail to:  
Office of the County Attorney  
100 W. Washington Street, Suite 1101  
Hagerstown, MD 21740



**EXHIBIT A**

**Form of Advertisement**

**SUMMARY NOTICE OF BOND SALE**

**\$15,100,000\***  
**WASHINGTON COUNTY, MARYLAND**  
**(County Commissioners of Washington County)**  
**Public Improvement Bonds of 2023**

**NOTICE IS HEREBY GIVEN** that County Commissioners of Washington County (the “County”) will receive electronic bids only via the applicable service of BiDCOMP/Parity®/www.i-dealprospectus.com for the purchase of the above-referenced general obligation bonds (the “Bonds”) on

**Tuesday, May 23, 2023**

until 10:45 a.m. prevailing Eastern time. The Bonds will be dated the date of their delivery, will bear interest payable semi-annually on the first days of January and July, commencing on January 1, 2024, until maturity or, to the extent applicable, prior redemption in whole, and will be issuable in denominations of \$5,000 each or multiples thereof. Principal of the Bonds will be payable on July 1 in each year determined in connection with the sale of the Bonds, unless redeemed in whole prior to final maturity. The Bonds will be issued in book-entry only form.

The original aggregate principal amount of the Bonds, and the original aggregate principal amount of each maturity of the Bonds, is subject to adjustment both pre- and post-sale as set forth in the Preliminary Official Statement for the Bonds and the official Notice of Sale. In addition, the principal and interest payment dates and optional redemption dates are subject to adjustment pre-sale as set forth in the Preliminary Official Statement and the official Notice of Sale. The final original aggregate principal amount of the Bonds will not exceed \$15,100,000.

Any bid for the Bonds must conform to the terms and conditions set forth in the official Notice of Sale. This announcement does not constitute the solicitation of bids to purchase the Bonds. The sale of the Bonds shall be made exclusively pursuant to the terms of the official Notice of Sale. Copies of the official Notice of Sale and the Preliminary Official Statement will be furnished upon request made to the Chief Financial Officer, Washington County, County Administration Building, 100 West Washington Street, Room 3100, Hagerstown, Maryland 21740, (240) 313-2300, or from the financial advisor to the County, Davenport & Company LLC, The Oxford Building, 8600 LaSalle Road, Suite 618, Towson, Maryland 21286, (410) 296-9426.

[CONTINUED ON FOLLOWING PAGE]

John F. Barr, President  
Board of County Commissioners of Washington County, Maryland

\* Preliminary, subject to adjustment at or prior to time of sale, as applicable.

Dated: \_\_\_\_\_, 2023 [TO BE PUBLISHED AT LEAST 10 DAYS PRIOR  
TO DATE OF SALE]

**Washington County, Maryland**  
**Description of 2023 Projects**

	<b>Tax-Supported Bond Approved Amount</b>	<b>Self-Supported Bond Approved Amount</b>	
<b>Project Name</b>	<b>2023 Bond</b>	<b>2023 Bond</b>	<b>Project Type</b>
<b><u>Infrastructure</u></b>			
<b>Bridges:</b>			
Crystal Falls Drive W3051	102,000	0	
Keedysville Road Bridge W5651	160,000	0	
Halfway Boulevard Bridges W0912	320,000	0	
<b>Roads:</b>			
Pavement Maintenance and Rehab Program	4,045,000	0	
Professional Boulevard Extended Phase III	718,000	0	
Halfway Boulevard Extended	1,000,000	0	
<b>Drainage:</b>			
<b>Total</b>	<b>6,345,000</b>	<b>0</b>	<b>6,345,000</b>
<b><u>Public Safety Projects</u></b>			
Burn Building - PSTC Training Center	1,000,000	0	
<b>Total</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>
<b><u>Public Facilities</u></b>			
<b><u>Environmental Projects</u></b>			
40 West Storage Building Replacement	0	350,000	Solid Waste
General Building Improvements	0	40,000	Utility Admin
Pump Station Upgrades - Various Stations	0	380,500	Sewer
Capacity Management Project	0	1,000,000	Sewer
General WwTP Improvements	0	22,500	Sewer
Mt Aetna Water System Improvements	0	549,000	Water
WQ Main Replacement	0	516,000	Water
General WTP Improvements	0	242,000	Water
<b>Total</b>	<b>0</b>	<b>3,100,000</b>	<b>3,100,000</b>
<b><u>Educational Projects</u></b>			
Capital Maintenance - BOE	3,615,000	0	
Second Entrance Drive Widening Project	1,040,000	0	
<b>Total</b>	<b>4,655,000</b>	<b>0</b>	<b>4,655,000</b>
	<b>\$12,000,000</b>	<b>\$3,100,000</b>	<b>\$15,100,000</b>

**PRELIMINARY OFFICIAL STATEMENT DATED MAY 11, 2023**

**New Issue-Book-Entry Only**

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, under existing law, the interest on the Bonds will be excludable from gross income for federal income tax purposes. Interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment for federal income tax purposes; however, for tax years beginning after December 31, 2022, interest on the Bonds will be part of the adjusted financial statement income in computing the alternative minimum tax on applicable corporations. Interest on the Bonds may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States of America. It is also the opinion of Bond Counsel that, under existing law, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom (including any profit made in the sale thereof) shall be at all times exempt from State of Maryland (the "State"), county, municipal, or other taxation of every kind and nature whatsoever within the State, but no opinion is expressed as to Maryland estate or inheritance taxes or any other Maryland taxes not levied directly on the Bonds, their transfer, the interest thereon or the income therefrom. See the information contained herein under the caption "THE BONDS—Tax Matters".

RATINGS: Fitch  
Moody's  
S&P

**\$15,100,000\***  
**WASHINGTON COUNTY, MARYLAND**  
**(COUNTY COMMISSIONERS OF WASHINGTON COUNTY)**  
**PUBLIC IMPROVEMENT BONDS OF 2023**

Dated:	Date of delivery
Due:	July 1, as shown below
Interest Payable:	January 1 and July 1
First Interest Payment Due:	January 1, 2024
Denominations:	\$5,000 and integral multiples of \$5,000
Form:	Registered, book-entry only through the facilities of The Depository Trust Company ("DTC")
Optional Redemption:	The Bonds maturing on or after July 1, 2034 are redeemable prior to maturity at the option of the County as set forth in "THE BONDS—Redemption—Optional Redemption" herein.
Security:	The Bonds are general obligations of County Commissioners of Washington County (the "County") for the payment of which its full faith and credit and unlimited taxing power are pledged (see "THE BONDS—Sources of Payment" herein).

**\$15,100,000\***

**County Commissioners of Washington County**  
**Public Improvement Bonds of 2023**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES OR YIELDS, AND CUSIPS**

Maturing July 1*	Principal Amount*	Interest Rate**	Price or Yield**	CUSIP	Maturing July 1*	Principal Amount*	Interest Rate**	Price or Yield**	CUSIP
2024	\$ 455,000				2034	\$ 750,000			
2025	480,000				2035	785,000			
2026	500,000				2036	830,000			
2027	530,000				2037	870,000			
2028	555,000				2038	915,000			
2029	585,000				2039	955,000			
2030	615,000				2040	995,000			
2031	645,000				2041	1,035,000			
2032	680,000				2042	1,080,000			
2033	715,000				2043	1,125,000			

\*\*The interest rates and prices or yields shown above are those resulting from the successful bid for the Bonds on May 23, 2023 and were furnished by the successful bidder therefor. Other information concerning the terms of the reoffering of the Bonds, if any, should be obtained from the successful bidder for the Bonds and not from the County. (See "MISCELLANEOUS—Sale at Competitive Bidding" herein.)

**Conditions Affecting Issuance:** The Bonds are offered when, as and if issued, subject to, among other conditions, the delivery of the Bonds and the approving legal opinion of Funk & Bolton, P.A., Bond Counsel, with respect thereto and other conditions specified in the official Notice of Sale. Delivery will occur through the facilities of DTC on or above June 6, 2023.

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Prospective investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*

Dated:

**\*Preliminary; subject to change**

No dealer, broker, salesman or other person has been authorized by the County or the successful bidder for the Bonds to give any information or to make any representations with respect to the Bonds or the County other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation



of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County and other sources which are deemed to be reliable, but it is not to be construed as a representation by the County as to information from sources other than the County.

This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or holders of any of the Bonds.

All quotations from and summaries and explanation of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the respective dates as of which information is given herein or the date hereof.

In connection with this offering and subject to any applicable limitations, the successful bidder for the Bonds may over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bar Association by FactSet Research Systems, Inc., and the County does not take any responsibility for the accuracy thereof. The CUSIP number for any specific maturity is subject to change after issuance of the Bonds in certain circumstances. The County has not agreed to, and there is no obligation to, update this Official Statement to reflect any change or correction in the assigned CUSIP numbers set forth on the cover page of this Official Statement. The use of CUSIP numbers in this Official Statement is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services's information.

**WASHINGTON COUNTY, MARYLAND  
ADMINISTRATION BUILDING  
100 WEST WASHINGTON STREET  
HAGERSTOWN, MARYLAND 21740**

---

**COUNTY COMMISSIONERS**

John F. Barr, President  
Jeffrey A. Cline, Vice President  
Wayne K. Keefer, Commissioner  
Randall E. Wagner, Commissioner  
Derek J. Harvey, Commissioner

**ADMINISTRATION**

John M. Martirano, County Administrator  
VACANT, County Clerk  
Kirk C. Downey, Esquire, County Attorney  
Michelle A. Gordon, Chief Financial Officer

**COUNTY TREASURER**

R. Matthew Breeding

**FINANCIAL ADVISOR**

Davenport & Company LLC  
Towson, Maryland

**BOND COUNSEL**

Funk & Bolton, P.A.  
Baltimore, Maryland

**INDEPENDENT AUDITOR**

SB & Company, LLC  
Hunt Valley, Maryland

**BOND REGISTRAR AND PAYING AGENT**

Manufacturers and Traders Trust Company  
Baltimore, Maryland  
and Buffalo, New York

## TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
<b>I. THE BONDS</b>		<b>IV. FINANCIAL INFORMATION</b>	
Introduction.....	1	Accounting System.....	30
Description of Bonds.....	1	Fund Structure.....	30
DTC and Book-Entry Only System.....	2	Basis of Accounting, Measurement Focus, and Financial	
Book-Entry Only System—Miscellaneous.....	3	Statement Presentation.....	30
Authorization.....	4	Accounting Enterprise System.....	30
Application of Proceeds.....	4	Capital Budget Preparation Software.....	31
Redemption.....	4	Budget Process and Schedule.....	31
Sources of Payment.....	5	General Fund Revenues and Expenditures.....	33
Bondholders' Remedies.....	5	Anticipated Results for Fiscal Year 2023.....	35
Tax Matters.....	6	Impact of November 2022 Cyber Security Incident.....	35
		Sources of Tax Revenue.....	36
		General Fund Balance Sheet.....	40
		Key Financial Statistics.....	41
<b>II. GOVERNMENT AND ADMINISTRATION</b>		<b>V. DEBT AND CAPITAL REQUIREMENTS</b>	
Location.....	8	Debt Management Policy.....	42
Form of Government.....	8	General Obligation and Revenue Bonds.....	42
Legislative and Administrative Officials.....	9	Water and Sewer Bonds.....	43
Washington County Government Organizational Chart..	11	Capital Lease Obligations and Other Contracts.....	45
County Employment.....	11	Special Obligation Bonds.....	45
Pension and Retirement System.....	11	Bonded Indebtedness of Incorporated Municipalities.....	46
Other Post-Employment Benefits.....	12	Direct and Underlying Debt.....	46
Insurance.....	13	Debt Service Requirements on County Debt.....	47
Certain Services and Responsibilities.....	13	Anticipated Future Financing.....	50
		Capital Requirements.....	50
<b>III. ECONOMIC AND DEMOGRAPHIC INFORMATION</b>		<b>VI. MISCELLANEOUS</b>	
Department of Business Development.....	20	Litigation.....	51
Business Development.....	21	Impact of COVID-19 Pandemic on the County.....	51
Foreign Trade Zone.....	24	Ratings.....	52
Utilities, Transportation, and Communication.....	24	Continuing Disclosure Undertaking.....	52
Population.....	25	Sale at Competitive Bidding.....	53
Income.....	26	Legal Matters.....	53
Area Labor Supply.....	26	Independent Auditors.....	53
Employment.....	27	Financial Advisor.....	53
Unemployment Rate.....	27		
Construction Activity.....	28	<b>Appendix A - General Purpose Financial</b>	
Housing Starts.....	28	Statements.....	A
Agriculture.....	29	<b>Appendix B - Proposed Form of Opinion of Bond</b>	
		Counsel.....	B
		<b>Appendix C - Notice of Sale.....</b>	C
		<b>Appendix D - Proposed Form of Continuing Disclosure</b>	
		Agreement.....	D

## I. The Bonds

### Introduction

The purpose of this Official Statement, including the cover page and appendices, is to provide information for prospective purchasers and others regarding County Commissioners of Washington County (the “County”) and its \$15,100,000\* Public Improvement Bonds of 2023 (the “Bonds” or, individually, each a “Bond”).

All estimates and assumptions herein have been based upon information believed to be reliable and correct; however, statements made involving estimates and assumptions, whether or not expressly so stated, are intended merely as such and not as representations of facts.

When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect,” “anticipate,” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Some assumptions used to develop the forecasts may not be realized and unanticipated events and circumstances may occur. Therefore, there may be differences between forecasts and actual results, and those differences may be material. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Official Statement or as of a particular specified date. The County is not obligated to issue any updates or revisions to such forward-looking statements if or when results are known or the events, conditions or circumstances on which such forward-looking statements are based occur.

Figures herein relating to tax collections, assessed value of property and the financial position of the County have been taken from official records of the County.

Except as otherwise expressly provided herein, the County has provided the material and information contained in this Official Statement. The County has authorized the execution and distribution of this Official Statement.

Any questions concerning this Official Statement or the Bonds should be addressed to Michelle A. Gordon Chief Financial Officer, Washington County Administration Building, 100 West Washington Street, Room 3100, Hagerstown, Maryland 21740; telephone: (240) 313-2300; email: mgordon@washco-md.net.

### Description of Bonds

The Bonds will be dated the date of their delivery. The Bonds will be issued in the principal amounts and will mature on the dates in the years and in the amounts set forth on the cover page hereof. The Bonds will be legally binding general obligations of the County to the payment of which the full faith and credit and unlimited taxing power of the County are pledged. (See “THE BONDS—Sources of Payment” herein.)

Interest on the Bonds, calculated on the basis of a 30-day month/360-day year factor, will be payable at the interest rates specified on the cover page of this Official Statement. Interest on the Bonds will be first paid on January 1, 2024, and semiannually thereafter on the first day of July and January of each year until the date of maturity unless a Bond is redeemed prior to that date. Interest payments will be made to the persons who are the registered owners of record as of the 15th day of the month preceding each such interest payment date. Each Bond shall bear interest from the most recent date to which interest has been paid or, if no interest has been paid, from its date of delivery.

The Bonds will be issued in fully-registered form without coupons, in denominations of \$5,000 and integral multiples thereof. The Bonds initially will be issued in book-entry form without any physical distribution of certificates made to the public. The Depository Trust Company, (“DTC”), will act as securities depository for the Bonds and the Bonds will be registered in the name of DTC’s partnership nominee, Cede & Co. (See “THE BONDS— DTC and Book-Entry Only System” herein).

So long as the Bonds are maintained in book-entry form, payments of principal of and interest on the Bonds will be made as described below under “DTC and Book-Entry Only System.” At any other time the principal amount of the Bonds will be payable at the designated corporate trust office of Manufacturers and Traders Trust Company or any successor bond registrar and paying agent (the “Bond Registrar and Paying Agent”).

---

\*Preliminary; subject to change



Except during any period that the Bonds are maintained under a book-entry only system, interest on the Bonds will be payable by checks of the Bond Registrar and Paying Agent mailed to the registered owners thereof. The principal of and interest on the Bonds will be paid in lawful money of the United States of America in the manner and at the places hereinabove described.

So long as the Bonds are maintained in book-entry form, transfers of ownership interests will be made as described below under “DTC and Book-Entry Only System.” At any other time, any Bond may be exchanged for a Bond or Bonds in authorized denominations of \$5,000 or integral multiples thereof in aggregate principal amount equal to the principal amount of the Bond transferred or exchanged and maturing on the same date and bearing interest at the same rate. The transfer of any Bond may be registered upon presentation and surrender of such Bond at the office of the Bond Registrar and Paying Agent, together with a written instrument of transfer duly executed by the registered owner or his attorney or legal representative. The Bond Registrar and Paying Agent may require the person requesting any such exchange or transfer to reimburse it for any tax, fee or other governmental charge, shipping charges and insurance payable in connection therewith.

### **DTC and Book-Entry Only System**

Initially, DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (as DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of the Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive physical certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry only system is discontinued for the Bonds.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among

them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If fewer than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, payments of the principal of, redemption premium, if any, and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Bond Registrar and Paying Agent on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants, and not of DTC, the Bond Registrar and Paying Agent or the County, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Bond Registrar and Paying Agent; disbursement of such payments to Direct Participants will be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

### **Book-Entry Only System - Miscellaneous**

**THE COUNTY AND THE BOND REGISTRAR AND PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER OF THE BONDS WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT OF ANY AMOUNT DUE TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BONDS TO BE GIVEN TO BOND OWNERS; (5) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF ANY OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.**

In the event the County determines to discontinue a book-entry only system of registration of the Bonds, payments of interest, principal and redemption price and transfer and exchange of the Bonds will be made as described above under "THE BONDS—Description of Bonds".

## Authorization

The Bonds are issued pursuant to the authority of Chapter 99 of the Laws of Maryland of 2018 (“Chapter 99”) and Title 6 of the Code of Public Local Laws of Washington County, Maryland (2019 Edition), (the “Water and Sewer Act”), each as amended, as applicable, and in accordance with Resolution No. RS-2023-XX adopted by the Board of County Commissioners of Washington County (the “Board”) on \_\_\_\_\_, 2023 (the “Resolution”).

Chapter 99 and the Water and Sewer Act are collectively referred to in this Official Statement as the “Act”. Copies of the Act and the Resolution are available at the office of the Chief Financial Officer of the County (the “CFO”).

## Application of Proceeds\*

Sale proceeds of the Bonds (including any net original issue premium) will be applied to costs of the following projects in the amounts indicated below:

Use	Amount
Infrastructure Projects	\$ 6,345,000
Public Safety Projects	1,000,000
Education Projects	4,655,000
Environmental Projects	3,100,000
	<u>\$ 15,100,000</u>

The underwriter’s discount payable to the successful bidder for the Bonds will also be paid from sale proceeds of the Bonds. The County expects to pay all other costs of issuance from the non-borrowed County funds.

Without notice to or the consent of the holders of the Bonds, the County (i) may reallocate the proceeds of the Bonds to costs of the contemplated projects among such projects in accordance with applicable budgetary procedures or applicable law, or (ii) amend the Resolution to reallocate proceeds of the Bonds to other projects not originally contemplated by the Resolution in accordance with applicable law.

## Redemption

### Optional Redemption

The Bonds that mature on or before July 1, 2033 are not subject to redemption at the option of the County prior to their maturities. The Bonds that mature on or after July 1, 2034 are subject to redemption at the option of the County as a whole or in part at any time on or after July 1, 2033, in any order of maturity directed by the County, at a redemption price of the principal amount of the Bonds (or portions thereof) to be redeemed, plus accrued interest on the principal amount being redeemed to the date fixed for redemption, without premium or penalty.

### [Mandatory Sinking Fund Redemption

The Bonds maturing on July 1, \_\_\_\_ are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount to be redeemed, together with interest accrued on the principal amount being redeemed to the date fixed for redemption, on the dates and in the principal amounts set forth below:

Redemption Date (July 1)	Principal Amount	Redemption Date (July 1)	Principal Amount

*The foregoing subsection will be completed in the final Official Statement with respect to each term bond of the Bonds, if any, designated by the successful bidder for the Bonds in accordance with the official Notice of Sale. See Appendix C hereto.]*

\*Preliminary; subject to change

### ***Selection of Bonds for Redemption; Notice of Redemption***

Certain of the Bonds are subject to redemption at the option of the County as described above under “—Redemption—Optional Redemption.” If the successful bidder for the bonds designates term bonds, then the applicable term bonds will be subject to mandatory sinking fund redemption as described above under “—Redemption—Mandatory Sinking Fund Redemption”. If fewer than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by the Bond Registrar and Paying Agent in such manner as in its discretion it shall determine; provided that, so long as the Bonds are maintained in book-entry form, the selection of individual ownership interests to be credited with such partial redemption shall be made by DTC (or any successor securities depository) in accordance with DTC’s (or such successor securities depository’s) then existing procedures.

If all or a portion of the Bonds outstanding are to be redeemed, the County shall give or cause to be given a redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed in whole or in part at the address of such registered owner appearing on the bond register maintained for the Bonds by the Bond Registrar and Paying Agent, provided, however, that the failure to mail the redemption notice or any defect in the notice so mailed shall not affect the validity of the redemption proceedings. The County may, but shall not be obligated to, also publish such notice of redemption at least once not less than thirty (30) days prior to the date fixed for redemption in a newspaper circulating in the City of Baltimore, Maryland, and also in a financial journal or daily newspaper of general circulation in the City of New York, New York. The redemption notice shall state (i) whether the Bonds are to be redeemed in whole or in part and, if in part, the maturities, numbers, interest rates and CUSIP numbers of the Bonds to be redeemed, (ii) in the case of a partial redemption of any Bond, the portion of the principal amount which is to be redeemed, (iii) that the interest on the Bonds (or portions thereof) to be redeemed shall cease on the date fixed for redemption, (iv) the date fixed for redemption and the redemption price, (v) the address of the Bond Registrar and Paying Agent with a contact person and phone number, and (vi) that the Bonds to be redeemed in whole or in part shall be presented for redemption and payment on the date fixed for redemption at the designated corporate trust office of the Bond Registrar and Paying Agent. Any such notice may be conditioned upon receipt by the Bond Registrar and Paying Agent of sufficient funds to effect such redemption.

From and after the date fixed for redemption, if funds sufficient for payment of the redemption price plus accrued interest thereon to the date fixed for redemption are held by the Bond Registrar and Paying Agent on such date, the Bonds (or portions thereof) so called for redemption shall become due and payable at the redemption price provided for redemption of such Bonds on such date, interest on such Bonds (or portions thereof) shall cease to accrue and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof plus accrued interest thereon to the date fixed for redemption from the monies so held by the Bond Registrar and Paying Agent. Upon presentation and surrender for redemption, the Bonds to be redeemed in whole or in part shall be paid by the Bond Registrar and Paying Agent at the redemption price plus accrued interest thereon to the date fixed for redemption. If Bonds (or portions thereof) so called for redemption are not paid upon presentation and surrender, the Bonds designated for redemption in whole or in part shall continue to bear interest at the rates stated therein until paid.

### **Sources of Payment**

The Act provides that the Bonds constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the County to the payment of the maturing principal of and interest on the Bonds as and when they become payable. The Act further provides, and the County has covenanted in the Resolution, that in each and every fiscal year that any of the Bonds are outstanding, the County shall levy or cause to be levied ad valorem taxes upon all assessable property within the corporate limits of Washington County in rate and amount sufficient to provide for or assure the payment, when due, of the principal of and interest on all Bonds maturing in each such fiscal year and, if the proceeds from the taxes so levied in such fiscal year prove inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up any deficiency.

### **Bondholders’ Remedies**

It is the opinion of Funk & Bolton, P. A., Bond Counsel, that the County may be sued in the event that it fails to perform its obligations under the Bonds and the Resolution to the registered owners and that any judgments resulting from such suits would be enforceable against the County. Nevertheless, a registered owner of a Bond who has obtained any such judgment may be required to seek additional relief to compel the County to assess, levy and collect such taxes as may be necessary to provide the funds from which such judgment may be paid. Although there is no Maryland law with respect to this issue, it is the opinion of Bond Counsel that the appropriate courts of Maryland have jurisdiction to entertain proceedings and power to grant additional relief, such as a mandatory injunction, if necessary, to enforce the levy and collection of such taxes and payment of the proceeds thereof to the holders of general obligation bonds, *pari passu*, subject to the inherent constitutional limitations



referred to below.

It is also the opinion of Bond Counsel that, while remedies would be available to the registered owners of the Bonds and while the Bonds are entitled to constitutional protection against the impairment of the obligation of contracts, such constitutional protection and the enforcement of such remedies would not be absolute.

Enforcement of a claim for payment of the principal of or interest on the Bonds could be made subject to the provisions of federal bankruptcy laws or of any statutes that may hereafter be constitutionally enacted by the United States Congress or the Maryland General Assembly extending the time for payment or imposing other constraints upon enforcement.

## **Tax Matters**

### ***State of Maryland and Local Income Tax***

In the opinion of Funk & Bolton, P.A., Bond Counsel, under existing law, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom (including any profit made in the sale thereof) shall be at all times exempt from State of Maryland (the "State"), county, municipal, or other taxation of every kind and nature whatsoever within the State, but no opinion is expressed as to Maryland estate or inheritance taxes or any other Maryland taxes not levied directly on the Bonds, their transfer, the interest thereon or the income therefrom.

Interest on the Bonds may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws. Prospective purchasers of the Bonds should consult their tax advisors regarding the tax status of the Bonds in a particular state or local jurisdiction other than the State of Maryland.

### ***Federal Income Tax***

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations and decisions as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of certain certifications of the County and continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code").

Bond Counsel will issue an opinion with respect to the Bonds. Bond Counsel's opinion will be given in reliance (without independent investigation) on certifications, covenants and agreements by representatives of the County as to certain facts material to both the opinion and the requirements of the Code. The County will covenant and agree to comply with the provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds, the use of the projects financed from proceeds of the Bonds and the timely payment to the United States of America of any arbitrage rebate amounts with respect to the Bonds or payments in lieu thereof. Bond Counsel assumes no responsibility for, and will not monitor, compliance with the covenants and agreements of the County. In the event of noncompliance with such covenants and agreements, available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for federal income tax purposes retroactively to the date of issue.

Further, under existing statutes, regulations and decisions, Bond Counsel is of the opinion that interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. For tax years beginning after December 31, 2022, interest on the Bonds will be part of adjusted financial statement income, fifteen percent of which is included in the computation of the corporate alternative minimum tax imposed on applicable corporations. In addition, interest on the Bonds may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States of America.

Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty companies, certain recipients of social security or railroad retirement benefits and certain S corporations. Prospective purchasers of the Bonds should consult with their own tax advisors as to any collateral federal income tax consequences.

Certain of the Bonds may be offered and sold at a discount ("original issue discount") equal generally to the difference between their public offering price and principal amount. For federal income tax purposes, original issue discount on a Bond accrues periodically over the term of the Bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the purchaser's tax basis in the Bond for determining taxable

gain or loss upon disposition (including sale, redemption or payment at maturity). Purchasers of Bonds at a discount should consult their tax advisors regarding the determination and treatment of original issue discount for federal income tax purposes, and with respect to any state or local tax consequences of owning such Bonds.

Certain of the Bonds may be offered and sold at a purchase price over the stated redemption price of such Bonds at maturity. This excess constitutes premium on such Bonds. For federal income tax purposes, original issue premium is amortizable periodically over a Bond's term through reductions in the owner's tax basis for the Bond for determining taxable gain or loss upon disposition (including sale, redemption or payment at maturity). An owner of a premium Bond cannot deduct amortized original issue premium relating to that premium Bond. Purchasers of any Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to any state or local tax consequences of owning such Bonds.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete or to identify all aspects of federal income taxation that may be relevant to a particular purchaser of the Bonds in light of his or its particular circumstances and income tax situation. Prospective purchasers of the Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances. Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the Bonds.

See Appendix B hereto for the proposed form of opinion of Bond Counsel to be delivered upon issuance of the Bonds. Bond Counsel's opinion will speak only as of its date.

### ***Effects of Future Enforcement, Regulatory or Legislative Actions***

The Internal Revenue Service (the "Service") has a program to audit state and local government obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the Service audits the Bonds, under current Service procedure, the Service will treat the County as the taxpayer and the owners of the Bonds will have only limited rights, if any, to participate in the process. Any selection by the Service of the Bonds or of tax-exempt obligations similar to the Bonds for audit could affect the marketability or market value of the Bonds.

The Service and the U.S. Department of the Treasury have ongoing programs to promulgate regulations to interpret and apply the provisions of the Code. In addition, from time to time regulatory actions are announced or proposed and litigation is threatened or commenced that, depending on its conclusion, could modify or impact federal or state tax treatment of tax-exempt obligations such as the Bonds and could have an adverse effect on the marketability or market value of the Bonds.

From time to time, there are Presidential proposals, proposals of various federal committees, or legislative proposals in the United States Congress or various state legislatures that, if enacted, could alter or amend the federal tax matters referred to above, state treatment of the tax status of the Bonds or adversely affect the market value of the Bonds. Furthermore, such proposals may affect the marketability or market value of the Bonds merely by virtue of being proposed. It cannot be predicted whether or in what form any such proposal may be enacted or whether, if enacted, it would apply to tax-exempt obligations, including the Bonds, issued prior to enactment. In addition, legislation enacted after issuance of the Bonds may directly or indirectly cause interest on the Bonds to be subject to federal or state income taxation (as applicable) or reduce the benefit of the excludability of interest on the applicable Bonds under existing law. Each purchaser of the Bonds should consult with his or its own tax advisor regarding any pending or proposed federal or state tax legislation.

Bond Counsel will not express any opinion regarding pending or proposed federal or state enforcement actions, regulations, litigation or legislative actions.

## **II. Government and Administration**

### **Location**

Washington County is situated in northwestern Maryland, bordered by Pennsylvania to the north and West Virginia to the south. It is bordered on the east by Frederick County, Maryland and on the west by Allegany County, Maryland. Washington County is approximately 460 square miles in area. The County seat, Hagerstown, is 70 miles northwest of Washington, D.C. and 72 miles west of Baltimore, Maryland. Two major highways, Interstate 81 – running north and south, and Interstate 70 – running east and west, cross within Washington County’s borders.

The major part of Washington County is fertile valley with rolling terrain. The lowland belt known as the Hagerstown Valley lies between the Blue Ridge Mountains to the east and the Appalachian Highlands to the west.

### **Form of Government**

The County is a body politic and corporate, which performs all local governmental functions in Washington County except those performed by the nine incorporated municipalities within Washington County. The executive offices of the County are located at 100 West Washington Street, Hagerstown, Maryland 21740. The County’s website is [www.washco-md.net](http://www.washco-md.net). Any references in this Official Statement to the County’s website are provided for convenience only. The information on the County’s website is not incorporated herein, by reference or otherwise.

Under the Code of the Public Local Laws of Washington County (2019 Edition), as amended, being Article 22 of the Code of Public Local Laws of Maryland (the “County Code”), both the executive and legislative functions of the County are vested in the elected, five-member Board of County Commissioners of Washington County (the “Board”). The Board may only exercise such powers as are conferred upon it by the General Assembly of Maryland, including authorization to issue debt to finance its capital projects. County Commissioners are elected on a countywide basis and serve four-year terms.

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

As authorized by the County Code, the Board appoints a County Administrator. The County Administrator is selected on the basis of his or her executive and administrative abilities, including his or her knowledge and experience in public administration. The County Administrator is charged with the supervision of the departments and agencies of the County and oversight of day-to-day operations in conformity with all laws applying to the County.

County financial matters are administered in part through the office of the Treasurer of Washington County. The County Code establishes the elective office of County Treasurer. The County Treasurer is constituted the collector of County and State taxes, charges and assessments and is charged with the enforcement of collection of taxes in the manner provided by law.

As authorized by the County Code, the Board appoints the CFO. The CFO is charged with assisting the Board in the preparation and administration of the County budgets and other accounting and fiscal matters as the Board deems necessary. In addition, the CFO is responsible for the study of the organization, methods and procedures of each office, department, board, commission, institution, and agency of County government. The CFO reports to the County Commissioners.

**Legislative and Administrative Officials*****Board of County Commissioners***

JOHN F. BARR, a fourth term County Commissioner, serves as President of the Board of County Commissioners, and was first elected in 2006. He was raised in Boonsboro, Maryland and is a Master Electrician in five states. In high school, Mr. Barr worked for his father as a field electrician at M/L Electric, Inc., founded in 1927. In 1979 he formed the management team overseeing the service department. In 1984 Mr. Barr bought the company from his father and changed the name to Ellsworth Electric, Inc. He remained president and owner until his son purchased the business in 2020. Mr. Barr is active in various service organizations and community projects. He also served a one year term as President of the Maryland Association of Counties (MACo) in 2016. He still assists at MACo events as past president.

JEFFREY A. "JEFF" CLINE, a fourth term County Commissioner, serves as Vice President of the Board of County Commissioners and is a resident of Williamsport, Maryland. He is a graduate of Williamsport High School and Hagerstown Community College. Mr. Cline has experience as a realtor since 2003. He graduated from the Maryland Association of Realtors' 2008 Leadership Academy and received the Graduate of Realtor Institute (GRI) designation. He is also a graduate of the 2013 Leadership Washington County Class 26. Mr. Cline served on the Williamsport Town Council from 2005 to 2009.

WAYNE K. KEEFER, a third term County Commissioner, is a life-long resident of Washington County and a graduate of Hancock Middle -Senior High School. Mr. Keefer continued his education locally at Hagerstown Community College, then earned his B.S. and M.B.A. degrees from Frostburg State University ("FSU"). He also graduated from the Academy of Excellence in Local Government Certificate Program. Mr. Keefer has over a decade of experience as a commercial banker with roles in consumer lending and corporate accounting. He is currently the Assistant Vice President/Controller of a local bank. He has taught courses in business, economics, banking and finance as an adjunct professor with his alma mater FSU and with the West Virginia School of Banking. He also holds a Maryland Real Estate License. An active member of the community, he has served in leadership roles with many non-profit organizations.

RANDALL E. "RANDY" WAGNER, a second term County Commissioner, was born and raised in Washington County. Mr. Wagner graduated from North Hagerstown High School and is a veteran of the United States Coast Guard, where he served for four years. Mr. Wagner worked at Mack Truck for 17 years before becoming a small business owner in Washington County, owning and operating 40 West Marine in Clear Spring for eight years. He has served the local community as a realtor for the past 21 years and is a licensed private pilot. He also served on the Animal Control Board and held the position as Vice Chair for eight years. He currently serves on the Airport Advisory Board, the Planning Commission, the Health Advisory Board, the Black Rock Golf Course Board and the Emergency Services Advisory Council.

DEREK J. HARVEY, Colonel, U.S. Army (Retired), a first term County Commissioner, worked on Capitol Hill as the Lead Investigator and Senior Advisor to the House Permanent Select Intelligence Committee, and in the White House National Security Council under President Donald J. Trump. After serving as an Airborne Ranger Infantry Officer and a decorated Army Colonel, and being awarded a Bronze Star and multiple Meritorious Service Medals, he transitioned into government service as a Senior Intelligence Executive. Mr. Harvey has been an adjunct professor for the University of Maryland and Central Texas College, and was a Fellow at Carnegie Mellon University. As a Professor and Research Institute Director at the University of South Florida, he focused on supporting local governments with insights to help with smarter decision-making. Elected to the Board of County Commissioners in 2022, he is a member of the Morris Frock American Legion and resides in Smithsburg.

***County Treasurer***

R. MATTHEW BREEDING, County Treasurer, was elected to his position in November 2022. He holds a Bachelor of Science degree in criminal justice. Mr. Breeding is a retired senior officer from the U.S. Army and has extensive experience in senior level supervision and management. He has a vast amount of experience with government information management systems and has managed programs in excess of seventy-five million dollars.



*Administrative Officials*

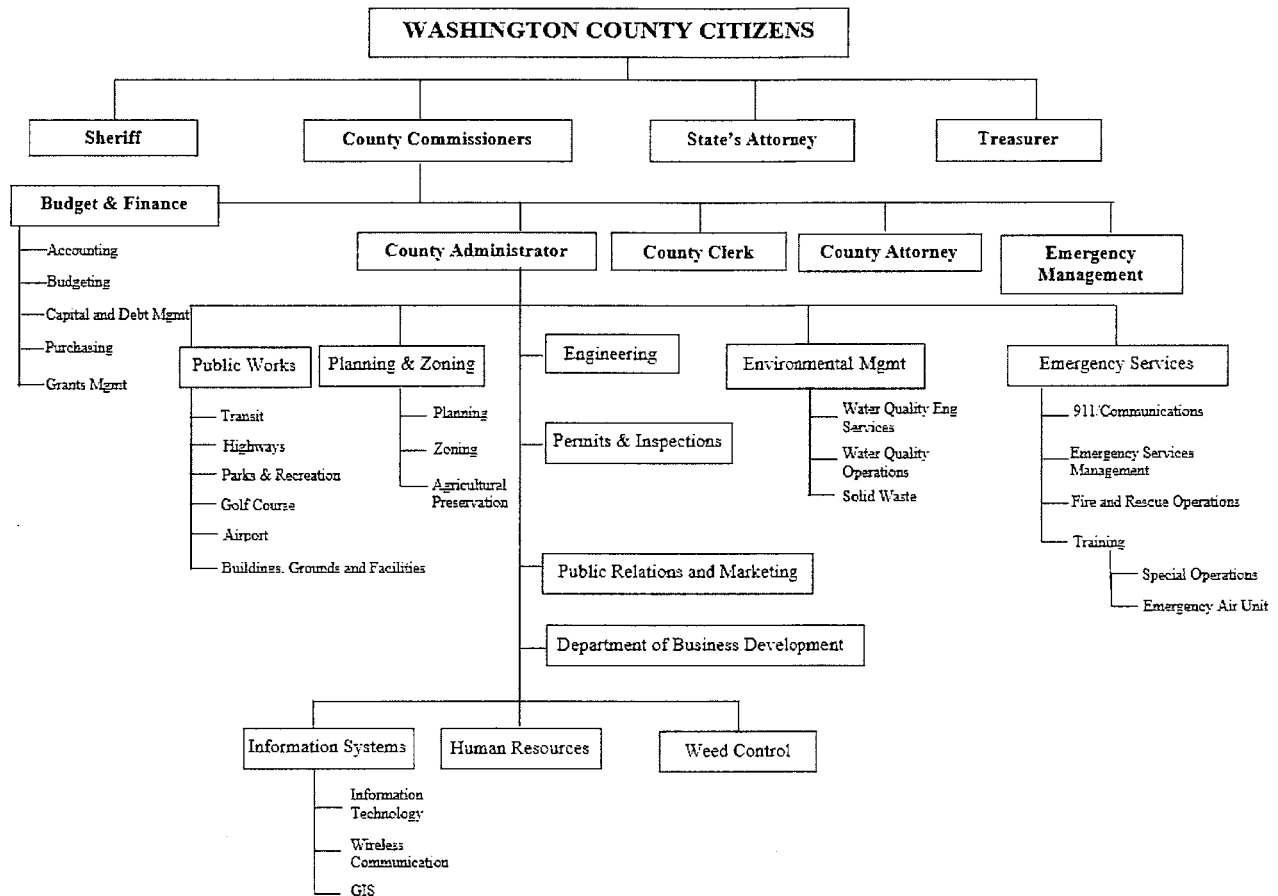
JOHN M. MARTIRANO Esq., County Administrator, was appointed to such position effective December 28, 2020. He has over 19 years prior of experience working as an attorney for Washington County Government. He most recently served as Chief Legal Counsel for Washington County Public Schools. Mr. Martirano first joined the County in 1999 as Assistant County Attorney. He then went on to become Deputy County Attorney, followed by becoming County Attorney in 2005. Mr. Martirano brings a depth of experience to the County Administrator position, having previously provided legal advice and services to the Board of County Commissioners and County departments, agencies, boards and commissions, affiliated nonprofit agencies and the Washington County Sheriff's Office.

MICHELLE A. GORDON, Chief Financial Officer, holds a B.A. degree in management with concentrations in accounting and information technology from Hood College. She earned a Master of Business Administration degree with a Certified Public Accounting Track concentration from Mount St. Mary's University and was in the first graduating class of the Mount St. Mary's, Richard J. Bolte, Sr. School of Business. Mrs. Gordon is a lifelong resident of Washington County, Maryland. She was hired by Washington County in October of 2022 as Chief Financial Officer. Prior to her employment with Washington County, she was employed as the Chief Financial Officer of Jefferson County, West Virginia and as the Director of Finance of the City of Hagerstown, Maryland for a combined total of 12 years. Her governmental experience also includes six years of progressive accounting work at the City of Frederick, Maryland. In total, Mrs. Gordon has 33 years of governmental, private and public accounting experience. Mrs. Gordon serves as an active member of the Ladies Auxiliary at the Potomac Fish & Game Club in her hometown of Williamsport, Maryland. She is a member of the Maryland Government Finance Officers Association and the Government Finance Officers Association of the United States and Canada ("GFOA").

KIMBERLY K. EDLUND, C.P.A., Director of Budget and Finance, is a summa cum laude graduate of Shepherd University with a B.S. degree in accounting. She earned a Master of Business Administration degree from Frostburg State University. Ms. Edlund was hired by Washington County in 1995 as the Assistant Director of Budget and Finance and was promoted to Director in 2014. Prior to her employment with Washington County, she was a Senior Accountant with a regional public accounting firm. Ms. Edlund is a member of the American Institute of Certified Public Accountants, the Maryland Association of Certified Public Accountants, the Maryland Government Finance Officers Association and the GFOA.

KIRK C. DOWNEY, County Attorney, has been employed with the County Attorney's Office since 2004, starting as the Assistant County Attorney. He was named Deputy County Attorney in 2012 and as County Attorney in 2018. Mr. Downey graduated cum laude from Duke University in 1994 with a B. A. degree. He received his J.D. degree from the University of Richmond School of Law in 1997 and was admitted to the Maryland Bar. He is also admitted to practice before the U. S. District Court for the District of Maryland, U. S. Court of Appeals for the Fourth Circuit, and the U. S. Supreme Court. He maintained a private practice from 1997-2005. Mr. Downey is a member of a variety of community organizations and serves or has served on a number of non-profit boards of directors, including the boards of Horizon Goodwill Industries, Inc. and the Washington County Community Action Council. He is a past member and chair of the Trial Courts Judicial Nominating Commission of Washington County and has been a member of the Hagerstown Rotary since 2002. Mr. Downey is also a member of the American, Maryland and Washington County Bar Associations.

## Washington County Government Organizational Chart



### County Employment

As of June 30, 2022, the County employed 786 full-time employees and 456 part-time employees, including 140 seasonal positions. The County has a compensation and classification plan, which is complemented by a performance evaluation system. There are 149 employees of the County's Division of Public Works, Division of Emergency Services, and Division of Environmental Management represented by a collective bargaining agreement that expires on June 30, 2023. The County has not experienced a work stoppage due to labor relation disputes and considers its relationships with employees to be good.

### Pension and Retirement System

Employees of the County government are provided retirement benefits through a pension plan (the "Plan"). Participation in the Plan is mandatory and there were 1,397 participants as of June 30, 2022. The Plan also provides death and disability benefits. The employees and the County fund the guaranteed allowance. Approximately 20.8% of the non-uniformed participants contribute to the Plan at the rate of 5.50% of their annual salary and the remaining non-uniformed and uniformed employees contribute 6.00% of their annual salary.

The County's contribution is comprised of three parts: (i) contribution to cover current service costs, (ii) annual accrued liability contribution to liquidate the County's unfunded accrued liability by July 1, 2039 and (iii) annual additional accrued liability contribution to liquidate the County's additional accrued liability due to actuarial gains and losses, benefit changes and assumption changes. Contributions are based on an assumed investment rate of 7.25% compounded annually. Contributions are currently funded at 26% of total salary expense. Salaries are assumed to increase at an annual rate of 3.00%. Contributions from participants and from the County are pooled to provide the guaranteed allowance for each member.

The following table presents the pension and retirement contributions and unfunded liabilities of the County and certain County agencies for completed fiscal years 2019 through 2022 and for fiscal year 2023. For fiscal year 2023, which began July 1, 2022, the County paid \$17,370,000, which includes the amount reflected in the “Total” column in the table below and an additional contribution made at year end from excess revenues. This payment is the aggregate of the amounts reflected in the columns “Current Service Costs” and “Recommended Payment for Unfunded Accrued Liability”.

<u>As of</u> <u>July 1</u>	<u>Current</u> <u>Service Costs</u>	<u>Recommended</u> <u>Payment for Unfunded</u> <u>Accrued Liability</u>	<u>Total</u>	<u>Unfunded</u> <u>Accrued Liability</u>
2022	\$3,472,381	\$7,674,574	\$11,146,955	\$81,295,806
2021	3,433,258	7,715,175	11,148,433	81,659,825
2020	3,471,254	7,711,603	11,182,857	83,819,276
2019	3,271,075	7,645,393	10,916,468	85,204,939
2018	2,403,396	9,415,983	11,819,379	85,336,525

Source: Bolton Partners, Inc.

As a result of the implementation of GASB Statement 68—Accounting and Financial Reporting for Pensions, the County modified its accounting for the Plan, while continuing to use the same actuarial cost method for determining contributions to the Plan. For fiscal years prior to fiscal year 2015, costs and funding contributions were based on the Projected Unit Credit actuarial cost methods. For fiscal year 2015 and later, the funding contributions remain based on the Projected Unit Credit funding method while the GASB liabilities reflected in the financial statements are based on the Entry Age Normal cost method, as required by GASB 67 and 68. The new method produces higher liabilities but lower normal costs than the previous method. However, both methods produce actuarially sound contribution (funding) or liabilities (GASB), and annual contributions are intended to fully fund the Plan’s July 1, 2022, unfunded liability by July 1, 2039.

Please refer to Notes 1 and 11 to the financial statements for fiscal year 2022 and to the Required Supplementary Information set forth in Appendix A to this Official Statement for additional information regarding the County’s pension obligations.

### Other Post–Employment Benefits

The County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 43, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans (“OPEB”) and GASB 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions in fiscal year 2008.

The County’s OPEB plan is a single employer defined benefit healthcare plan. The County established a trust for administering the plan assets and paying healthcare costs and death benefits on behalf of the participants.

There is no vesting in the post-employment health benefits, and they are subject to change at any time. All employees who retire from the County may participate in the program. In order to be eligible, the retiree must have (i) a minimum of five years of County service, and (ii) immediately preceding retirement, been enrolled in a medical, vision, or prescription drug insurance plan offered to active employees in the County. The retirees pay 10% to 50% of the health insurance premium, based on years of service. Retirees participating in the County’s health plan are also covered by a death benefit equal to their final annual salary, not to exceed \$100,000. These benefits cease when the retiree attains age 65 or becomes Medicare eligible. As of June 30, 2022, 59 retirees were receiving OPEB benefits and 178 employees were retirement-eligible.

The County intends to fund any annual short-fall between the OPEB annual required contribution and actual pay-go expense into a legally executed trust fund. The trust fund is invested as a long-term pension trust, using an appropriately balanced portfolio of equities and debt instruments, to prudently maximize long-term investment returns.

The net OPEB liability (asset) is equal to the total OPEB liability minus the net position of the plan. The result as of June 30, 2022 is as follows:

**Components of Net OPEB Obligation**

Total OPEB liability	\$ 21,436,776
Net position	\$ (26,564,545)
Net OPEB liability (asset)	\$ (5,127,769)

Source: Bolton Partners, Inc.

Please refer to Note 16 to the financial statements for fiscal year 2022 and to the Required Supplementary Information set forth in Appendix A to this Official Statement for additional information regarding the County's OPEB obligations.

## Insurance

The County maintains commercial insurance for general liability, automobile, excess workers' compensation, law enforcement, public officials' liability and catastrophic coverage. The County is required to provide unemployment insurance coverage for County employees.

## Certain Services and Responsibilities

### Education

The Board of Education of Washington County (the "Board of Education") implements all educational policies and programs for public schools in Washington County under the administration of the State Board of Education. The Board of Education, composed of seven members elected for four-year terms, oversees 22,297 students (including 1,053 in pre-kindergarten), in 47 instructional facilities, which include elementary, middle, high and combined schools. The average unrestricted Pre-K-12 per pupil expenditure was \$13,222 for the 2021-22 school year.

The largest General Fund appropriation by the County in its adopted budget for fiscal year 2023 is \$109,070,360 for the Board of Education, which represents 41.50% of the General Fund budget. This appropriation is for operating expenditures. In addition, the County appropriated \$14,036,000 in its capital budget for fiscal year 2023 for Board of Education projects.

Washington County's high school graduation rate for the 2021-2022 school year, (the most recent school year for which such information is available) as compared to other selected peer group counties and the State of Maryland, is as follows:

<b>Washington County</b>	Frederick County	Cecil County	Carroll County	Charles County	St. Mary's County	State of Maryland
<b>90.79%</b>	93.12%	89.38%	93.08%	92.63%	90.14%	86.29%

Source: Maryland Board of Education

## ***Training/Higher Education***

Within a 70-mile radius of the County seat, the City of Hagerstown, there are more than 30 institutions of higher learning. There are numerous opportunities in Washington County for residents to obtain education and training beyond the high school level. The following describes certain programs and schools within Washington County.

### **Training**

***Western Maryland Consortium*** provides a wide range of workforce development services for jobseekers and employers. Employer services include referral of applicants, customized training, financial aid for on-the-job training, recruitment, and screening assistance. Services are generally provided at no cost to employers.

***Boyd J. Michael III Technical High School*** (formerly known as Washington County Technical High School) is a two-year public high school that is under the administration of the Washington County Public Schools. English, math, science and social studies core subject courses and 17 career and technology programs are offered. These programs prepare students for professional/technical careers based on current industry skill standards. Enrollment is open to qualified 11<sup>th</sup> and 12<sup>th</sup> grade students, and tuition paying adults.

***Barr Construction Institute***, an education division of Associated Builders and Contractors, Inc., offers management education and professional industrial, commercial, and apprenticeship trade training. Construction and maintenance training is recognized by the U.S. Department of Labor, Bureau of Apprenticeship & Training, and is accredited by the National Center for Construction Education and Research (an affiliate of the University of Florida).

***Pittsburgh Institute of Aeronautics ("PIA")*** established the Federal Aviation Administration (FAA) - approved Aviation Maintenance Technician (AMT) 16-month education program at the Hagerstown Regional Airport. With the skills PIA graduates acquire from the program, they are equipped to work in many industries including aviation, mechanical systems, hydro-mechanical systems and the green technology field.

***D. M. Bowman Family Workforce Training Center*** will be established by an educational partnership between the Cumberland Chapter of Associated Builders and Contractors skilled trades education program known as the Barr Academy and Hagerstown Community College's Continuing Education Department and is expected to open by summer of 2024. This facility will be a central training location for skilled trades, commercial truck driver training, diesel tech program, forklift instruction, the GED program and English as a Second Language classes.

### **Higher Education**

***Hagerstown Community College ("HCC")***, founded in 1946, was the first community college in Maryland. With more than 100 programs of study, HCC offers workforce preparation and credentialing, university transfer, career development, and basic education. HCC programs include the Early College Program, which allows high school students the opportunity to earn college credits and credentials while focusing on science, technology, engineering, mathematics and medical courses, an adult education program, and the David W. Fletcher Incubator + Labs, a small business incubator.

The County appropriated \$10,035,290 in its fiscal year 2023 operating budget for HCC. HCC receives the balance of its funding from student tuition, State grants, and other miscellaneous sources. In addition, the County appropriated \$6,439,000 in its capital budget for fiscal year 2023 for HCC projects.

***University System of Maryland at Hagerstown ("USMH")*** opened in January 2005 and is in Hagerstown's historic City Center. USMH is part of a regional system offering 13 undergraduate and 10 graduate degree programs from five respected universities within the Maryland system: Frostburg State University, Salisbury University, Towson University, University of Maryland Eastern Shore, and University of Maryland Global Campus. Students can complete a bachelor's degree or earn a master's degree. USMH also offers access to on-site academic advising, computer labs, and a full-service library.



---

*Planning and Zoning*

The Washington County Planning Commission was created in 1957. The Planning Commission consists of seven members appointed by the Board and is supported by the County's Planning and Zoning Department with a staff of 13. Planning staff members review plans and provide reports and recommendations to the Planning Commission. The Planning Commission has final authority to approve subdivision and site development plans. Another of the primary responsibilities of the Planning Commission is the Comprehensive Plan for the County. The Planning Commission first recommended the adoption of a Comprehensive Plan for Washington County in 1971. Major updates to the Comprehensive Plan were completed in 1981 and in 2002. Another update of the Comprehensive Plan is now in progress, with adoption expected in 2023.

From the original adoption in 1973 and through amendments in 2002, 2005 and 2012, the Zoning Ordinance provides seven classifications for industrial development: (i) "Industrial General" which encompasses heavy manufacturing plants requiring extensive transportation, water and sewerage facilities; (ii) "Industrial Restricted" which encompasses light manufacturing such as processing or assembly of previously processed materials; (iii) "Planned Industrial" which encompasses the planned development of industrial park locations; (iv) "Airport" which permits industrial uses that have a need to be located near the airport or provide airport related services and include height limitations located around the Hagerstown Regional Airport; (v) "Highway Interchange District" which allows light industrial and commercial uses in the vicinity of interstate interchanges to take advantage of transportation needs and opportunities; (vi) "Office, Research and Technology" which is geared toward the development of corporate offices, research facilities, and high-tech communication land uses; and (vii) "Office, Research and Industry" which allows a mix of technology and selected industries with increased performance standards.

The Planning and Zoning Department continues to update and revise the Subdivision Ordinance, the Zoning Ordinance and other ordinances and functional plans that relate to land development in Washington County. In July 2012 the County adopted major revisions to the zoning text and map for the Urban Growth Areas to implement the recommendations of the Comprehensive Plan. Similar map and text amendments affecting areas around the designated Town Growth Areas of Boonsboro, Smithsburg, Hancock and Clear Spring were adopted in 2017. Those revisions are designed to create a more desirable and efficient urban living environment. The amendments include improvements to the design guidelines in the industrial districts mentioned above. A new educational zone, called Education, Research and Technology, is designed specifically to allow Hagerstown Community College to partner with emerging high-tech industries and expand its role as business partner in the community. In an effort to coordinate development and infrastructure needs, staff is continuing to review the Adequate Public Facilities and the Excise Tax Ordinances for possible improvement. The County has also devised an analysis and mitigation protocol to manage the effects of increases in public school enrollments that result from new residential development.

The Water and Sewerage Plan, the Solid Waste Plan and the Land Preservation, Parks and Recreation Plan are other plans prepared and administered by the Planning and Zoning Department to assist in the development of the County in an orderly fashion. The State requires that the County update each of these plans, as well as the Comprehensive Plan, at regular intervals.

Land use control and planning within the County's nine incorporated municipalities is under the jurisdiction of the municipalities. Each of the municipalities has adopted its own zoning and land development regulations.

***Hospital and Medical Care*****Meritus Health**

Meritus Health, Western Maryland's largest health care provider, is located at the crossroads of Western Maryland, Southern Pennsylvania and the Eastern Panhandle of West Virginia. With over 3,000 employees, 500 medical staff members and 250 volunteers, Meritus Health services over 200,000 residents of the tristate region. Meritus Medical Center has 327 beds and Meritus Medical group has over 160 providers.

**Washington County Health Department**

The Washington County Health Department, which provides various health services to the citizens of Washington County, is budgeted to receive a total of \$2,339,270 in fiscal year 2023 from the County. Along with the main headquarters, it has staff and programs based at two other sites. The Health Department employs a total of approximately 150 full-time and part-time personnel in five divisions.

The Environmental Health Division of the Health Department engages in food and restaurant inspection, well and septic permitting, community services, transient and non-transient water analysis, rabies control, complaint and outbreak investigations, and emergency response. The Nursing Division is responsible for maternal and child health programs, communicable disease surveillance and control, tuberculosis control, refugee and migrant health services, reproductive health services, STD screening and treatment, HIV and AIDS services, immunizations, Maryland Children's Health Insurance Program, cancer screening, vision screening, adult evaluation and review services, and WIC services. The Health Planning and Strategic Initiatives Division is responsible for relaying of public information, community relations, emergency preparedness, as well as developing and maintaining agency partnerships and providing chronic disease prevention and control initiatives. The Division of Behavioral Health Services provides a comprehensive system of care, including prevention, intervention, referral and treatment services for substance use and mental health disorders in a variety of settings. The Administration Division, which includes Accounting, Personnel, Information Technology, Procurement, Billing, Maintenance and Health Officer staff, provides management support for all programs within the agency.

**Other Medical Facilities**

The George W. Comstock Center for Public Health Research and Prevention is a facility of the Johns Hopkins Bloomberg School of Public Health and was established in 1962 as a joint enterprise of the Maryland Department of Health and Mental Hygiene, Washington County Health Department and The Johns Hopkins University. The center has expertise and capacity in the conduct of large community health surveys, as well as a close working relationship with the County Health Department. Funding, sponsored through research grants by the National Institutes of Health as well as private foundations, supports 20 to 30 staff members in the Comstock Center. Research includes heart disease surveillance and epidemiology of cancer, heart disease, lung disease, diabetes, sleep and other conditions. Prevention research results are disseminated nationally and internationally primarily through numerous journal publications.

There are nine privately owned licensed skilled nursing facilities with a total of 1,007 beds and one State-owned licensed skilled nursing facility with 63 beds in Washington County. All of these facilities are dually certified by Medicare and Medicaid. In addition, there are 19 privately owned assisted living facilities with a total of 752 beds. Other medical facilities include the Western Maryland Center, a 123 bed State-owned, chronic care facility, and the Brook Lane Psychiatric Center, a privately-owned psychiatric facility. None of these facilities receive funds from the County.

*Safety***Law Enforcement**

The Washington County Sheriff's Office, the Maryland State Police and municipal police agencies provide police protection in Washington County. The Sheriff's Office has 106 sworn personnel and 97 radio-dispatched vehicles. The Sheriff's Office is responsible for the operation of the Detention Center, which has a capacity of 450 inmates. In October 2016, a Day Reporting Center opened that provides treatment services to non-violent offenders with drug and/or alcohol addictions, as well as providing services for the Circuit Court Adult Drug Court Program. The State Police has 35 troopers assigned to the local barrack, which is located just south of Hagerstown. The Hagerstown Police Department has a full-time force of 108 officers. The Hancock Police Department employs four full-time officers. In addition, the Smithsburg Police Department employs four officers and the Boonsboro Police Department employs five police officers.

**Emergency Management**

Emergency Management activities are overseen by a director with support from a full-time emergency planner. The Office of Emergency Management is responsible for mitigation, planning, response and recovery from natural and technical disasters. Washington County has a Local Emergency Planning Committee, overseen by Emergency Management, that coordinates disaster planning, conducts drills to exercise the County Emergency Operations Plan, and oversees a community outreach program consisting of home chemical safety training, citizen preparedness, and pertinent educational programs.

**Emergency Services**

The County's Division of Emergency Services ("DES") oversees Emergency Communication/911, Fire and Rescue, and the Emergency Medical Services Operations Program. DES is led by a full-time career director and three full-time department heads who oversee the daily operational components of Emergency Services in Washington County. The division has 116 full-time and 23 part-time personnel working directly within the division.

*Public Safety Training Center*

A new Public Safety Training Center ("PSTC") became operational in 2022 with daily oversight being provided by DES, in collaboration with the Washington County Sheriff's Office. The PSTC will provide the opportunity for enhanced training and collaboration between Fire, Emergency Medical Services and law enforcement agencies throughout Washington County and the Tri-State area. The new PSTC encompasses 49 acres boasting academic classrooms, fire and law enforcement areas for tactical training exercises and a defensive driving track.

The PSTC also serves as host to the Washington County Law Enforcement Academy and the Division of Emergency Services Paramedic Training Program, which both involve academic connections to Hagerstown Community College, The Division of Emergency Services Firefighter Recruit Academy. Various courses sponsored by the Maryland Fire and Rescue Institute are also hosted at the PSTC. The PSTC is staffed by seven full-time employees who are split among fire, EMS and law enforcement training initiatives.

*Emergency Communications*

The Emergency Communications Center is overseen by an assistant director with three full-time executive support staff. The Emergency Communications Center processes all 911 calls for the County and all of the Washington County municipalities through one central dispatch location. The call center, combined with a new digital radio system, enables first responders to communicate in a safe, seamless and compatible way, enhancing their ability to respond to emergencies and save lives. The call center also integrates the City of Hagerstown's and Washington County's non-emergency responders, allowing them to serve the community quickly and efficiently.

*Fire and Rescue*

Fire and rescue protection are coordinated through DES by the Deputy Director - Operations. Working collaboratively with the Washington County Volunteer Fire and Rescue Association (the "WCVFRA"), DES coordinates the services provided by 14 volunteer fire companies and eight volunteer ambulance companies throughout Washington County. All volunteer companies belong to the WCVFRA. The association has approximately 700 volunteers who provide a combination of firefighting, rescue, emergency medical and administrative services to the community. Several volunteer companies have hired career personnel to supplement the volunteer staff during times of low volunteer availability.

Special Operations activities are overseen by the Deputy Director - Operations. The County has a vision to become the regional leader in providing and coordinating efficient public services. In response to that vision the Special Operations Team has eight full-time, 23 part-time and additional volunteer personnel who complete extensive training in various technical and/or specialized areas including hazardous materials, trench rescue, rope rescue, water rescue, structural collapse and confined space rescue.

Fire protection within the City of Hagerstown is provided by a combination career and volunteer fire department. The department includes six stations with five engines and two ladder trucks. The department is led by a career Fire Chief, a Fire Marshall, two Assistant Fire Marshalls, and six Shift Commanders. The department has 84 full-time career firefighters and 43 trained volunteer firefighters.

### ***Emergency Medical Services***

The Emergency Medical Services (“EMS”) section provides leadership, direction, support and coordination to the County’s EMS system. The leadership works to continuously improve the efficiency and quality of medical services being provided to those who reside and travel within the County. EMS is overseen by the Deputy Director - Operations and includes 13 full-time advanced life support (“ALS”) technicians and five part-time ALS technicians. This team deploys four highly specialized ALS chase units which support the eight independent emergency medical services companies located in the County in the delivery of the highest quality pre-hospital care. Additionally, personnel are available for supplemental staffing to the independent companies and are available to provide additional resources for high-risk events and large public gatherings.

A part-time medical director provides medical control and quality assurance programs to help ensure the highest quality of pre-hospital medical care is consistently delivered to County citizens. An assistant medical director also provides medical control and quality assurance activities to the Special Response Team, which consists of law enforcement personnel and paramedics who are trained to deal with high priority law enforcement activities.

### ***Environmental Management***

The Division of Environmental Management (“DEM”), which includes the Department of Water Quality, the Environmental Engineering Department, the Solid Waste Department, the Stormwater Management Department and the Watershed Department, was created in fiscal year 2007. The State and Federal environmental initiatives as they pertain to water, wastewater, stormwater, solid waste and nutrients are all jointly related. DEM is responsible for integrating applicable regulations and applying them to the operations of these departments.

### ***Solid Waste***

The Washington County Solid Waste Department is responsible for a solid waste disposal system that protects the environment and public health. Currently the County disposes of solid waste at the 40 West Landfill, which opened in 2000. At current disposal rates, this site could meet the County’s estimated disposal needs until 2080. The County is in the process of evaluating other methods of handling solid waste as an alternative to landfilling. The department operates five solid waste convenience centers that are strategically located throughout Washington County. Supporting and strengthening individual and community self-reliance and responsibility in the areas of waste reduction, recycling and proper disposal of solid waste is the mission of the Solid Waste Department.

### ***Water Supply and Wastewater Facilities***

The County has a master water and wastewater plan, which assigns service priority designations for all areas within Washington County. These designations range from “No Planned Service” to “Existing and Under Construction”. The plan serves as a guide for the orderly development and expansion of water and wastewater facilities, both within Washington County and in those incorporated municipalities owning and operating their own systems, requiring the County or incorporated municipality to obtain a proper service designation before constructing or expanding water or wastewater services.

The County is authorized to provide public water and wastewater service to areas outside the incorporated municipalities and may provide service within a municipal corporation located in Washington County with the consent of the municipality. The County currently provides water and/or wastewater services to nearly all of the immediate densely populated area surrounding the City of Hagerstown (except the Dual Highway corridor), the areas of Highfield, Elk Ridge, Sandy Hook, and the towns of Sharpsburg and Smithsburg. The incorporated municipalities of Hagerstown, Boonsboro, Clear Spring, Funkstown, Hancock, Keedysville and Williamsport all own their water/wastewater facilities, or portions thereof. In addition to providing the wastewater services described above, the County operates the water and wastewater systems for the Town of Clear Spring and Brook Lane

## Health Services.

Five treatment plants serve the County water system with an aggregate capacity of 453,000 gallons per day, with individual plant capacities from 4,000 to 230,000 gallons per day. The County wastewater system is served by five treatment plants with an aggregate capacity of 5,746,000 gallons per day, with individual plant capacities from 21,000 to 4.5 million gallons per day. The County upgraded its wastewater facilities to comply with the State's enhanced nutrient removal ("ENR") strategy. The Winebrenner Treatment Plant ENR upgrade began construction in fiscal year 2015 and was completed in the fall of 2016. The Conococheague Wastewater Treatment Plant ENR upgrade began construction in the fall of 2016 and was completed in the spring of 2019.

Usage of water and wastewater systems is measured in Number of Services and Number of Equivalent Dwelling Units ("EDUs"). Number of Services refers to the number of actual connections and EDU is a unit of measure, which equates the consumption, or flow of commercial or industrial connections, to the average flow of a residential dwelling unit.

The County bills its customers quarterly except for those for which wastewater treatment service is provided by the City of Hagerstown, in which case the County's charges are billed and collected on its behalf by the City of Hagerstown. The following table shows the total Number of Services and EDUs of the County's water and wastewater systems and the annual residential user rates effective July 1, 2022. For customers receiving County collection services only, treatment is provided by the City of Hagerstown.

**WATER SYSTEM**

	<b>No. of Services</b>	<b>No. of EDUs</b>	<b>Residential Annual (Avg) User Rate</b>
Full Service.....	<u>1,350</u>	<u>1,526</u>	\$726.20

**WASTEWATER SYSTEM**

	<b>No. of Services</b>	<b>No. of EDUs</b>	<b>Residential Annual (Avg) User Rate</b>
Full Service .....	7,542	11,292	\$727.04
Collection Service Only .....	3,997	5,289	\$248.52
Wholesale .....	<u>4</u>	<u>2,973</u>	
Total.....	<u>11,543</u>	<u>19,554</u>	

Source: Washington County Department of Budget and Finance

The County provides wastewater "treatment only" services to its wholesale customers, which are the towns of Williamsport and Smithsburg, the Conococheague Pretreatment Facility (the "Pretreatment Facility") and the City of Hagerstown. The only major wastewater treatment facility for public use in Washington County, other than those operated by the County, is the Hagerstown Wastewater Treatment Plant, owned and operated by the City of Hagerstown, which has a capacity of eight million gallons per day.

The Pretreatment Facility serves all of Washington County by providing pretreatment of non-hazardous industrial wastewater, landfill leachate and metals-bearing waste streams, and has a capacity of 125,000 gallons per day (current average usage is 115,000 gallons per day). The Pretreatment Facility was privatized in 2006 through a long-term lease to a private corporation.



### III. Economic and Demographic Information

#### Department of Business Development

The Washington County Department of Business Development (the “DBD”) is dedicated to creating and sustaining a positive pro-business climate.

The DBD currently has five full-time employees to conduct the day-to-day operations of the office, as well as business support and resources, business retention efforts within the County and marketing business attractions locally and nationally.

Throughout the year the DBD meets with representatives of existing companies in need of assistance, as well as businesses interested in moving or expanding to Washington County. Discussions include appropriate funding programs, incentive benefits, customized training programs, workforce development efforts and other sources of business support. The DBD has formed strategic partnerships with such organizations as the Maryland Department of Commerce, the City of Hagerstown, the Washington County Chamber of Commerce, The Greater Hagerstown Committee, Inc., Maryland Economic Development Association and Washington County Convention & Visitors Bureau in order to better serve the needs of businesses in Washington County.

The DBD was actively involved in Washington County becoming certified as the first ACT Work Ready Community in Maryland, an initiative that matches the labor force with available jobs in Washington County.

The DBD administers the Enterprise Zone Program, identifying eligible businesses that qualify for local real property tax credits and State income tax credits in the City of Hagerstown and elsewhere in Washington County. For tax year 2022-23 (fiscal year 2023), the City of Hagerstown and the County granted \$1,049,417.43 and \$1,274,156.78, respectively, in real property tax credits for private capital investment. The State of Maryland is expected to reimburse \$524,708.75 to the City of Hagerstown and \$637,078.44 to the County for these credits.

#### Business Development

##### *New and Expanding Businesses*

In calendar years 2022 and 2023, the County experienced new and expanding businesses highlighted by the creation of 1,835 new jobs and known new investments of approximately \$291.5 million. Many of these achievements are a result of incentive packages provided through partnerships of the County and State to provide training programs, State financing, and Enterprise Zone tax credits. Projects under development in calendar year 2023 and significant projects announced in 2023 that are cumulatively expected to provide an additional 8,472 new jobs and an approximately additional \$1.37 billion of new investments are noted in the following table based on the most recent information available:

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### Hagerstown-Washington County, Maryland – Significant Business Activity for 2022/2023

Company Name	Business Type	Completed/ Expected Completion	Project Cost <sup>(1)</sup>	#New Jobs <sup>(1)</sup>	Sf	Type of Activity
<b>Completed Projects 2022</b>						
Conagra (Frederick Street, Hagerstown)	Manufacturing	1Q22	\$ 50,000,000.00	60	140,000	New Jobs/Expansion
Northpoint Development (Wesel Blvd., Hagerstown)	Distribution/Logistics	1Q22	\$ 169,000,000.00	1,200	2,000,000	New Jobs/Construction
WLR Investment (East Franklin Street, Hagerstown)	Mult-Unit	1Q22	\$ 2,500,000.00	0		Renovation
Bowman Development (Governor's Lane Boulevard, Williamsport)	Flex Space	2Q22	\$ 3,500,000.00		48,000	New Construction
Panattoni Development (Creekside Logistics on National Pike, Hagerstown)	Warehouse/Distribution	2Q22	\$ 50,000,000.00	500	730,000	New Jobs/Construction
Blackthorn Capital Partners (West Washington Street, Hagerstown)	Mixed Use	4Q22	\$ 4,500,000.00	0		Renovation
First Breach (Showalter Road, Hagerstown)	Manufacturing/Distribution	4Q22	\$ 12,000,000.00	75	50,000	New Business
<i>Sub-totals</i>			<b>\$ 291,500,000.00</b>	<b>1,835</b>	<b>2,968,000</b>	
<b>Projects Under Development 2023</b>						
Fundrise (Wright Road, Hagerstown)	Warehouse/Distribution	3Q22	\$ 60,000,000.00	500	825,000	New Jobs/Construction
National Pike Logistics (Northpoint Development, Bldg. 1, Hagerstown)	Warehouse/Distribution	3Q22	\$ 126,000,000.00	500	600,000	New Jobs/Relocation/Construction
First Breach (Showalter Road, Hagerstown) Phase II	Manufacturing/Distribution	4Q22	\$ 16,000,000.00	70	116,000	New Jobs/Expansion
Great American Brewery (Shepherdstown Pike, Sharpsburg)	Agricultural/Manufacturing	4Q22	\$ 500,000.00	5		New Business
National Pike Logistics (Northpoint Development, Bldg. 2, Hagerstown)	Warehouse/Distribution	4Q22	\$ 75,000,000.00	300	1,400,000	New Jobs/Construction
Ausblick (Western Maryland Parkway, Hagerstown)	Warehouse/Distribution	1Q23	\$ 21,100,000.00	250	269,522	New Jobs/Construction
Bowman Development (Showalter Road, Hagerstown)	Warehouse/Distribution	1Q23	\$ 55,000,000.00	250	801,000	New Jobs/Construction
Johnson Development (Oak Ridge Drive, Hagerstown)	Warehouse/Distribution	1Q23	\$ 150,000,000.00	800	1,800,000	New Jobs/Construction
Trammell Crow Company (Sterling Road, Hagerstown)	Warehouse/Distribution	2Q23	\$ 100,000,000.00	700	2,200,000	New Jobs/Construction
C&O Canal Brewery	Agricultural/Manufacturing	2Q23	\$ 900,000.00	10		New Business
Stoney Creek Farm & Event Center (Manor Church Road, Boonsboro)	Expansion	2Q23	\$ 10,000,000.00	5		New Jobs/Expansion
Volvo VPL (Volvo Way, Hagerstown)	R&D	3Q23	\$ 33,000,000.00	12		New Jobs/Expansion
Curwood (National Pike, Hagerstown)	Warehouse/Distribution	4Q23	\$ 150,000,000.00	2200	1,919,200	New Jobs/Construction
Hitachi Rail (Greencastle Pike, Hagerstown)	Manufacturing/R&D	4Q23	\$ 80,000,000.00	300	300,000	New Jobs/Construction
Penzance (Cushwa Farms, Spickler Road, Williamsport)	Warehouse/Distribution	4Q23	\$ 50,000,000.00	400	510,000	New Jobs/Construction
Trammell Crow Company (Greencastle Pike, Hagerstown)	Warehouse/Distribution	1Q24	\$ 100,000,000.00	1000	2,000,000	New Jobs/Construction
Cascade Properties (Former Fort Ritchie)	Mixed Use		\$ 200,000,000.00			New Jobs/New Business/Renovation
Meritus Health System	Osteopathic Medical School	3Q25	\$ 146,000,000.00	1,600	196,000	New Jobs/Construction
<i>Sub-totals</i>			<b>\$ 1,313,500,000.00</b>	<b>8,402</b>	<b>12,111,722</b>	
<b>Projects Announced in 2023</b>						
Malarkey Roofing Products	Manufacturing	2Q23	\$ 50,000,000.00	70	125,000	New Jobs/Renovation
Creekside Bar and Grill	Commercial	3Q23	\$ 700,000.00	n/a	1,821	Renovations
Dot Foods	Distribution	3Q23	\$ 650,000.00	n/a	1,730	Renovations
Dunkin' Donuts	Commercial	3Q23	\$ 2,250,000.00	n/a	8,232	New Jobs/Construction
Packaging Services of Maryland, Inc.	Manufacturing	3Q23	\$ 1,900,000.00	n/a	4,600	Renovations
Take 5 Car Wash	Commercial	3Q23	\$ 2,000,000.00	n/a	4,200	New Jobs/Construction
<i>Sub-totals</i>			<b>\$ 56,600,000.00</b>	<b>70</b>	<b>145,583</b>	
<b>Totals for Projects 2022/2023:</b>			<b>\$ 1,661,600,000</b>	<b>10,307</b>	<b>15,225,305</b>	

Source: Washington County Department of Business Development  
 (1) Estimates based on company announcements.

***Business Parks and Sites***

Through the DBD, the County promotes the development of both private and non-profit business parks and sites. The County also successfully obtains financing for necessary infrastructure through various State and federal agencies to support these developments as locations for new and expanding businesses. The County offers prospective businesses a selection of sites in planned industrial/business parks, which include:

<b>Park</b>	<b>Total Acreage</b>	<b>Available Acreage</b>	<b>Ownership</b>
<b>City of Hagerstown—Washington County</b>			
<b>Enterprise Zone:</b>			
Valley Business Park .....	273	123	Private
Hagerstown Business Park .....	90	5	Private
Hagerstown Industrial Park .....	251	11	Private
Hunt Ridge Business Park .....	57	22	Private
MKS Business Park .....	81	11	Private
<b>Town of Hancock Enterprise Zone:</b>			
Hancock Industrial Park .....	185	157	Town
Raylock Business Park .....	55	20	Town
<b>Other Locations:</b>			
Airport Business Park .....	205	45	Nonprofit
Antietam Industrial Park .....	27	7	Nonprofit
Bowman Airpark .....	56	10	Private
Crossroads Business Park .....	122	47	Private
Earley Industrial Park .....	160	52	Private
Friendship Technology Park .....	435	69	Private
Friendship Town Center .....	161	161	Private
Gateway Business Park .....	65	21	Private
Greencastle Pike Business Park .....	127	42	Private
HGR Aviation Tech Park .....	162	12	Private
Hub Business Park .....	130	16	Private
Hunter's Green Business Center .....	676	59	Private
Huyetts Business Park .....	66	10	Private
Interstate Industrial Park .....	457	58	Private
Interstate 70/81 Industrial Park .....	178	26	Private
Light Business Park .....	24	10	Private
Mount Aetna Technology Park at Hagerstown (MATH) .....	261	202	Nonprofit
Newgate Industrial Park .....	161	19	Nonprofit
Orchard Park at Label Lane .....	20	20	Nonprofit
Potomac Parkway/Lockwood Business Area .....	53	21	Private
Showalter Road Center .....	89	89	Private
New Heights Industrial Park .....	56	8	Private
Vista Business Park .....	177	74	Private
Washington County Business Park .....	212	35	County
Westgate Industrial Complex .....	175	175	Private

Source: Washington County Department of Business Development



***New Jobs Tax Credit Program***

The “New Jobs Tax Credit” is a program initiated by the County in November 2002. The credit was created to help attract to the local business community companies that are involved in a high-tech industry and that offer well-paying jobs. The program provides a six year tax credit for businesses that either expand or relocate in Washington County and qualify under the program’s guidelines. The credit applies to Washington County’s tax that is imposed on real property owned or leased by the business and the tax imposed on personal property owned by that business.

***Enterprise Zone Tax Credit Programs***

Approximately 6,446 acres in Washington County are within two State-designated Enterprise Zones. The *City of Hagerstown/Washington County Enterprise Zone* was renewed and expanded by the State in 2022. This zone now encompasses approximately 4,946 acres located within the City of Hagerstown and Washington County. The zone has more than doubled in size and includes Hopewell Valley Industrial Park, Washington County Business Park, CSX Valley Park, the City of Hagerstown Business Park and the Central Business District in downtown Hagerstown. The *Hancock Enterprise Zone* was renewed in 2015. This 1,500 acre zone surrounds the Town of Hancock, stretching from the Pennsylvania border to the Potomac River. The zone includes commercial and industrial development opportunities in select areas of Hancock as well as commercial frontage along Main Street. Local and State incentives are available to new or expanding companies in these zones to promote growth of the industrial and commercial base. Qualified businesses can receive local property tax credits for capital investment and State income tax credits for the creation of new jobs. Each Enterprise Zone is approved by the State for a 10-year period.

***Pad-Ready Commercial Stimulus Program***

The Board adopted the “Pad-Ready” Commercial Stimulus Program on October 25, 2011. The program is designed to encourage developers/builders to bring undeveloped land to a shovel-ready state but is also intended for sites with existing buildings in need of redevelopment. Under the program, undeveloped parcels of land, demolitions, renovations and expansions of existing buildings qualify for incentives. Qualifying projects are entitled to priority plan review by the Washington County Development Advisory Committee, deferral of County site-plan application and review fees and a real-estate tax credit issuance once buildings are constructed and occupied. The tax credit is four-tenths of one percent (0.004) of the construction cost of the new improvement as determined by the DBD and will apply for three consecutive years.

***High Performance Building Tax Credit Program***

On February 7, 2012, the Board established the High Performance Tax Credit Program. Under the program, property tax credits are available for buildings that receive silver, gold, or platinum certification in the national LEED (Leadership in Energy and Environmental Design) ranking system. The amount of the credit depends on which level of certification the building receives and the increase in its assessed value after construction. Silver buildings are credited 20 percent of the taxes due on that increase; gold buildings, 25 percent; and platinum buildings, 30 percent.

***Job Creation and Capital Investment Real Property Tax Credit Program***

The Job Creation and Capital Investment Real Property Tax Credits Program was enacted by the Board in May 2017 to help attract companies to the local business community that offer well-paying jobs. It is also available to new or established businesses within the County that expand. This program provides up to a 15-year tax credit for businesses that either expand or locate in Washington County. The credit applies to Washington County’s real property tax that is imposed on real property owned or leased by the business, if the business qualifies under the program’s guidelines.

***HUBZone***

The Historically Underutilized Business Zones (HUBZone) program, through the Small Business Administration, helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities. Benefits for HUBZone certified companies include competitive and sole sourcing contracting, 10% price evaluation preference in full and open contract competitions, as well as subcontracting opportunities. The federal government’s goal is to award at least three percent of all federal contracting dollars to HUBZone certified small businesses each year; to date, no businesses in the County have qualified.

### ***Opportunity Zone***

The federal Opportunity Zone program, started in 2019 and ending in 2029, allows investors to receive substantial federal tax incentives over that ten (10) year period by investing their capital gains into Opportunity Zones. Washington County has five Opportunity Zones in two areas: City of Hagerstown and the Town of Williamsport. Opportunity Zones feature new federal tax incentives designed to drive long-term private investment to distressed communities. Investors are able to defer and even reduce their federal tax liability on the sale of assets if they place their gains into an Opportunity Fund, which pools capital and support investments in small businesses and real estate within the Opportunity Zones in order to improve communities and the quality of life for residents.

### ***C-PACE***

Commercial Property Assessed Clean Energy (C-PACE) is a state policy-enabled financing mechanism that allows building owners and developers to access the capital they need to make energy related deferred maintenance upgrades in their existing buildings, support new construction costs and make renewable energy accessible and cost-effective. C-PACE makes it possible for commercial property owners to obtain low-cost, long-term financing for energy efficiency, water conservation and renewable energy projects. Most commercial property types qualify for C-PACE financing. The program starts with a state-level government policy that classifies clean energy upgrades as a public benefit – like a new sewer, water line or road. These upgrades can be financed with no money down and then repaid as a benefit assessment on the property tax bill over a term that matches the useful life of improvements and/or new construction infrastructure (typically ~approximately 20-30 years). The assessment transfers on the sale of the property and can be passed through to tenants where appropriate. While facilitating sustainability efforts, the program reduces property owners’ annual costs and provides dramatically better-than-market financing for green new construction.

### ***Brownfields Revitalization Incentive Program***

The Brownfields Revitalization Incentive Program (BRIP) provides that a site that qualifies for this incentive program may also qualify for real property tax credits. The site must be in a jurisdiction that participates in the BRIP and be owned by an inculcable person. For five years after cleanup, a site may qualify for a real property tax credit between 50% and 70% of the increased value of the site. (In an Enterprise Zone, the tax credit may last for up to 10 years). This credit, combined with other real property tax credits, may not exceed 100% of the tax on the increased value of the site.

### ***Foreign Trade Zone***

Washington County’s Foreign Trade Zone (“FTZ”) status was approved by the United States Department of Commerce’s Foreign Trade Zone Board on July 3, 2002. More than 1,700 acres from five different sites throughout Washington County are eligible. The sites are ideally zoned for manufacturing, distribution, and warehousing activities. FTZs have been shown to provide direct benefits to local businesses involved in foreign trade. Through the reduction, elimination, and deferral of tariffs, firms located within Washington County’s FTZ can be more competitive in international markets.

## **Utilities, Transportation and Communication**

### ***Utilities***

**Electricity:** Potomac Edison, a FirstEnergy Company, with its Western Maryland headquarters located in Washington County, serves the County with a system of transmission and distribution lines of various voltages connected to its generating stations. The City of Hagerstown distributes electricity to many parts of the City.

**Telecommunications:** State-of-the-art communications infrastructure, including hybrid cable, digital, fiber optic, wireless data, cellular 4G LTE and broadband services are provided via national and regional vendors. AT&T, Sprint and Verizon operate within Washington County.

**Natural Gas:** Columbia Gas of Maryland serves the area with natural gas. Propane is also readily available.

### ***Transportation***

**Highways:** Washington County is served by Interstate Highways I-81, I-70 and I-68, complemented by U.S. 40 and U.S. 11 and State Routes 60, 63, 64, 65 and 68. These highways put Washington County businesses within a day’s drive of one-third



## ECONOMIC AND DEMOGRAPHIC INFORMATION

of the U.S. population and half of all retail trade. The Baltimore and Washington, D.C. beltways are an hour's drive from central Washington County.

**Air:** Hagerstown Regional Airport (HGR) is a Part 139 Facility offering users the highest level of safety and security. HGR also provides twice weekly, year-round service to Orlando/Sanford International (SFB), via Allegiant. Allegiant also offers flights twice weekly to St Pete-Clearwater (PIE) 9 months of the year and flights to Myrtle Beach (MYR) are available for three months of the summer season. The airfield also offers fixed base operation services to general aviation, corporate and military aircraft. There are nearly 20 businesses offering clients a variety of aviation services for all types of aircraft. Approximately 1,600 people are employed locally as a result of the airport being in Washington County. In addition, Dulles International, Baltimore/Washington International Thurgood Marshall and Ronald Reagan Washington National airports are each located within 70 miles of Hagerstown.

**Rail:** CSX Transportation and Norfolk Southern Corporation Railways provide economical shipment anywhere on the Atlantic seaboard. CSX, with a public siding, operates daily trains and connects with other major carriers for long-distance shipping. The Norfolk Southern mainline is just outside of Hagerstown and a CSX interchange with Norfolk Southern is in Hagerstown for nationwide access. Immediately adjacent to Washington County in Greencastle, Pennsylvania, Norfolk Southern Rail operates a 200 acre intermodal terminal. The County is also only 19 miles from CSX's 85 acre intermodal terminal in Chambersburg, Pennsylvania. Daily Amtrak and weekday MARC passenger services are available from Martinsburg, West Virginia (23 miles south of Hagerstown). MARC passenger service from neighboring Frederick County to Washington, D.C. is also available.

**Local Transportation:** Washington County Commuter provides local bus service throughout Washington County. Local taxi service, Lyft, Uber, auto rental and leasing services are available within Washington County.

### Communication

**Newspapers:** The daily newspaper, The Herald-Mail, has a Monday-Saturday circulation of 27,000 and a Sunday circulation of 32,000. The Hancock News, with a weekly circulation of 2,000, also serves Washington County. Several metropolitan newspapers, including the Washington Post and The Baltimore Sun, are available daily to residents.

**Television:** WDVM provides local news, weather, community information, sports coverage and programming to the tri-state area. Antietam Cable Television and Comcast offer cable and digital television services. Satellite television is available through private vendors.

**Internet:** There are numerous private vendors providing local dial-up, wireless, and broadband Internet access. The Washington County Free Library provides access to the Internet through SAILOR, the State of Maryland's Online Public Information Network.

### Population

The following table illustrates the population growth of Washington County, the State of Maryland and the United States from calendar years 1970 to 2022.

Population Growth

Year	<u>Washington County</u>		<u>State of Maryland</u>		<u>United States</u>	
	<u>Population</u>	<u>Percent Change</u>	<u>Population</u>	<u>Percent Change</u>	<u>Population</u>	<u>Percent Change</u>
2022	154,937	6.0	6,164,660	7.0	333,287,557	8.0
2010	147,430	11.8	5,773,552	9.0	308,745,538	9.7
2000	131,923	8.7	5,296,486	10.8	281,421,906	12.7
1990	121,393	7.3	4,781,753	13.4	249,633,000	10.2
1980	113,086	9.9	4,216,000	7.4	226,505,000	11.4
1970	103,829	—	3,923,897	—	203,302,000	—

Source: U.S. Department of Commerce, Bureau of the Census for 1970, 1980, 1990, 2000, 2010, 2020  
U.S. Bureau of the Census Quick Facts Population Census 2020; estimates as of July 1, 2022

**Income**

Median household Effective Buying Income (“EBI”) in Washington County was estimated at \$65,367 for calendar year 2021. The median household EBI for Washington County, the State of Maryland and the United States are estimated as follows:

**Median Household Effective Buying Income**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Washington County	\$65,367	\$63,510	\$60,680	\$59,719	\$56,316
State of Maryland	90,203	87,063	86,738	81,868	76,067
United States	69,717	64,994	65,712	60,293	55,322

Source: United States Census Bureau 2021 American Community Survey - 1 yr estimates

Comparative statistics relating to the distribution of EBI for calendar year 2021 are presented in the following table:

**Distribution of Effective Buying Income (2021)**

<b>Households By EBI Group</b>	<u>Washington County</u>	<u>State of Maryland</u>	<u>United States</u>
Under \$25,000	19.5%	13.1%	17.4%
\$25,000 - \$49,999	19.5	14.3	19.1
\$50,000 - \$74,999	17.5	14.7	16.8
\$75,000 - \$99,999	12.6	12.6	12.8
\$100,000 - \$149,999	17.7	18.8	16.3
\$150,000 - \$199,999	6.8	11.4	7.9
\$200,000 and over	6.3	15.1	9.8

Source: U.S. Bureau of the Census, 2021 American Community Survey 1 year estimates

**Area Labor Supply**

Washington County has an available civilian labor force of approximately 73,090. In addition, businesses draw employees from Allegany, Garrett and Frederick counties in Maryland; Franklin and Fulton counties in Pennsylvania; and portions of Berkeley, Jefferson and Morgan counties in West Virginia. The civilian labor force for all these counties totals more than 439,297.

## Employment

Within Washington County there are more than 3,500 businesses. The following table shows the employment statistics for the 15 largest employers in Washington County as of December 2022.

<b>Employer</b>	<b>Employment</b>
Washington County Public Schools.....	3,286
Meritus Health.....	2,740
FiServ.....	2,185
State of Maryland .....	2,030
Volvo Group.....	1,836
Amazon.....	1,500
Washington County Government.....	1,118
FedEx Ground.....	900
Bowman Group, LLP (The).....	830
Federal Government.....	582
Walmart.....	565
ARC of Washington County.....	550
Hagerstown Community College.....	545
Merkle Response Management Group.....	545
Brook Lane Health Services.....	485

Source: Maryland Department of Commerce; MD Brief Economic Facts 2022.

## Unemployment Rate

Unemployment in Washington County averaged 4.9% between 2018 and 2022. The following table indicates the County's average unemployment rate as compared with the State of Maryland for the five most recent calendar years.

	<b>Unemployment Rate – Annual Average</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Washington County	4.3%	5.3%	6.8%	3.8%	4.5%
State of Maryland	4.4%	5.6%	6.8%	3.6%	4.2%

Source: Maryland Department of Labor, Licensing and Regulation

## Construction Activity

Construction activity during the years 2018-2022 in Washington County is provided below:

<b>Building Permits</b>						
<b>(Value in Thousands)</b>						
<b>Year Ended</b>	<b>Residential New</b>		<b>Other Permits</b>		<b>Total</b>	
<b>Dec. 31</b>	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>
2022	249	\$94,213	1,024	\$314,319	1,273	\$408,532
2021	232	71,510	1,009	142,689	1,241	214,200
2020	182	46,990	967	216,220	1,149	263,210
2019	200	50,455	1,002	175,029	1,202	225,484
2018	245	59,441	1,104	138,376	1,349	197,818

Source: Washington County Department of Permits and Inspections

## Housing Starts

The number of single family housing starts in Washington County for the past five years is listed below:

<b>Year Ended</b>	<b>Single Family (One and</b>
<b>December 31</b>	<b>Two-Unit Structures)</b>
2022	227
2021	220
2020	171
2019	193
2018	234

Source: Washington County Department of Permits and Inspections

During the years ended December 31, 2018, 2019, 2020, 2021 and 2022 there were no multi-family units constructed.

## Agriculture

Agriculture is an important part of Washington County's economy. Approximately 119,248 of Washington County's 293,223 acres (41%) are considered farmland by the U.S.D.A. Agricultural Statistical Service. By far the greatest contributors to agriculture are the livestock and dairy industries. Livestock, poultry and other animal products account for approximately 75% of the total farm sales.

Washington County is the heart of the fruit industry in Maryland. Apple and peach growers harvest nearly 1,274 acres annually producing approximately 61% of the State's apple crop and 27% of the State's peach crop each year. Dairy is the principal livestock enterprise. The average number of milk cows is 13,023 head, ranking first in the State. In addition to milk and fruit, the other chief agricultural commodities are beef cattle and cereal grains. Selected agricultural statistics for Washington County for calendar year 2017, the most recent year for which such information is available, are as follows:

### Washington County Agriculture Statistics, 2017

Number of farms .....	877
Total Land in farms .....	119,248
Average acres/farm .....	136
<b>Estimated market value of land and building:</b>	
Average per farm .....	\$1,095,597
Average per acre .....	\$8,057
Total farm income .....	\$153.7 mil
Average market value of products sold per farm .....	\$175,285

Source: U.S.D.A. Agriculture Census 2017. Census conducted every five years.



## **IV. Financial Information**

### **Accounting System**

The accounts of the County are organized on the basis of funds, each of which is considered a separate fiscal and accounting entity. The financial position and operations of each fund are accounted for with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

### **Fund Structure**

The revenues and receipts of the County are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent. The various funds are identified in the financial statements of the County. The fund types used by the County are Governmental Funds (General, Special Revenue and Capital Projects), Proprietary Funds (Enterprise and Internal Service) and Fiduciary Funds (Trust and Agency). Details of the County's fund structure are set forth in the Notes to the financial statements for fiscal year 2022 that are included in Appendix A to this Official Statement.

The County's general fixed assets and general long-term obligations are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

### **Basis of Accounting, Measurement Focus, and Financial Statement Presentation**

Basis of accounting refers to the time at which revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The accounting policies of the County conform to generally accepted accounting principles as applicable to governments.

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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements for the General Fund, Special Revenue Fund and Capital Projects Fund 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 revenues 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.

Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

### **Accounting Enterprise System**

The County utilizes an integrated financial, human resource, and budget enterprise system. This enterprise system has a web-based platform that streamlines workflow, which allows the County to automate numerous processes including real-time reporting. All County departments have access to the system for requisitioning, reporting, and inquiries for information concerning accounts and project status at any time. The system provides an excellent means for control of finances and allows for efficient use of resources. It also promotes accountability by generating timely reports and allowing budgetary controls for management.

## Capital Budget Preparation Software

The County uses a web-based capital budget preparation and monitoring system. It allows all departments and outside agencies to access the system and input their capital budget requests, including funding sources, cost categories and operational costs. The County set up a priority-ranking matrix system within the software. The ranking system is composed of 14 scored and weighted criteria, which is the basis for assigning projects into one of the five priority ranking categories. The ranking system provides management with the information required to make decisions regarding scheduling and funding for each project. The capital budget system provides multiple reporting options and allows for continuous monitoring of activities of existing projects.

## Budget Process and Schedule

The County's budgetary practices focus on long-term financial planning to ensure that budget decisions are understood over multiple years and to assess whether program and service levels can be sustained over those years. Practices require the development of organizational goals, policies, and procedures to achieve the goals, and making the allocation of resources available to accomplish the goals.

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

### *Financial Capacity and Analysis Phase*

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

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

The County uses other financial modeling techniques that impact the long-term operations and rates for the Water Quality and Landfill Enterprise Funds.

The County annually undertakes a detailed analysis of its financial position. The County then plots and converts its financial position into certain financial ratios and examines its performance trend. Most of the financial trend analysis includes peer group median and historical data. Trend indicators are tracked for specific elements of the County's fiscal policies for evaluation.

Debt capacity is evaluated on an annual basis prior to the adoption of the Capital Improvement Budget. The County examines statistical measures to determine debt capacity and creates ratios, which it compares to the ratios of other counties within its peer group, rating agency standards and Washington County's historical ratios to determine debt affordability.

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

---

***Budget Development Start***

The development of the budget starts with notice to departments and agencies that the capital and operating budget programs are ready for input. Instructions for completing the budgets, due dates, and updated information on budgetary numbers, personnel positions and goals are included with the notification.

***Budget Development Phase***

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

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

It is the CIP Committee's responsibility to review all requests that County departments and agencies submit. Based on the results of the priority ranking, and current and future needs, as developed in the 10-year capital improvement plan, and available funding sources, the CIP Committee determines which capital projects best meet established criteria for the current fiscal year Capital Improvement Budget and the 10-year forecast. Operating impacts of current and proposed capital projects are also taken into consideration by staff when developing the Capital Improvement Budget.

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

***Review/Modification Phase***

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

***Adoption Phase***

Proposed budgets are voted on by the Board to take to a public hearing to communicate to the general public for all operating and capital funds. Advertisement is disseminated through the local newspaper, handouts and the County website. Documents and handouts are prepared for the public.

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

***Budget Monitoring***

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

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

The CFO reviews the project status and revenues before any issuance of debt. Any modification to a project and/or the total debt to be issued based upon this review is required to be approved by the Board, either for an increase or decrease in total borrowing amount or for a change in the total borrowing source.

## General Fund Revenues and Expenditures

The General Fund's major function is to provide funding for education, public safety, courts, planning, permits, public works, parks and recreation, general operations, and economic development. The major revenue sources to provide these programs and services for the public are: Real and Personal Property Tax, Income Tax and Recordation Tax. The following table displays the County's General Fund actual revenues and expenditures compared to the final budget for fiscal year 2022, budgeted revenues and expenditures for fiscal year 2023, and the proposed budget for fiscal year 2024.

County Commissioners of Washington County Budget Comparison General Fund Fiscal Years 2022 and 2023				
	Fiscal Year 2022		Fiscal Year 2023	Fiscal Year 2024
	Final Budget	Actual Amounts	Original Budget <sup>(1)</sup>	Proposed Budget
<b>REVENUES</b>				
Property Tax				
Real Property Tax .....	\$ 121,831,450	\$ 120,196,963	\$ 122,128,770	\$ 129,946,870
Personal Property Tax .....	14,510,190	17,312,793	14,603,570	15,477,230
Property Tax Interest Income .....	395,000	414,117	395,000	395,000
Other Property Tax .....	966,870	1,074,355	1,065,670	1,273,350
State Administrative Fees .....	(520,000)	(551,733)	(550,000)	(550,000)
Property Tax Discounts, Credits, and Fees .....	(2,512,270)	(2,368,282)	(2,779,880)	(3,165,300)
Total Property Taxes .....	\$ 134,671,240	\$ 136,078,213	\$ 134,863,130	\$ 143,377,150
Other Local Taxes				
Income Tax .....	\$ 104,432,670	\$ 122,923,784	\$ 109,367,510	\$ 116,354,790
Admissions and Amusement Tax .....	150,000	319,188	175,000	-
Recordation Tax .....	11,570,000	17,203,855	7,000,000	8,452,000
Trailer Tax .....	250,000	208,567	250,000	200,000
Total Other Local Taxes .....	\$ 116,402,670	\$ 140,655,394	\$ 116,792,510	\$ 125,006,790
Other Revenues				
Licenses and Permits .....	\$ 1,182,500	\$ 2,023,522	\$ 1,267,700	\$ 1,259,650
Court Costs and Fines .....	1,573,000	1,217,161	1,439,300	1,113,280
Charges for Services .....	1,350,720	1,242,940	1,311,800	1,262,460
Interest Income .....	500,000	351,988	600,000	1,900,000
Reimbursed Expenses .....	989,970	971,124	1,051,030	1,122,060
Miscellaneous Revenues .....	2,366,900	2,546,132	427,070	397,750
Grant and Shared Revenues .....	21,963,544	13,387,413	5,061,590	5,283,190
Highway Revenues .....	2,339,810	2,536,471	2,484,120	2,945,810
Total Other Revenues .....	\$ 32,266,444	\$ 24,276,751	\$ 13,642,610	\$ 15,284,200
<b>TOTAL REVENUES .....</b>	<b>\$ 283,340,354</b>	<b>\$ 301,010,358</b>	<b>\$ 265,298,250</b>	<b>\$ 283,668,140</b>
<b>EXPENDITURES</b>				
General Government .....	\$ 43,991,821	\$ 35,592,339	\$ 35,495,760	\$ 35,887,690
Public Safety .....	65,008,493	61,286,425	65,194,260	75,185,730
Health .....	2,339,270	2,339,270	2,339,270	2,339,270
Social Services .....	446,010	446,010	506,330	506,330
Education .....	115,877,000	115,877,000	119,105,650	119,306,650
Parks, Recreation, and Culture .....	7,109,680	6,776,064	5,056,230	6,508,090
Conservation of Natural Resources .....	873,820	735,160	1,021,010	1,044,830
Highway .....	11,478,110	10,554,751	11,769,470	13,042,150
General Operations .....	725,740	1,059,285	546,720	591,770
Unallocated Employee Insurance and Benefits .....	5,067,780	3,771,984	870,370	3,042,580
Intergovernmental .....	15,149,840	36,034,899	8,113,190	10,433,810
Debt Service .....	15,272,790	14,905,563	15,279,990	15,779,240
Billables .....	-	262,990	-	-
<b>TOTAL EXPENDITURES .....</b>	<b>\$ 283,340,354</b>	<b>\$ 289,641,740</b>	<b>\$ 265,298,250</b>	<b>\$ 283,668,140</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES .....</b>	<b>\$ -</b>	<b>\$ 11,368,618</b>	<b>\$ -</b>	<b>\$ -</b>

Source: Washington County Department of Budget and Finance

(1) Budget revisions are possible until the close of the year on June 30, 2023. As of December 1, 2022, amendments to the fiscal year 2023 budget since its adoption have not been material.

# FINANCIAL INFORMATION

The following table displays the County's General Fund revenues and expenditures on a GAAP basis with additional ratios for fiscal years 2018 through 2022.

County Commissioners of Washington County					
Statement of Revenues, Expenditures and Changes in Fund Balance					
General Fund					
Year Ended June 30					
	2022	2021	2020	2019	2018
<b>Revenues:</b>					
Taxes, interest and penalties .....	\$ 276,733,607	\$ 264,408,267	\$ 230,252,369	\$ 222,040,259	\$ 210,500,448
Shared taxes and grants .....	13,387,413	22,158,043	7,710,163	4,875,585	3,267,236
Licenses and permits .....	2,023,522	1,374,019	1,162,809	1,283,820	1,417,875
Revenues from use of money and property .....	1,323,112	2,046,222	2,297,095	3,262,373	2,390,598
Charges for services .....	1,242,940	1,026,841	1,136,780	1,365,493	1,328,177
Other revenue .....	3,763,293	1,732,061	3,242,205	4,250,017	3,050,871
Highway revenue .....	2,536,471	2,252,613	2,102,220	2,253,157	1,645,244
Total revenues .....	<u>\$ 301,010,358</u>	<u>\$ 294,998,066</u>	<u>\$ 247,903,641</u>	<u>\$ 239,330,704</u>	<u>\$ 223,600,449</u>
<b>Expenditures:</b>					
General government .....	\$ 35,592,339	\$ 42,101,220	\$ 28,065,053	\$ 27,349,583	\$ 26,733,212
Public safety .....	61,286,425	57,105,922	55,712,216	47,201,336	44,190,232
Health .....	2,339,270	2,339,270	2,339,270	2,339,270	2,339,270
Social services .....	446,010	435,560	435,560	435,560	424,390
Education .....	115,877,000	113,243,390	110,550,900	108,566,050	106,796,410
Recreation and culture .....	6,776,064	6,294,650	6,137,679	7,366,504	5,988,897
Conservation of natural resources .....	735,160	627,406	708,546	721,153	707,995
Intergovernmental .....	38,543	38,543	38,543	38,543	38,543
General operations .....	5,094,259	6,086,957	(1,573,288)	5,869,521	786,862
Highway .....	10,554,751	10,527,895	9,744,052	10,492,140	10,446,328
Debt service:					
Principal .....	14,339,666	10,841,195	9,982,975	9,316,119	10,033,918
Interest .....	565,897	4,560,473	4,895,003	4,822,891	4,711,877
Total Expenditures .....	<u>\$ 253,645,384</u>	<u>\$ 254,202,481</u>	<u>\$ 227,036,509</u>	<u>\$ 224,518,670</u>	<u>\$ 213,197,934</u>
Excess of revenues over expenditures .....	<u>\$ 47,364,974</u>	<u>\$ 40,795,585</u>	<u>\$ 20,867,132</u>	<u>\$ 14,812,034</u>	<u>\$ 10,402,515</u>
<b>Other financing sources(uses):</b>					
Net bond proceeds .....	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds of capital leases .....	-	385,579	-	50,769	267,420
Principal amount of new debt for advanced refunding .....	-	14,007,250	7,153,773	-	-
Deposit to escrow fund for advance refunding and repayment of loans .....	-	(14,007,250)	(7,152,222)	-	-
Operating transfers in .....	-	-	-	-	90,000
Operating transfers out .....	(35,996,356)	(35,153,279)	(10,391,179)	(11,112,760)	(9,326,453)
Total other financing sources(uses) .....	<u>\$ (35,996,356)</u>	<u>\$ (34,767,700)</u>	<u>\$ (10,389,628)</u>	<u>\$ (11,061,991)</u>	<u>\$ (8,969,033)</u>
Excess of revenues and other sources over expenditures and other uses .....	<u>\$ 11,368,618</u>	<u>\$ 6,024,885</u>	<u>\$ 10,477,504</u>	<u>\$ 3,750,043</u>	<u>\$ 1,433,482</u>
Fund balances at beginning of year .....	61,999,084	55,974,199	45,496,695	41,746,652	40,313,170
Fund balance at end of year .....	<u>\$ 73,367,702</u>	<u>\$ 61,999,084</u>	<u>\$ 55,974,199</u>	<u>\$ 45,496,695</u>	<u>\$ 41,746,652</u>
<b>Fund Balance:</b>					
As a percent of revenue .....	24.4%	21.0%	22.6%	19.0%	18.7%
As a percent of expenditures .....	28.9%	24.4%	24.7%	20.3%	19.6%
<b>Committed, Assigned and Unassigned Fund Balance:</b>	\$ 71,483,006	\$ 60,131,501	\$ 53,617,833	\$ 43,231,991	\$ 39,571,925
As a percent of revenue .....	23.7%	20.4%	21.6%	18.1%	17.7%
As a percent of expenditures .....	28.2%	23.7%	23.6%	19.3%	18.6%
<b>Debt Service:</b>	\$ 14,905,563	\$ 15,401,668	\$ 14,877,978	\$ 14,139,010	\$ 14,745,795
As a percent of revenue .....	5.0%	5.2%	6.0%	5.9%	6.6%
As a percent of expenditures .....	5.9%	6.1%	6.6%	6.3%	6.9%

Source: Washington County Department of Budget and Finance



## Anticipated Results for Fiscal Year 2023 and Fiscal Year 2024 Financial Outlook

Fiscal year 2023 will not end until June 30, 2023 and final results are not available as of the date of this Official Statement. The County anticipates ending the fiscal year with a surplus due to a combination of revenues performing better than expected and expenditures coming in under budget.

During the fiscal year 2023 budget process, the Board voted to reduce the real estate tax rate from \$0.948 per \$100 of assessed value to \$0.928 per \$100 of assessed value, effective July 1, 2022. Projected real estate property tax revenue (\$125.7 million) is trending 2.9% (\$3.6 million) higher than budgeted for in fiscal year 2023 (\$122.1 million). The commercial base continues to show strong growth in Washington County as numerous 1-3 million square foot warehouses are in various stages of completion along the Interstate 81 and Interstate 70 urban growth corridors. For residential properties eligible for the principal residence homestead property tax credit, Maryland legislation caps the annual assessed value increase at no more than 10% per year and Washington County further limits that increase to no more than 5% per year. Reassessment values that will become effective on July 1, 2023 (fiscal year 2024) increased by 36.8% for residential properties and by 6.9% for commercial properties. The most recent reassessment will result in an estimated increase of 3.9% (\$3.6 million) in real estate tax revenue for fiscal year 2024.

Personal property tax is projected to end fiscal year 2023 at \$17.0 million, which is approximately \$2.4 million higher than the fiscal year 2023 budget of \$14.6 million. During the fiscal year 2023 budget process, the Board voted to reduce the income tax rate from 3.00% to 2.95%, effective January 1, 2023. Distributions to the County based on the lower rate will begin in May 2023. Even with the reduction in the tax rate, income tax receipts are expected to exceed original budgeted amounts. Income tax revenue is projected to end fiscal year 2023 \$4.6 million, or 3.1%, higher than the original budgeted amount of \$109.4 million. Tax years 2020 and 2021 were unusually complex years due to the mid-year additions of Federal and state tax benefits, COVID related benefits through loans, grants, etc., and subsequent program guidance which altered the taxability of certain benefits. Tax year 2022 withholding grew by 9.7% and estimated payments grew 5.1% over the prior tax year. For fiscal year 2024, growth is expected to slow and return to pre-pandemic income growth levels of 3.0%-3.7% annually as the labor market recovery nears completion and as tighter monetary policy slows overall economic growth.

Due to unprecedented inflation being experienced in the County and the nation (15.4% from fiscal year 2020 to fiscal year 2023), the Board has approved several types of salary adjustments for certain employees in order to improve retention and promote recruitment. In fiscal year 2022, the Board approved a salary scale realignment for Deputies and Detention Center Officers. This adjustment provided an average increase of 14% to those employees and cost approximately \$3.5 million. Additionally, in fiscal year 2023, the Commission approved a mid-year Cost of Living Adjustment (COLA) of 9.5% for all full and part time regular employees with an estimated half year cost of \$3.0 million (\$2.5 million tax supported). The COLA percentage was carried forward as a realignment of the County Salary Scales and is anticipated to reduce employee turnover and make County positions more attractive to potential candidates. Additional Salary Scale changes for positions in lower grades are being included for consideration as part of the fiscal year 2024 budget process and are estimated to cost \$0.9 million. These adjustments, if approved, will ensure that the County is in compliance with Maryland minimum wage requirements and further enhance the County's competitiveness for seasonal and lower skill level positions.

Total expenditures across all funds are trending at or below budget for fiscal year 2023. Inflationary adjustments in fiscal year 2024 will assume increases of 5-10% for commodities and utilities, and 40-100% for equipment and construction projects. The County ended fiscal year 2022 with General Fund operating reserves of \$68.2 million, which is \$17.2 million over the County's minimum reserve target of \$51.0 million, or 17%, of revenues. The Board has dedicated a portion of that reserve balance to local non-profits in the form of the "General Fund Contingency Grant" program (\$3.0 million) and potential public safety needs related to fire and emergency medical services operations (\$7.2 million). Additionally, the County's Capital Projects Fund general cash reserves ended fiscal year 2022 at \$41.1 million. The Commissioners recognize that reserves are used to manage budgetary uncertainty, including budget gaps during economic downturns and other unforeseen emergencies such as the COVID-19 pandemic. The fiscal year 2024 CIP plan includes a gradual use of CIP reserves to offset the effects of inflation and provide funding for projects that had been deferred in prior years.

## Impact of November 2022 Cyber Security Incident

The County experienced a county-wide network outage that resulted from a cyber security incident at the end of November 2022. Public safety and phone systems were not impacted by the outage and County residents, businesses and visitors were adequately protected. County emergency management and information technology staff worked with the Sheriff's office and the County's insurance provider to coordinate investigatory and technology specialists to restore services to impacted general and administrative functions within a few days. All costs, less the County's deductible, were covered by



the County's Cyber Security and Crime Coverage insurance policies. Since that time, County staff have been transferring County systems and data to cloud-based environments and implementing enhanced security protocols and early detection software at an additional cost funded by a one-time use of reserves of approximately \$500,000.

## Sources of Tax Revenue

Ad valorem property taxes, the County's largest source of tax revenues, were 56% in fiscal year 2021 and 49% in fiscal year 2022 of total tax revenues. During the same period, income tax revenues as a percentage of total tax revenues were 40% in fiscal year 2021 and 44% in fiscal 2022. The following table presents the County's tax revenues by source for each of the last five fiscal years.

**Tax Revenues by Source**

<b>Fiscal Year</b>		<b>Local Property</b>	<b>Local Income</b>	<b>Other Local</b>
<b>Ended June 30</b>	<b>Total Taxes</b>	<b>Taxes<sup>(1)</sup></b>	<b>Taxes</b>	<b>Taxes<sup>(2)</sup></b>
2022	\$276,733,607	\$136,078,213	\$122,923,784	\$17,731,610
2021	264,408,267	133,818,994	119,254,813	11,334,460
2020	230,252,369	129,830,659	92,154,973	8,266,737
2019	222,040,259	127,440,494	86,848,691	7,751,074
2018	210,500,448	125,111,784	77,919,871	7,468,793

Source: Washington County Department of Budget and Finance

(1) Includes payments in lieu of taxes, additions and abatements, interest on taxes, discounts on taxes and tax credits for the elderly and disabled.

(2) Includes trailer tax, recordation taxes, admission and amusement taxes.

## Local Property Taxes

Property valuations and assessments are determined by the Maryland State Department of Assessments and Taxation, which maintains local offices in Baltimore City and each county. For State and County real property tax purposes, real property is valued at full cash value ("value"). All property is physically inspected once every three years and any increase in value arising from such inspection is phased in over the ensuing three taxable years in equal annual installments.

Commencing with the tax year beginning July 1, 2001, property tax rates are applied to 100% of the value of real property. The County and municipal rates applicable to all personal property and operating real property of public utilities are 2.5 times the property tax rate for real property.

Tangible personal property is generally assessed at cost, less depreciation for each year held to a minimum of 25%. For most categories of personal property, depreciation is 10% per year subject to the minimum assessment of 25% of cost.

State law provides a credit against State, local and municipal real property taxes on certain owner-occupied residential property. The tax credit for each tax year is computed by multiplying the State, local or municipal real property tax rate by the amount by which (i) the current year's assessment on residential property exceeds (ii) the homestead percentage multiplied by the previous year's assessment. The State homestead percentage is 110%. The counties and municipalities set their own respective homestead percentage, but the credit percentage may not exceed 110% for any taxable year. The County adopted a homestead percentage of 105% effective July 1, 2007.

The State also provides a tax credit based on the ability of homeowners to pay property taxes. The credit is calculated by use of a scale, which indicates a maximum tax liability for various income levels. The tax credit processed for local property taxes for Washington County for fiscal year 2021 was \$1,294,522.

Pursuant to State law, the Board may grant a property tax credit against the County property tax imposed on, among other categories of property, certain property owned by nonprofit civic associations and real property that is subject to the County's agricultural land preservation program. Manufacturing and commercial inventories of businesses are exempt from County tax.

### Assessed Value, Tax Rates and Tax Levy

The following table sets forth the assessed value of all taxable property in Washington County for each of its five most recent fiscal years and the County and State tax rate applicable in each of those years. Assessed value of tax-exempt properties owned by federal, State and County governments, churches, schools, fraternal organizations, cemeteries, disabled veterans and the blind, aggregating \$2,407,601,325 for the fiscal year ended June 30, 2021 (the most recent fiscal year for which such information is available), is not included in the table. Under applicable law, there is no limit to the total tax levy for property taxes. In the opinion of the County, the tax rate established by it for each fiscal year, when applied to the property subject thereto, is sufficient to provide revenues to discharge the County's obligations to pay principal and interest maturing on its outstanding general obligation indebtedness in each fiscal year.

**Assessments and Tax Rates of all Property by Class**  
Fiscal Years Ended June 30  
(Stated in Thousands)

	2022	2021	2020	2019	2018
Real property.....	\$13,528,410	\$13,043,917	\$12,835,761	\$12,486,754	\$12,217,613
Personal property:					
Railroads and public utilities.....	213,065	200,337	202,050	196,942	188,380
Business corporations.....	417,784	410,000	380,000	420,000	416,848
Total property	<u>\$14,159,259</u>	<u>\$13,654,254</u>	<u>\$13,417,811</u>	<u>\$13,103,696</u>	<u>\$12,822,841</u>
Change in market value of property	3.7%	1.8%	2.4%	2.2%	1.4%
County tax rate (per \$100 assessed value)	\$0.948	\$0.948	\$0.948	\$0.948	\$0.948
State tax rate (per \$100 assessed value)	0.112	0.112	0.112	0.112	0.112

Source: Maryland State Department of Assessments and Taxation

There were no changes to the property tax rates for the County or the State in fiscal year 2022.

### Tax Collection

County taxes are due and payable as of July 1. Delinquent taxes are collected after nine months of delinquency by tax sales conducted by the County Treasurer, selling either real or personal property. Historically, the County has conducted tax sales on an annual basis.

The following table sets forth certain pertinent information with respect to the County's tax levies and tax collections for each of its five most recent fiscal years.

Fiscal Year Ending June 30	Taxes Levied	Taxes Collected in Year of Levy		Total Taxes Collected (Current and Delinquent)		Taxes Receivable as a Percentage of Total Taxes Collected	
		Amount	Percent	Amount	Percent	Taxes Receivable	Collected
2022	\$ 138,061,891	\$137,595,179	99.66	\$ 137,509,757	99.94	\$ 466,712	0.34
2021	135,845,303	135,197,566	99.52	134,862,834	99.27	647,738	0.48
2020	133,303,884	131,433,814	98.60	131,076,848	98.33	2,151,651	1.64
2019	128,597,531	128,511,328	99.93	128,526,755	99.95	720,590	0.56
2018	127,046,245	126,493,137	99.56	126,815,087	99.81	725,364	0.57

Source: Washington County Department of Budget and Finance

**Principal Taxpayers**

The 20 largest taxpayers in the County as of June 30, 2022, ranked by assessed value, are listed below.

<b>Name of Taxpayer</b>	<b>Assessed Value</b>	<b>Percentage of Assessed Value</b>
NP Hagerstown Industiral.....	\$ 120,248,000	
Potomac Edison.....	\$ 103,917,950	
Preylock Hagerstown, LLC.....	\$ 103,824,633	
PR Valley Anchor-S LLC.....	\$ 88,630,840	
Bowman Group.....	\$ 87,076,101	
Stag Industrial Holdings LLC.....	\$ 86,024,900	
Fedex Ground Package System.....	\$ 75,836,443	
Creekside Logistics.....	\$ 49,845,767	
LCN STP Hagerstown Multi, LLC.....	\$ 47,943,667	
Western Hagerstown (Ind. & Dist).....	\$ 46,288,167	
<b>Sub-total of Top Ten Taxpayers</b>	<b>\$ 809,636,468</b>	<b>6.02%</b>
Walmart Real Estate Business Trust.....	\$ 45,057,970	
Ghattas Enterprise Maugans Ave.....	\$ 43,552,533	
Outlet Village of Hagerstown.....	\$ 43,521,300	
Mack Truck Inc/Volvo Group.....	\$ 38,804,707	
Crec Hagerstown Owner LLC.....	\$ 36,161,600	
Cortpark LLC.....	\$ 34,676,500	
Interstate 81 Hagerstown Property.....	\$ 30,357,433	
GP Hagerstown Limited PtsHp I.....	\$ 30,151,133	
Intelstat US LLC.....	\$ 28,883,670	
Shenandoah Personal Communications.....	\$ 11,558,660	
<b>Total</b>	<b>\$ 1,152,361,974</b>	<b>8.58%</b>

Source: Washington County Treasurer's Office

The information set forth above was compiled from tax rolls on which the names and owners are not always recorded in the same way.

***Local Income Tax***

Effective January 1, 2013, the personal State income tax rates for Maryland residents start at 2% on the first \$1,000 of taxable income and increase up to a maximum of 5.75% on incomes exceeding \$250,000 (or \$300,000 for taxpayers filing jointly, head of household or qualifying widow(ers)). Pursuant to State law, each county and Baltimore City must levy a local income tax at the rate of at least 1.75%, but not more than 3.20%, of the State income tax liability of individuals domiciled in their respective jurisdictions.

The County currently levies a local income tax on Washington County residents at the rate of 2.95%. The rate was decreased from 3.2% to 3.0% effective January 1, 2022 and then decreased to 2.95% effective January 1, 2023. The County does not levy a local income tax on corporations.

***Other Local Taxes and Revenues***

In addition to general property taxes and income taxes, the County levies and collects miscellaneous taxes, the largest of which is the recordation tax on instruments conveying title to property and securing debt. Revenues from this tax in the fiscal year ended June 30, 2022 were \$17,203,855. The County also receives revenues from the amusement and admission tax and the trailer tax. Another significant source of local revenue is generated from the issuance of building and other permits. Revenues from all these sources, including recordation taxes, in the fiscal year ended June 30, 2022 were \$19,755,132.

***State and Federal Financial Assistance*****State Payment of Public School Capital Construction Costs**

Pursuant to State law, the State pays certain costs in excess of available federal funds for all public school construction projects and capital improvements that have been approved by the State of Maryland Board of Public Works. The cost of acquiring land is not a construction cost and therefore does not qualify for State funding.

The Board of Public Works is empowered to define by regulation what shall constitute an approved construction or capital improvement cost and to adopt rules, regulations, and procedures for program administration. Program regulations limit the amount of construction costs paid by the State by instituting a maximum State project allocation for each school construction project funded through the program. Under the formula, the State's share is computed by applying the applicable percentage to the eligible portion of school construction costs. For the County, the maximum State share will equal 79% of approved construction costs.

**State and Federal Grants**

During the County's fiscal year ended June 30, 2022, an aggregate of \$35,810,863 in federal and State funds was received by all County departments for use in operations. The largest single categorical source was a federal grant for \$9,080,615, which was an Emergency Rental Assistance Program grant. The County also received a total of \$4,653,544 in federal and State funds for capital projects in the fiscal year ended June 30, 2022. The County projects that \$18,883,669 in federal and State funds will be received in fiscal year 2023 for operations and \$2,234,420 in federal and State funds will be received for capital projects.

During the fiscal year ended June 30, 2022, the Board of Education received \$200,519,474 in State funds and \$56,971,526 in federal funds for operating and food service expenses. In fiscal year 2023, the Board of Education anticipates receiving \$214,340,042 in State funds and \$55,701,226 in federal funds for operations.

## General Fund Balance Sheet

The following table indicates the County's General Fund balance sheet for each of the five most recent fiscal years.

County Commissioners of Washington County					
Balance Sheet General Fund					
As of June 30					
	2022	2021	2020	2019	2018
<b>ASSETS</b>					
Cash and short-term investments .....	\$ 2,652,912	\$ 61,770,766	\$ 1,104,928	\$ 618,872	\$ 415,192
Investment in U.S. Government					
Agency Securities .....	194,671,160	10,240,627	80,085,369	97,052,684	99,211,242
Property taxes receivable (net) .....	578,624	761,411	1,832,574	498,411	651,241
Accounts receivable .....	1,417,113	1,527,097	2,138,048	1,139,143	862,246
Due from other governments .....	68,380,204	48,083,832	36,708,502	27,515,971	21,428,932
Inventories .....	1,012,069	832,151	875,346	776,816	730,400
Other assets .....	1,874,843	1,069,543	1,438,055	1,921,103	1,754,650
Total assets .....	<u>\$ 270,586,925</u>	<u>\$ 124,285,427</u>	<u>\$ 124,182,822</u>	<u>\$ 129,523,000</u>	<u>\$ 125,053,903</u>
<b>LIABILITIES</b>					
Accounts payable .....	\$ 9,311,689	\$ 10,353,395	\$ 3,853,942	\$ 1,442,745	\$ 1,791,101
Accrued expenses .....	911,857	2,417,599	2,024,401	1,743,490	1,907,822
Liabilities on unpaid claims .....	2,256,202	1,693,567	1,481,126	2,211,941	2,030,677
Due to other funds .....	107,444,201	-	24,908,614	58,845,269	62,263,607
Unearned revenue .....	24,764,271	15,233,612	9,556,542	533,242	604,215
Other liabilities .....	1,898,262	1,804,476	1,941,643	1,866,760	2,042,323
Total liabilities .....	<u>\$ 146,586,482</u>	<u>\$ 31,502,649</u>	<u>\$ 43,766,268</u>	<u>\$ 66,643,447</u>	<u>\$ 70,639,745</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases .....	587,558	-	-	-	-
Unavailable Revenues .....	\$ 50,045,183	\$ 30,783,694	\$ 24,442,355	\$ 17,382,858	\$ 12,667,506
Total Deferred Inflows of Resources .....	<u>\$ 50,632,741</u>	<u>\$ 30,783,694</u>	<u>\$ 24,442,355</u>	<u>\$ 17,382,858</u>	<u>\$ 12,667,506</u>
<b>FUND EQUITY</b>					
Nonspendable .....	\$ 1,207,183	\$ 1,147,265	\$ 1,447,900	\$ 1,409,371	\$ 1,353,130
Restricted .....	677,513	720,318	908,466	855,333	821,597
Committed .....	71,427,162	60,119,034	53,532,582	43,212,749	39,554,672
Assigned .....	55,844	12,467	25,250	19,242	17,253
Unassigned .....	-	-	60,001	-	-
Total fund equity .....	<u>\$ 73,367,702</u>	<u>\$ 61,999,084</u>	<u>\$ 55,974,199</u>	<u>\$ 45,496,695</u>	<u>\$ 41,746,652</u>
Total liabilities and fund equity .....	<u>\$ 270,586,925</u>	<u>\$ 124,285,427</u>	<u>\$ 124,182,822</u>	<u>\$ 129,523,000</u>	<u>\$ 125,053,903</u>

Source: Washington County Department of Budget and Finance



## Key Financial Statistics

### *General Fund Cash Reserves and Fund Balance*

The following table illustrates the ratio of the General Fund fund balance as a percentage of total revenues for the last five fiscal years. Also included in the table are the ratios of cash reserves as a percentage of General Fund revenues. It is the intention of the County to maintain a minimum reserve level of 17 percent, which represents 60 days of working capital. It is anticipated that the County will meet or exceed the 17 percent reserve level in fiscal year 2023.

Fiscal Year	Revenues	Fund Balance	Fund Balance as Percentage of Revenues	Reserves as Percentage of Revenues
2022	\$ 301,010,358	\$ 73,367,702	24.37%	22.68%
2021	294,998,066	61,999,084	21.02	19.55
2020	247,903,641	55,974,199	22.58	21.08
2019	239,330,704	45,496,695	19.01	17.85
2018	223,690,449	41,746,652	18.66	17.49

Source: Washington County Department of Budget and Finance

## V. Debt and Capital Requirements **[LAR TO REVIEW TABLES MORE CLOSELY IN LATER DRAFT]**

### Debt Management Policy

The County adheres to its Debt Management Policy (the “DM Policy”), which sets forth the parameters for issuing new debt and managing outstanding debt. The DM Policy’s primary objective is to establish conditions for the use of debt and create procedures that minimize debt service and issuance costs, retain high credit ratings and maintain full and complete financial disclosure and reporting. The DM Policy addresses such matters as: use of debt financing, capital planning, debt affordability measures, types of debt, and method of sale. Adherence to the DM Policy helps to ensure that the County maintains a sound debt position and that credit quality is protected.

### General Obligation and Revenue Bonds

The County may only issue general obligation and revenue bonds under authority conferred by the Maryland General Assembly. No referendum is required.

The County is authorized to issue short-term tax anticipation notes to meet any estimated current fiscal year cumulative cash flow deficit. Such notes must be repaid within six months of their date of issue. The County has no short-term notes outstanding at this time. As of June 1, 1999, the County may use a line-of-credit for \$5,000,000 to meet a temporary cash flow deficit. The County has not used the line-of-credit as of the date of this Official Statement.

The County may issue economic development revenue bonds under State law, which provides that such bonds shall not constitute an indebtedness or charge against the general credit or taxing power of the County. Pursuant to the County Code, the County may authorize long-term debt in the form of an installment purchase contract to pay for development rights or make certain other payments in connection with the Agricultural Land Preservation Program.

The County may issue general obligation bonds in an amount up to \$70,000,000 pursuant to the authority of Chapter 99. The original aggregate principal amount of bonds issued pursuant to Chapter 99 at June 30, 2022 was \$29,639,904. The unused authorization available under Chapter 99 prior to the issuance of the Bonds is \$40,360,996.

The County is authorized by State law to issue its bonds for the purpose of refunding any of its outstanding bonds, including the payment of any redemption premium and interest accrued to the date of redemption, purchase or maturity of the bonds being refunded.

As part of the annual budget process, an annual debt affordability analysis is prepared by the Office of Budget and Finance. It is an effective tool for debt planning and management.

The Solid Waste operation was classified as a fund separate from the Highway Fund in 1996. It has paid for debt from generated revenues since that time. In 2002, the County reclassified the Solid Waste Fund as an enterprise fund. The debt paid out of revenues generated by that fund is considered self-supporting debt. In 2011, the County implemented GASB Statement No. 54 of the Governmental Accounting Standards Board, Fund Balance Reporting and Governmental Fund Type Definitions. Based on this GASB Statement, the Highway Fund did not meet the criteria of a special revenue fund and was consolidated into the General Fund.

The following table sets forth the amount of the County’s general obligation bonded debt issued and outstanding as of June 30, 2022, exclusive of certain water and sewer bonds (see “Water and Sewer Bonds” herein). Outstanding principal amounts have not been adjusted for discounts or premiums.

## DEBT AND CAPITAL REQUIREMENTS

### Statement of General Obligation Bonded Debt Issued and Outstanding\* As of June 30, 2022

	Date of Issue	Amount Issued	Amount Outstanding			
			General Fund	Solid Waste Fund	Airport Fund	Total
Public Improvement Bonds.....	May 2012	\$ 12,068,100	<sup>(1)</sup> \$ 584,214	\$ -	\$ -	\$ 584,214
Refunding Bonds.....	May 2012	7,740,000	710,670	-	169,330	880,000
Public Improvement Bonds.....	May 2013	12,000,000	8,040,000	66,322	-	8,106,322
Refunding Bonds.....	May 2013	12,540,000	5,148,678	-	-	5,148,678
Public Improvement Bonds.....	May 2014	14,000,000	10,310,000	-	-	10,310,000
Public Improvement Bonds.....	May 2015	12,000,000	9,345,408	-	-	9,345,408
Refunding Bonds.....	May 2015	25,573,470	<sup>(2)</sup> 12,355,170	1,036,959	-	13,392,129
Public Improvement Bonds.....	May 2016	12,103,000	<sup>(3)</sup> 9,755,270	83,733	-	9,839,003
Refunding Bonds.....	May 2016	7,317,990	<sup>(4)</sup> 5,040,423	725,735	-	5,766,158
Public Improvement Bonds.....	May 2017	13,142,000	<sup>(5)</sup> 10,336,720	983,711	-	11,320,431
Public Improvement Bonds.....	May 2018	12,852,000	<sup>(6)</sup> 10,815,326	767,888	-	11,583,214
Public Improvement Bonds.....	May 2019	12,255,000	<sup>(7)</sup> 11,242,675	238,907	-	11,481,582
Public Improvement Bonds.....	June 2020	9,060,000	<sup>(8)</sup> 8,733,643	26,357	-	8,760,000
Refunding Bonds.....	June 2020	8,033,930	<sup>(9)</sup> 5,306,270	2,100,426	-	7,406,696
Taxable Refunding Bonds <sup>(12)</sup> .....	Sept 2020	15,333,040	<sup>(10)</sup> 13,399,857	1,851,210	-	15,251,067
Public Improvement Bonds.....	May 2021	10,785,626	<sup>(11)</sup> 10,785,626	-	-	10,785,626
Public Improvement Bonds.....	June 2022	9,280,000	<sup>(12)</sup> 9,280,000	-	-	9,280,000
MWQFA <sup>(13)</sup> Financing Cell 3.....	Nov 2004	2,498,427	-	386,968	-	386,968
MWQFA <sup>(14)</sup> Solid Waste Refinancing.....	Feb 2005	7,248,761	277,201	761,560	-	1,038,761
MWQFA <sup>(15)</sup> Resh Road Cap Phase I.....	Dec 2006	5,000,000	1,408,469	-	-	1,408,469
		<u>\$ 220,831,344</u>	<u>\$ 142,875,620</u>	<u>\$ 9,029,776</u>	<u>\$ 169,330</u>	<u>\$ 152,074,726</u>

Source: Washington County Department of Budget and Finance

\* Exclusive of Water and Sewer bonded debt.

(1) Total issue amount for all County funds was \$17,765,000.

(2) Total issue amount for all County funds was \$15,460,000.

(3) Total issue amount for all County funds was \$26,395,000.

(4) Total issue amount for all County funds was \$20,635,000.

(5) Total issue amount for all County funds was \$ 9,455,000.

(6) Total issue amount for all County funds was \$13,780,000.

(7) Total issue amount for all County funds was \$14,485,000.

(8) Total issue amount for all County funds was \$13,310,000.

(9) Total issue amount for all County funds was \$14,150,000.

(10) Total issue amount for all County funds was \$9,030,000.

(11) Maryland Water Quality Financing Administration. As of July 1, 2022, this entity was renamed as the Maryland Water Infrastructure Financing Administration.

(12) Proceeds of the Taxable Refunding Bonds of 2020 issued in September 2020 were applied to advance refund the County's then outstanding (i) Public Improvement Bonds 2011 maturing on and after July 1, 2022 which were redeemed on July 1, 2021, and (ii) Public Improvement Bonds of 2012 maturing on or after July 1, 2023, which were redeemed on July 1, 2022. The outstanding amounts of the Public Improvement Bonds of 2012 referenced in the table above were not advance refunded by the Taxable Refunding Bonds of 2020 but were paid at maturity on July 1, 2022..

(13) Total issue amount for all County funds was \$18,705,000.

(14) Total issue amount for all County funds was \$10,880,000.

(15) Total issue amount for all County funds was \$15,815,000.

## Water and Sewer Bonds

Pursuant to the Water and Sewer Act, the County is authorized to issue bonds secured by the full faith and credit and unlimited taxing power of the County to provide funds for the design, construction, establishment, purchase and condemnation of water systems, sewerage systems and surface water drainage systems in the service areas created by the County. To the extent that the special assessments and other charges imposed by the County with respect to a certain project are insufficient to pay that portion of the principal of and interest on any such bonds attributable to the cost of a project, the County is obligated to levy and to collect a tax upon all property subject to unlimited County taxation within the corporate limits of Washington County in rate and amount sufficient to provide funds as may be necessary to provide for the payment of such portion of the principal and interest as it becomes due.

By State law, the total bonded indebtedness of the County for these purposes, including bonded indebtedness previously issued by the former Washington County Sanitary District, may not exceed 25% of the assessed value of all property in Washington

## DEBT AND CAPITAL REQUIREMENTS

County subject to unlimited County taxation. At the time the State law was enacted the assessed value was equal to 40% of market value. Pursuant to legislation passed by the Maryland General Assembly, real property assessment law was altered to reflect full market value assessments. Therefore, to maintain the intent of the State law, 40% of the stated 25% of assessed value, or 10%, is used to calculate the legal debt margin for water and sewer debt.

The following table sets forth the amount of the County's water and sewer debt issued and outstanding as of June 30, 2022. Outstanding amounts have not been adjusted for discounts or premiums. Debt subject to the Water and Sewer Act is referred to as "Water and Sewer" debt herein.

### Statement of Water and Sewer Bonded Debt Issued and Outstanding As of June 30, 2022

	Date of Issue	Issued	Outstanding
Public Improvement Bonds .....	May 2012	\$ 5,696,900	(1) \$ 275,786
Public Improvement Bonds .....	May 2015	3,460,000	(2) 2,694,592
Refunding Bonds .....	May 2015	821,530	(3) 552,870
Public Improvement Bonds .....	May 2016	8,532,000	(4) 6,935,998
Refunding Bonds .....	May 2016	2,137,010	(5) 1,683,842
Public Improvement Bonds .....	May 2017	638,000	(6) 549,569
Public Improvement Bonds .....	May 2018	1,633,000	(7) 1,471,786
Public Improvement Bonds .....	May 2019	1,055,000	(8) 988,418
Public Improvement Bonds .....	June 2020	5,090,000	(9) 4,985,000
Refunding Bonds .....	June 2020	996,070	(10) 918,304
Taxable Refunding Bonds <sup>(13)</sup> .....	Sept 2020	3,371,960	(14) 3,353,933
Public Improvement Bonds .....	May 2021	94,374	(15) 94,374
Public Improvement Bonds .....	June 2022	6,535,000	(16) 6,535,000
MWQFA <sup>(11)</sup> Loan .....	May 2004	8,091,063	461,063
MWQFA <sup>(11)</sup> Loan .....	Oct 2006	560,000	150,616
MWQFA <sup>(11)</sup> Loan .....	May 2015	2,553,000	1,829,347
MWQFA <sup>(11 &amp; 12)</sup> Loan .....	Feb 2018	1,849,660	1,587,474
		\$ 53,114,567	\$ 35,067,972

Source: Washington County Department of Budget and Finance

(1) Total issue amount for all County funds was \$17,765,000.

(2) Total issue amount for all County funds was \$15,460,000.

(3) Total issue amount for all County funds was \$26,395,000.

(4) Total issue amount for all County funds was \$20,635,000.

(5) Total issue amount for all County funds was \$ 9,455,000.

(6) Total issue amount for all County funds was \$13,780,000.

(7) Total issue amount for all County funds was \$14,485,000.

(8) Total issue amount for all County funds was \$13,310,000.

(9) Total issue amount for all County funds was \$14,150,000.

(10) Total issue amount for all County funds was \$ 9,030,000.

(11) Maryland Water Quality Financing Administration ("MWQFA"). As of July 1, 2022, this entity was renamed as the Maryland Water Infrastructure Financing Administration.

(12) This loan is evidenced by two separate general obligation bonds issued by the County to MWQFA, one of which is the County's Water Quality Bond, Series 2018B, issued in the principal amount of \$462,415 (the "Series 2018B Bond"). There is no scheduled debt service payable on the Series 2018B Bond. Under the terms of the Series 2018B Bond, if the County does not default under the associated Loan Agreement by February 28, 2028, the Series 2018B Bond will be considered forgiven as of February 28, 2028. If the County does default under the associated Loan Agreement prior to February 28, 2018, MWQFA has the right to demand payment of the entire principal amount of the Series 2018B Bond with interest at the rate of 3.02% per annum from the date of demand.

(13) Proceeds of the Taxable Refunding Bonds of 2020 issued in September 2020 were applied, in part, to advance refund the County's outstanding Public Improvement Bonds of 2012 maturing on and after July 1, 2023, which were redeemed on July 1, 2022. The outstanding amount of the Public Improvement Bonds of 2012 referenced in the table above were not advance refunded by the Taxable Refunding Bonds of 2020 but were paid at maturity on July 1, 2022.

(14) Total issue amount for all County funds was \$ 18,705,000.

(15) Total issue amount for all County funds was \$10,880,000.

(16) Total issue amount for all County funds was \$15,815,000.



**Water and Sewer Bonded Debt  
Schedule of Legal Debt Margin  
As of June 30, 2022**

Assessed Value of Property in Washington County	\$	14,159,259,000
Debt Limit: % of Assessed Value		10%
Water and Sewer Borrowing Limitation		1,415,925,900
Water and Sewer Debt		35,067,972
Debt Margin		1,380,857,928
Ratio of Water and Sewer Debt to Assessed Value		0.25%

Source: Washington County Department of Budget and Finance

### Capital Lease Obligations and Other Contracts

The County has entered into various lease agreements. These lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. The future minimum lease obligations offset with future lease revenues total \$364,334, and the net present value of these minimum lease payments as of June 30, 2022 was \$459,703.

In addition to contracts for goods and services incurred in the ordinary course of business of the County, the County is party to numerous other contracts, primarily with engineers, architects and contractors relating to capital projects. Funds necessary to meet the County's obligations in respect to such contracts have been appropriated in the related fund.

### Special Obligation Bonds

Pursuant to State law, Washington County may create special taxing districts, levy ad valorem and/or special taxes, and borrow money by issuing and selling special taxing district revenue bonds for the purpose of financing or refinancing the cost of the design, construction, establishment, extension, alteration or acquisition of adequate storm drainage systems, sewers, water systems, roads, bridges, culverts, tunnels, sidewalks, lighting, parking, parks and recreation facilities, libraries, schools, transit facilities, solid waste facilities and other infrastructure improvements, whether situated within or outside the special taxing district, and including infrastructure improvements located in or supporting a transit-oriented development, a sustainable community or a State hospital development (within the meaning of State law). Special taxing district bonds shall be payable solely from the ad valorem or special taxes levied on the property within a special taxing district and neither the bonds, nor any interest thereon, shall ever constitute an indebtedness or a charge against the general credit or taxing powers of the County.

The County created one special taxing district and issued in June 1998, November 1998 and May 2000 its \$3,100,000, \$1,517,000 and \$2,454,000 Washington County, Maryland Special Obligation Bonds (Barkdoll Tract Special Taxing District) Series 1998, Series 1998 B and Series 2000, respectively.

Pursuant to State law, Washington County may also establish a contiguous area as a development district, and borrow money by issuing and selling tax increment financing revenue bonds ("TIF bonds") for the purpose of financing or refinancing the cost of acquiring property interests, site removal, surveys and studies, relocation of businesses or residents, installation of utilities, construction of parks and playgrounds, other needed improvements including roads to, from or in the development district, parking and lighting, construction or rehabilitation of buildings for a governmental purpose or use, reserves or capitalized interest, bond issuance costs or payment of existing indebtedness for such purposes. The list of projects to which TIF bonds may be applied is expanded for RISE zones and sustainable communities (within the meaning of State law). In addition, Washington County may apply TIF bond proceeds for demolition or site removal on privately owned property; pedestrian or vehicular bridges or overpasses (including railroad crossings and related improvements); or parking lots, facilities or structures that are publicly or privately owned or available for public or private use. TIF bonds are payable from real property tax revenues derived from the increase in assessed value of real property located within a development district over a base assessment established in accordance with State law and any other revenues pledged by the County as permitted by State law. The County may determine to pledge its full faith and credit and unlimited taxing power to the payment of TIF bonds; if it does not do so, the TIF bonds are payable solely from incremental tax revenues derived from real properties located within a development district and any other revenues that the County determines to pledge to such TIF bonds. Under State law, the County may also pledge incremental County tax revenues and other revenues to support TIF bonds issued for qualifying purposes by a municipality within the County or the Maryland Economic Development Corporation.





## DEBT AND CAPITAL REQUIREMENTS

While between fall 2016 and early 2017, the County established two separate development districts in anticipation of issuing TIF bonds for those districts, the designations of such districts have separately expired because no TIF bonds were issued for either district within the respective deadlines established under the designation resolutions.

### Bonded Indebtedness of Incorporated Municipalities

Eight of the nine incorporated municipalities of Washington County have outstanding indebtedness in the aggregate principal amount of \$72,194,922 as of June 30, 2022. The County is not obligated to pay such debt or the interest thereon and neither the faith and credit nor taxing power of the County is pledged to the payment of principal or interest on such indebtedness.

#### County Commissioners of Washington County

##### Outstanding Underlying Debt

As of June 30, 2022

Towns	Amount
Boonsboro.....	\$ 5,147,355
Clear Spring.....	381,629
Funkstown.....	977,454
Hagerstown.....	58,602,419
Hancock.....	1,126,389
Keedysville.....	1,650,760
Smithsburg.....	1,544,510
Williamsport.....	2,764,406
Total	<u>\$ 72,194,922</u>

Source: Washington County Department of Budget and Finance

### Direct and Underlying Debt

The following schedules present the County's bonded debt outstanding as of June 30, 2022, and the ratios of such debt to the County's population and real and personal property assessed market values.

#### County Commissioners of Washington County

##### Direct and Overall Bonded Debt

As of June 30, 2022

(Excludes this Issue)

Direct Debt - Tax-Supported:	
General Government Debt (1).....	\$ 142,875,620
Direct Debt - Self-Supported:	
Solid Waste .....	9,029,776
Water and Sewer .....	35,067,972
Airport .....	169,330
Total Direct Debt.....	187,142,698
Underlying Debt.....	<u>72,194,922</u>
Overall Bonded Debt.....	<u>\$ 259,337,620</u>

Source: Washington County Department of Budget and Finance

(1) Includes Highway debt which is currently considered tax-supported.

**County Commissioners of Washington County**  
**Debt Per Capita and Ratio of Debt to Assessed Values**  
**As of June 30, 2022**

Per Capita (Estimated Population 154,937):

Direct Tax-Supported Debt (1).....	\$	922
Overall Bonded Debt.....	\$	1,674

Percentage of Assessed Value of \$14,159,259,000:

Direct Tax-Supported Debt (1).....	1.01%
Overall Bonded Debt.....	1.83%

Source: Washington County Department of Budget and Finance

(1) Includes Highway debt which is currently considered tax-supported.

The following table presents the County's direct tax-supported debt per capita and ratios of direct tax-supported debt to assessed value for the last five fiscal years.

<b>Fiscal Year Ended June 30</b>	<b>Direct Tax-Supported Debt (000)</b>	<b>Estimated Population</b>	<b>Assessed Value (000)</b>	<b>Per Capita</b>	<b>Direct Tax-Supported Debt as a Percentage of Assessed Value</b>
2022	\$ 142,876	154,937	\$ 14,159,259	922	1.01
2021	143,880	151,146	13,708,145	952	1.05
2020	143,823	151,049	13,670,826	952	1.05
2019	145,975	150,926	12,274,226	967	1.19
2018	143,291	150,578	12,822,840	952	1.11

Source: Washington County Department of Budget and Finance

### Debt Service Requirements on County Debt

The following tables set forth the debt service requirements for the County's general obligation bonded debt as of June 30, 2022, adjusted to reflect issuance of the Bonds, and the rapidity of repayment for the County's direct tax-supported debt.

# DEBT AND CAPITAL REQUIREMENTS

## Washington County Schedule of Debt Service Requirements on Long-term Obligations\* As of June 30, 2022

Year Ending June 30	Tax-Supported Debt Service			Self-Supporting Debt Service <sup>(1)</sup>			Total Debt Service		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 10,634,912	\$ 4,547,003	\$ 15,181,915	\$ 3,854,773	\$ 1,228,305	\$ 5,083,078	\$ 14,489,685	\$ 5,775,308	\$ 20,264,993
2024	11,109,836	4,291,913	15,401,749	2,853,254	1,242,217	4,095,471	13,963,090	5,534,130	19,497,220
2025	11,136,507	3,884,237	15,020,744	2,835,144	1,136,260	3,971,404	13,971,651	5,020,496	18,992,147
2026	10,762,551	3,478,448	14,240,999	2,817,469	1,030,754	3,848,223	13,580,020	4,509,202	18,089,222
2027	10,396,313	3,097,345	13,493,658	2,918,350	937,850	3,856,201	13,314,663	4,035,196	17,349,859
2028	10,503,790	2,728,245	13,232,035	2,984,320	845,914	3,830,234	13,488,110	3,574,159	17,062,269
2029	8,543,458	2,393,341	10,936,799	2,791,171	755,440	3,546,611	11,334,629	3,148,781	14,483,410
2030	8,044,500	2,090,155	10,134,655	2,496,657	665,954	3,162,611	10,541,157	2,756,109	13,297,266
2031	8,350,739	1,796,373	10,147,112	2,576,955	582,040	3,158,995	10,927,694	2,378,413	13,306,107
2032	7,900,435	1,523,184	9,423,619	2,238,812	508,175	2,746,987	10,139,247	2,031,359	12,170,606
2033	7,514,101	1,280,707	8,794,808	2,514,123	445,668	2,959,791	10,028,224	1,726,375	11,754,599
2034	6,930,890	1,051,539	7,982,429	1,791,495	386,632	2,178,127	8,722,385	1,438,171	10,160,556
2035	6,366,942	836,053	7,202,995	1,857,029	329,218	2,186,247	8,223,971	1,165,271	9,389,242
2036	5,553,669	643,612	6,197,281	1,916,904	269,305	2,186,209	7,470,573	912,917	8,383,490
2037	4,858,029	481,316	5,339,345	1,590,510	212,017	1,802,527	6,448,539	693,333	7,141,872
2038	4,188,516	346,277	4,534,793	1,040,538	170,349	1,210,887	5,229,054	516,626	5,745,680
2039	3,471,603	236,062	3,707,665	873,398	140,920	1,014,318	4,345,001	376,982	4,721,983
2040	2,707,497	149,897	2,857,394	722,507	115,780	838,287	3,430,004	265,677	3,695,681
2041	1,882,358	88,840	1,971,198	652,642	93,942	746,584	2,535,000	182,781	2,717,781
2042	1,338,973	45,429	1,384,402	666,027	72,709	738,736	2,005,000	118,138	2,123,138
2043	680,000	13,175	693,175	685,000	50,294	735,294	1,365,000	63,469	1,428,469
2044	0	0	0	210,000	36,325	246,325	210,000	36,325	246,325
2045	0	0	0	215,000	31,544	246,544	215,000	31,544	246,544
2046	0	0	0	220,000	26,375	246,375	220,000	26,375	246,375
2047	0	0	0	225,000	20,813	245,813	225,000	20,813	245,813
2048	0	0	0	235,000	15,063	250,063	235,000	15,063	250,063
2049	0	0	0	240,000	9,125	249,125	240,000	9,125	249,125
2050	0	0	0	245,000	3,061	248,061	245,000	3,061	248,061
2051	0	0	0	0	0	0	0	0	0
2052	0	0	0	0	0	0	0	0	0
	<b>\$ 142,875,619</b>	<b>\$ 35,003,150</b>	<b>\$ 177,878,769</b>	<b>\$ 44,267,078</b>	<b>\$ 11,362,050</b>	<b>\$ 55,629,129</b>	<b>\$ 187,142,697</b>	<b>\$ 46,365,200</b>	<b>\$ 233,507,898</b>

Source: Washington County Department of Budget and Finance

\* Totals may not foot due to rounding.

(1) Debt characterized as self-supporting is still general obligation debt, backed by the pledge of the County's full faith and credit and unlimited taxing power.

# DEBT AND CAPITAL REQUIREMENTS

Washington County Schedule of Debt Service  
Requirements of Long-term Obligations  
As of June 30, 2022  
Adjusted to Reflect Issuance of the Bonds\*

Year Ending June 30	Outstanding Debt Service			The Bonds			Total Debt Service		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 14,489,685	\$ 5,775,308	\$ 20,264,993	\$ -	\$ -	\$ -	\$ 14,489,685	\$ 5,775,308	\$ 20,264,993
2024	13,963,090	5,534,130	19,497,220	-	-	-	13,963,090	5,534,130	19,497,220
2025	13,971,651	5,020,496	18,992,147	-	-	-	13,971,651	5,020,496	18,992,147
2026	13,580,020	4,509,202	18,089,222	-	-	-	13,580,020	4,509,202	18,089,222
2027	13,314,663	4,035,196	17,349,859	-	-	-	13,314,663	4,035,196	17,349,859
2028	13,488,110	3,574,159	17,062,269	-	-	-	13,488,110	3,574,159	17,062,269
2029	11,334,629	3,148,781	14,483,410	-	-	-	11,334,629	3,148,781	14,483,410
2030	10,541,157	2,756,109	13,297,266	-	-	-	10,541,157	2,756,109	13,297,266
2031	10,927,694	2,378,413	13,306,107	-	-	-	10,927,694	2,378,413	13,306,107
2032	10,139,247	2,031,359	12,170,606	-	-	-	10,139,247	2,031,359	12,170,606
2033	10,028,224	1,726,375	11,754,599	-	-	-	10,028,224	1,726,375	11,754,599
2034	8,722,385	1,438,171	10,160,556	-	-	-	8,722,385	1,438,171	10,160,556
2035	8,223,971	1,165,271	9,389,242	-	-	-	8,223,971	1,165,271	9,389,242
2036	7,470,573	912,917	8,383,490	-	-	-	7,470,573	912,917	8,383,490
2037	6,448,539	693,333	7,141,872	-	-	-	6,448,539	693,333	7,141,872
2038	5,229,054	516,626	5,745,680	-	-	-	5,229,054	516,626	5,745,680
2039	4,345,001	376,982	4,721,983	-	-	-	4,345,001	376,982	4,721,983
2040	3,430,004	265,677	3,695,681	-	-	-	3,430,004	265,677	3,695,681
2041	2,535,000	182,781	2,717,781	-	-	-	2,535,000	182,781	2,717,781
2042	2,005,000	118,138	2,123,138	-	-	-	2,005,000	118,138	2,123,138
2043	1,365,000	63,469	1,428,469	-	-	-	1,365,000	63,469	1,428,469
2044	210,000	36,325	246,325	-	-	-	210,000	36,325	246,325
2045	215,000	31,544	246,544	-	-	-	215,000	31,544	246,544
2046	220,000	26,375	246,375	-	-	-	220,000	26,375	246,375
2047	225,000	20,813	245,813	-	-	-	225,000	20,813	245,813
2048	235,000	15,063	250,063	-	-	-	235,000	15,063	250,063
2049	240,000	9,125	249,125	-	-	-	240,000	9,125	249,125
2050	245,000	3,061	248,061	-	-	-	245,000	3,061	248,061
2051	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-
	\$ 187,142,697	\$ 46,365,200	\$ 233,507,898	\$ -	\$ -	\$ -	\$ 187,142,697	\$ 46,365,200	\$ 233,507,898

Source: Washington County Department of Budget and Finance  
\* Totals may not foot due to rounding.



**Rapidity of Direct Tax-Supported Debt Principal Payment <sup>(1)</sup>**  
**June 30, 2022**

<u>Number of Years</u>	<u>Before Issuance of Bonds</u>		<u>After Issuance of Bonds</u>	
	<u>Principal Amount</u>	<u>Percent</u>	<u>Principal Amount</u>	<u>Percent</u>
5	\$ 54,040,119	37.82		
10	\$ 97,383,041	68.16		
15	\$ 128,606,672	90.01		
20	\$ 142,195,619	99.52		
25	\$ 142,875,619	100.00		

Source: Washington County Department of Budget and Finance  
(1) Bonds refer to the Bonds that are the subject of this Official Statement

### **Anticipated Future Financing**

The County currently anticipates issuing additional general obligation bonds for approximately \$13.4 million in fiscal year 2024, and \$17.0 million in fiscal year 2025. In addition, the County expects to receive loan funding of up to approximately \$3,972,170 from the Maryland Water Infrastructure Financing Administration for a wastewater system project within calendar year 2023; any such loan funding will be papered by one or more general obligation bonds issued by the County to the Maryland Water Quality Financing Administration. These anticipated debt issuance amounts are for planning purposes and subject to change as part of the annual budgeting process.

### **Capital Requirements**

#### ***Capital Improvement Program Summary***

The County has established the CIP for establishing a capital budget to forecast future needs and set priorities. It is reviewed and updated during the annual budget process. The objectives of the CIP are to: (1) provide a means for coordinating and consolidating into one document all departmental and agency requests for capital funds; (2) establish a system by which the capital projects of the County can be examined and given priorities according to their relative importance; (3) provide a budgetary tool for the implementation of the Comprehensive Plan elements; (4) forecast future capital demands on local current revenue; and (5) allow projects to be scheduled over a long-term period, thereby providing adequate planning for both financial resources and project implementation. By applying the guidelines of the County's DM Policy and the annual debt affordability analysis, the Board is able to adopt a capital budget that provides maximum benefits from available public funds and assures sound fiscal planning. See "FINANCIAL INFORMATION – Budget Process and Schedule" herein.

#### ***Environmental Considerations for Capital Projects***

To ensure that the County is at the forefront of climate change and environmental protection legislation, environmentally conscience leachate treatment, stormwater management and LEED (Leadership in Energy and Environmental Design) measures are being used, where possible, for building renovations, new construction, solid waste management, and road and culvert improvements. The newly constructed \$21 million Public Safety Training Center included LEED measures to reduce its carbon footprint. Other County projects include funding for tree planting initiatives, LED (Light Emitting Diode) lighting replacements and site improvements to ensure that stormwater runoff and leachate are adequately filtered prior to reaching ground aquifers and surface waterways.



## VI. Miscellaneous

### Litigation

The County is currently a defendant in litigation matters involving various matters and claims. Many of these are covered by insurance, subject to a deductible. As most of these disputes involve unliquidated damages, it is not possible to provide a reliable total of damages for which the County may become liable. In the opinion of the County Attorney, all such matters now pending or threatened are, collectively, unlikely to result in total liabilities that would have a material effect on the financial condition of the County.

### Impact of COVID-19 Pandemic on the County **[LAR TO REVIEW MORE CLOSELY IN LATER DRAFT]**

In response to the COVID-19 pandemic, the Governor of the State of Maryland proclaimed a state of emergency and catastrophic health emergency within the State of Maryland on March 5, 2020 that was renewed several times throughout calendar years 2020 and 2021. On March 13, 2020, the President of the United States declared a national state of emergency; and, both the State of Maryland and the County took various actions to mitigate the spread of COVID-19. On July 1, 2021, the Governor of Maryland rescinded all COVID-19 related executive orders. Since that time, the County has focused on mitigating COVID19 and then transitioning to reopening the economy.

The County's principal source of revenue is local taxes, which constituted 92.2% of total General Fund operating revenue for fiscal year 2022: 45.4% from real property taxes, 41.0% from local income taxes and 5.9% from other local taxes. See "GENERAL FUND REVENUES AND EXPENDITURES" for a further discussion of the County's revenues and revenue sources. Fiscal year 2022 total general fund revenues (\$300.0 million) were 19.1% higher than the original budget (\$251.9 million); and for fiscal year 2023, total general fund revenues are trending 10.5% higher than the original budget (\$262.8 million). The County does not currently anticipate that the levy and collection of property taxes in fiscal year 2024 or 2025 will be materially affected by the COVID-19 pandemic. The County has had significant increases in the income tax base in fiscal years 2021 (\$2.9 billion) and 2022 (\$3.1 billion) and is estimated to increase further in fiscal year 2023 to (\$3.2 billion). While the County does not expect a significant decline in income tax collection in future fiscal years, there is no assurance that the County will not experience a decline in income tax revenue collections in the upcoming fiscal years. In future fiscal years, the County may experience a decline in real estate tax revenues related mainly to commercial properties since their value is assessed using an income method by the State. In addition, structural changes of how businesses conduct their operations may shift from on premises commercial buildings to more of a remote style framework. The impact of such a shift in working patterns on future County revenues cannot be fully determined at this time.

The COVID-19 pandemic's long-term impact on the State and local economy and on the County's financial performance cannot be currently determined. As a result of the pandemic, the County may experience an increase in expenses for emergency services, emergency preparedness, public health, and personnel costs. Further, the ongoing COVID-19 pandemic may cause additional economic and health challenges that cannot be anticipated or quantified at this time. The County has the ability to adjust spending on certain capital projects and operating costs, and it maintains a fund balance in its General Fund that the County may utilize to respond to such challenges.

### *Federal Funding*

The County received \$13.2 million in CARES Act funding in May 2020, which was used by the County to cover certain costs or distributed to qualifying recipients through a variety of County programs. Together We Rise, the largest program recipient, was a business stabilization effort that provided approximately \$8.5 million to over 800 local businesses. The County also provided funds to various local non-profit organizations in the cumulative amount of \$2.5 million. An additional \$1.3 million provided for County-related information technology enhancements to assist teleworking activities to serve the public. Approximately \$400,000 was distributed to the County and multiple municipalities to reimburse pandemic related costs. The remaining approximately \$500,000 was provided to the Convention and Visitors Bureau for tourism revitalization efforts.

The American Rescue Plan Act (ARPA) allocated \$60.5 million to multiple recipients in Washington County, with \$31.2 million being allocated to municipalities located in Washington County and \$29.3 million being retained by the County. The funding may be used to respond to or mitigate the COVID-19 health emergency or its negative economic impacts, including assistance to households, small businesses, nonprofits, and aid for tourism, travel and hospitality; to provide essential workers with premium pay; to cover revenue loss incurred as a result of the COVID-19 emergency; or to make necessary investments in water, sewer, or broadband infrastructure. The County has received all of its \$29.3 million allocation to date. The County has spent a



portion of the \$29.3 million on premium pay for essential workers (\$4.6 million). Additionally, the County has allocated ARPA funds to various projects that include: broadband expansion (\$1.2 million); emergency services equipment (\$1.6 million); clean water infrastructure (\$8.8 million); infrastructure for recreational facilities (\$5.0 million); aid for tourism (\$0.5 million); and, assistance for small business and nonprofits (\$6.7 million). The remaining, unallocated portion totals \$0.6 million.

Of the County's allocation, \$15.7 million was appropriated through the fiscal year 2022 budget (including by adjustments made to such originally adopted budget), while the remaining \$13.6 million is budgeted in the fiscal year 2023 Capital Improvement Plan.

## Ratings

Fitch Ratings, Moody's Investors Service, Inc., and S&P Global Ratings have given the Bonds the ratings indicated on the cover page of this Official Statement. An explanation of the significance of any of such ratings may be obtained only from the agency furnishing the rating. The County furnished to such rating agencies the information contained in a preliminary form of this Official Statement and other materials and information pertaining to the Bonds. Generally, rating agencies base their ratings on such materials and information, as well as their own investigations, studies, and assumptions. The ratings given the Bonds may be changed at any time and no assurance can be given that they will not be revised downward or withdrawn by one or more of such rating agencies if, in the judgment of any such rating agencies, circumstances should warrant such action. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on market prices for the Bonds.

## Continuing Disclosure Undertaking **[LAR TO UPDATE IN FUTURE DRAFT, AS NECESSARY]**

In order to enable participating underwriters, as defined in Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") to comply with the requirements of paragraph (b)(5) of Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement (the "Continuing Disclosure Agreement") on or before the date of issuance and delivery of the Bonds, the proposed form of which is set forth as Appendix D to this Official Statement. In the Continuing Disclosure Agreement the County will covenant for the benefit of the registered owners of Beneficial Owners of the Bonds to provide its audited financial statements and certain specified annual financial information and operating data relating to the County by not later than 240 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2023, and to provide notice of the occurrence of certain enumerated events, for as long as the Bonds remain outstanding or the County is an obligated person with respect to the Bonds. The audited financial statements, annual financial information and operating data, and notices of the occurrence of the enumerated events, if any, will be posted by or on behalf of the County on the Electronic Municipal Market Access system ("EMMA") maintained by the Municipal Securities Rulemaking Board and/or filed with any other repository then required by Rule 15c2-12. As of the date of the Official Statement, such information is required to be posted only to EMMA.

Potential purchasers of the Bonds should note that the definition of Listed Events contained in the proposed form of the Continuing Disclosure Agreement set forth as Appendix D to this Official Statement is intended to completely restate the events specified in Rule 15c2-12. It is noted that certain of the 16 Listed Events set forth in Section 4(a) of the proposed form of the Continuing Disclosure Agreement are expected to have no applicability to the Bonds, such as the possibility of unscheduled draws on debt service reserves reflecting financial difficulties, unscheduled draws on credit enhancements reflecting financial difficulties, substitution of credit or liquidity providers or their failure to perform, and release, substitution or sale of property securing the Bonds.

The County has historically filed its annual audited financial statements in satisfaction of its obligation to provide any annual financial information and operating data required by continuing disclosure undertakings executed by the County with respect to prior debt issues in accordance with Rule 15c2-12, based on the County's understanding that such audited financial statements filings satisfied the County's continuing disclosure undertaking obligations with respect to identified annual financial information and operating data. Such annual audited financial statement filings have been made by the County on a timely basis in the past five years. However, it was brought to the attention of the County that, with respect to certain County general obligation bonds issued prior to calendar year 2013, the description of the annual financial information and operating data to be provided by the County under its continuing disclosure undertakings with respect to such earlier issues could be construed to require more information than has been contained in the County's filed annual audited financial statements. Accordingly, in September 2020, the County filed notice of its apparent failure to provide certain information with respect to fiscal years 2015-2019, inclusive, and made a supplemental filing with respect to certain debt information for fiscal years 2015-2019, inclusive, for the affected issues that remained outstanding at such time. Except as described in this paragraph (to the extent the foregoing constitutes a material failure), the County has not failed in the past five years to comply, in all material respects, with any previous continuing disclosure undertaking entered into by the County pursuant to Rule 15c2-12.

## **Sale at Competitive Bidding**

The Bonds were offered by the County at competitive bidding on May 23, 2023, in accordance with the official Notice of Sale (a copy of which is attached as Appendix C, as such Notice of Sale may be modified in accordance with its terms). The Bonds were awarded to \_\_\_\_\_. The interest rates shown on the cover page of this Official Statement are the interest rates resulting from the award of the Bonds at the competitive bidding. The prices or yields shown on the cover page of this Official Statement were furnished by the successful bidder for the Bonds and not by the County. All other information concerning the nature and terms of any re-offering should be obtained from the successful bidder for the Bonds and not from the County.

## **Legal Matters**

All legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Funk & Bolton, P.A., Baltimore, Maryland, Bond Counsel. Delivery of the Bonds is conditioned upon delivery by Bond Counsel of an opinion relating to the Bonds substantially in the form set forth in Appendix B to this Official Statement. The certified text of the approving legal opinion for the Bonds will be printed on or attached to the Bonds.

Bond Counsel has not been engaged, nor has it undertaken, to audit, authenticate or otherwise verify the information set forth in this Official Statement regarding the County or other referenced governmental entities, or any related information regarding the County or other referenced governmental entities, with respect to the accuracy and completeness of such information, and it will not express any opinions with respect thereto or with respect to any specific sections of this Official Statement.

## **Independent Auditors**

The financial statements as of June 30, 2022, and for the year then ended, included in Appendix A to this Official Statement, have been audited by SB & Company, LLC, independent auditors, as stated in their report appearing herein, and should be read in their entirety. Such financial statements have been included in reliance upon the report of SB & Company, LLC. Such report speaks only as of its date.

SB & Company, LLC the independent auditor, has not been engaged to perform and has not performed, since the date of its report included in Appendix A to this Official Statement, any procedures on the financial statements addressed in that report. SB & Company, LLC also has not performed any procedures relating to this Official Statement.

## **Financial Advisor**

Davenport & Company LLC, Towson, Maryland (the "Financial Advisor") is a registered municipal advisor with the Municipal Securities Rulemaking Board and serves as financial advisor in connection with the issuance of the Bonds and other matters related to the County's finances. The Financial Advisor has not been engaged, nor has it undertaken, to audit, authenticate or otherwise verify the information set forth in this Official Statement, or any other related information available to the County, with respect to accuracy and completeness of disclosure of such information. The Financial Advisor makes no guaranty, warranty or other representation respecting the accuracy and completeness of this Official Statement or any other matter related to the Official Statement.

\*\*\*

This Official Statement has been approved and authorized by the County for use in connection with the sale of the Bonds.

COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY

By: \_\_\_\_\_  
John F. Barr, President

**PROPOSED FORM OF OPINION OF BOND COUNSEL  
WITH RESPECT TO THE BONDS**

[Date of Issuance]

County Commissioners of Washington County  
Hagerstown, Maryland

Dear County Commissioners:

We have acted as bond counsel to County Commissioners of Washington County (the “County”) in connection with the issuance of its \$\_\_\_\_\_ County Commissioners of Washington County Public Improvement Bonds of 2023 (the “Bonds”), dated the date hereof. All capitalized terms not defined herein shall have the meanings set forth in the Bonds.

We have examined the law and such certified proceedings and other materials as we deem necessary to render the opinions set forth below. The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering the opinions specifically expressed herein.

As to questions of fact material to our opinion letter, we have relied upon the certified proceedings of the County and certifications by public officials, without undertaking to verify the same by independent investigation.

We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities, and we have not independently verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have assumed the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photocopies and the authenticity of the originals of such latter documents.

This opinion letter does not constitute or imply a recommendation of the market or financial value of the Bonds or an assessment of the strength or appropriateness of the covenants by the County, the possibility of default, the eligibility or suitability of the Bonds as an investment, or any other legal or financial aspect of the Bonds not expressly addressed herein.

We do not express any opinion herein regarding any law other than the law of the State of Maryland (the “State”) and the federal law of the United States of America.

With respect to the executed and authenticated Bond of the issue of Bonds that we have examined, and Bonds similarly executed and authenticated and identical thereto in form, except for numbers, interest rates, denominations, maturities and CUSIP numbers, we are of the opinion that, under existing Maryland and federal law as of the date hereof:

(a) The Bonds are valid and legally binding general obligations of the County to which its full faith and credit and taxing power are pledged, and for the payment of which the County is empowered and directed to levy ad valorem taxes unlimited as to rate and amount upon all legally assessable property subject to assessment for unlimited taxation in Washington County.

(b) To provide for the payment of the principal of and interest on the Bonds, the County, by the adoption of the Resolution, has covenanted to levy ad valorem taxes in rate and amount sufficient for that purpose in each fiscal year in which provision must be made for the payment of such principal and interest.



(c) By the terms of the Act, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom (including any profit made in the sale thereof) shall be at all times exempt from State, county, municipal or other taxation of every kind and nature whatsoever in the State, but no opinion is expressed as to estate or inheritance taxes, or to any other taxes not levied or assessed directly on the Bonds, their transfer, the interest thereon or the income therefrom.

(d) Under existing statutes, regulations and decisions, and assuming the accuracy of certifications of the County, interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. For tax years beginning after December 31, 2022, interest on the Bonds will be part of adjusted financial statement income, fifteen percent of which is included in the computation of the corporate alternative minimum tax imposed on applicable corporations. Interest on the Bonds held by foreign corporations engaged in a trade or business in the United States may be subject to the branch profits tax imposed by the Internal Revenue Code of 1986, as amended (the "Code").

The opinions set forth in this paragraph (d) are subject to the condition that the County complies with all requirements that must be satisfied subsequent to the issuance of the Bonds so that interest on the Bonds continues to be excluded from gross income for federal income tax purposes. The County has covenanted and agreed to comply with each such requirement in its Tax Certificate and Compliance Agreement of even date herewith (the "Tax Certificate"). Failure to comply with certain requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We assume no responsibility for, and will not monitor, compliance by the County with the covenants and agreements contained in the Tax Certificate. In the event of noncompliance with such covenants and agreements, available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent the interest on the Bonds from becoming includable in gross income for federal income tax purposes.

Other than as set forth in the preceding paragraphs (c) and (d), we express no opinion regarding the federal or State income tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity. In addition, the rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be subject to the valid exercise of constitutional powers of the United States of America and of the sovereign police and taxing powers of the State of Maryland or other governmental units having jurisdiction.

Our services as bond counsel have been limited to rendering the specific opinions expressed above based on our review of such information and proceedings as we deem necessary to opine as to the validity of the Bonds and the tax status of the interest payable on the Bonds as of their date of issuance. We have not been engaged and have not undertaken to express an opinion as to the accuracy, completeness or sufficiency of the Official Statement or other material relating to the Bonds and, accordingly, we express no opinion as to the accuracy, completeness or sufficiency of any such information that may have been relied upon by any person in making a decision to purchase the Bonds.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. This opinion letter is given as of its date and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

**NOTICE OF SALE****WASHINGTON COUNTY, MARYLAND  
(County Commissioners of Washington County)****\$15,100,000\* PUBLIC IMPROVEMENT BONDS OF 2023****(Full Faith and Credit Obligations of the  
County Commissioners of Washington County)****Dated Date of Delivery****DTC Book-Entry****Overview and Amortization**

Electronic bids only will be received via BidCOMP/Parity®/www.i-dealprospectus.com (as applicable, “Parity”) on behalf of County Commissioners of Washington County (the “County”) by the Chief Financial Officer of the County (the “CFO”) on Tuesday, May 23, 2023 until 10:45 a.m. prevailing eastern time (“Eastern Time”), unless postponed as described in this Notice of Sale (in either such case, the “Bid Date”) for the purchase of all (but not less than all) of the County’s Public Improvement Bonds of 2023 (the “Bonds”). The Bonds will be dated their date of delivery. Interest on the Bonds will be payable on January 1, 2024 and semiannually thereafter on July 1 and January 1 until maturity or earlier redemption.

The Bonds are issued under the provisions of Chapter 99 of the Laws of Maryland of 2018 and Title 6 of the Code of Public Local Laws of Washington County, Maryland (2019 Edition) (the “Water and Sewer Act”), each as amended as applicable. The Bonds are issued in accordance with Resolution No. RS-2023-\_\_ adopted by the Board of County Commissioners of Washington County (the “Board”) on \_\_\_\_\_, 2023.

Manufacturers and Traders Trust Company, Baltimore, Maryland and Buffalo, New York, will act as the Bond Registrar and Paying Agent for the Bonds.

The Bonds will be subject to principal amortization either through serial maturities or mandatory sinking fund redemptions or a combination thereof (see “Serial and/or Term Bonds” below) on July 1 in the years and principal amounts set forth below (the “Preliminary Amounts”), subject to the provisions of “Adjustments to Principal Amounts” herein:

---

\*Preliminary; subject to change

<u>Maturing July 1 *</u>	<u>Principal Amount*</u>	<u>Maturing July 1 *</u>	<u>Principal Amount*</u>
2024	\$ 455,000	2034	\$ 750,000
2025	480,000	2035	785,000
2026	500,000	2036	830,000
2027	530,000	2037	870,000
2028	555,000	2038	915,000
2029	585,000	2039	955,000
2030	615,000	2040	995,000
2031	645,000	2041	1,035,000
2032	680,000	2042	1,080,000
2033	715,000	2043	1,125,000

\*Preliminary; subject to change

### Adjustments to Principal Amounts

Pre-sale, the County reserves the right to change the Preliminary Amounts from time to time up until 9:30 a.m. Eastern Time on the Bid Date, by changing the original aggregate principal amount of the Bonds and/or by changing or eliminating the original aggregate principal amount of one or more of the maturities of the Bonds, including (without limitation), because the County has reduced the original aggregate principal amount of the Bonds to be issued for any particular project or has determined not to use Bonds proceeds to fund a particular project. Should a revision to the original aggregate principal amount of the Bonds and/or the principal amortization schedule for the Bonds be made (the "Revised Amounts"), such revision will be published on Parity or TM3 News Service ([www.tm3.com](http://www.tm3.com)) ("TM3") not later than 9:30 a.m. Eastern Time on the Bid Date. In the event that no revisions are made or that such revisions are not published on Parity or TM3 before 9:30 a.m. Eastern Time on the Bid Date, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids for the Bonds and to select a winning bidder for the Bonds.

After selecting the winning bid for the Bonds, the maturity schedule for the Bonds may be adjusted as necessary in the determination of the County's financial advisor in increments of \$5,000. Any adjustments pursuant to this paragraph will not increase or reduce the Revised Amounts by more than 15% of the amount of the winning bid. The dollar amount bid for the Revised Amounts of the Bonds by the successful bidder will be adjusted proportionately to reflect any reduction or increase in the original aggregate principal amount of the Bonds, but the coupon rates specified by the successful bidder for all maturities of the Bonds will not change. Any such maturity schedule adjustments will be communicated to the successful bidder for the Bonds within six hours of the deadline for submitting bids. Any such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the underwriter's discount per \$1,000 of par amount of the Bonds from the underwriter's discount that would have been received based on the purchase price in the winning bid, the coupon rates or the initial offering prices (as defined herein) specified by the successful bidder. **The successful bidder for the Bonds as so adjusted may not withdraw its bid or change the interest rates bid or initial offering prices as a result of any changes made to the principal amounts of the Bonds within these limits. ALL BIDS SHALL REMAIN FIRM UNTIL 5:00 P.M. EASTERN TIME.**

The maximum par amount of the Bonds, as adjusted pre- or post-sale, may not exceed \$15,100,000.

### **Serial Bonds and/or Term Bonds**

A bidder for the Bonds may designate in its bid two or more consecutive principal amounts of the Revised Amounts as a term bond, which matures on the maturity date of the last included principal amount of the sequence. More than one such sequence of principal amounts of the Revised Amounts for the Bonds may be designated as term bonds. Any term bond so designated shall be subject to mandatory redemption in each year on the principal payment dates and in the entire amount of each serial maturity designated for inclusion in such term bond (as such principal amounts may be adjusted as described in "Adjustments to Principal Amounts" above).

### **Purpose of Issue**

The Bonds are being issued to provide financing for costs of certain infrastructure projects, education projects, public safety projects and environmental projects and for certain costs of issuance of the Bonds. A portion of the costs of such projects and certain costs of issuance of the Bonds will be paid by the County from other available funds.

### **Bid Specifications**

Each bidder for the Bonds shall submit one bid on an "all or none" basis. Each bid must specify the amount bid for the Bonds, which amount may not be less than 100% of par. Each bid for the Bonds must specify in multiples of one-eighth ( $\frac{1}{8}$ ) or one-twentieth ( $\frac{1}{20}$ ) of one percent (1%) the rate or rates of interest per annum that the Bonds are to bear but shall not specify (a) more than one interest rate for any Bonds having the same maturity, (b) a zero rate of interest, (c) any interest rate for any Bonds that exceeds the interest rate stated in such bid for any other Bonds by more than 300 basis points, or (d) any interest rate greater than five percent (5%).

### **Electronic Bids Only**

Bids must be submitted by electronic bidding via Parity, in the manner described below, and must be submitted on the Bid Date by 10:45 a.m. Eastern Time. No bid for the Bonds will be accepted after the specified time for receiving bids. To the extent any instructions or directions set forth in Parity conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about Parity, potential bidders may contact Parity at (212) 849-5021.

### **Disclaimer**

Each prospective electronic bidder shall be solely responsible to submit its bid via Parity as described above. Each prospective electronic bidder shall be solely responsible to make necessary arrangements to access Parity for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor Parity shall have any duty or obligation to provide or assure access to Parity to any prospective bidder, and neither the County nor Parity shall be responsible for proper operation of or have any liability for any delays or interruptions of, or any damages caused by Parity. The County is using Parity as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. The County is not bound by any advice and determination of Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid parameters specified in this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their submission of bids via Parity are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, such bidder should telephone Parity at (212) 849-5021 and notify the County's financial advisor, Davenport & Company LLC, by facsimile at (866) 932-6660 and by telephone at (410) 296-9426.

## **Electronic Bidding Procedures**

Electronic bids must be submitted for the purchase of the Bonds via Parity. The deadline for submitting bids via Parity on the Bid Date is 10:45 a.m. Eastern Time. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via Parity, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the deadline for submitting bids for the Bonds occurs, each bid therefor will constitute an irrevocable offer to purchase the Bonds on the terms therein provided, subject to this Notice of Sale. The County shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, Parity, the use of such facilities being the sole risk of the prospective bidder. **For purposes of the electronic bidding process, the time as maintained on Parity shall constitute the Eastern Time.**

If any provision of this Notice of Sale shall conflict with the information provided by Parity as the approved provider of electronic bidding services, this Notice of Sale shall control.

## **Basis of Award**

Bids will be communicated electronically on the Bid Date at 10:45 a.m. Eastern Time. Any award of the Bonds will be made on behalf of the County by the CFO. The successful bidder for the Bonds will be determined based on the lowest interest cost to the County. The lowest interest cost for the Bonds shall be determined in accordance with the true interest cost ("TIC") method by doubling the semiannual interest rate (compounded semi-annually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid. If two or more bidders offer to purchase the Bonds at the same lowest interest cost, then such award will be made to the bidder offering the highest purchase price. If two or more bidders offer to purchase the Bonds at the same lowest interest cost, with the same purchase price, the County shall have the right to award all of the Bonds to one bidder. The CFO will execute and deliver an order of award after the apparent successful bidder for the Bonds pays the Good Faith Deposit provided for herein by federal funds wire transfer (see "Good Faith Deposit and Award" below). Notwithstanding the foregoing, the County, by the CFO, reserves the right to reject any and all bids for the Bonds and to waive any informality or irregularity in any bid, and the judgment of the CFO with respect to such matters shall be final and binding upon all bidders with respect to the form and adequacy of any bid received for the Bonds and as to its conformity to the terms of this Notice of Sale or with respect to the determination to reject any and all bids for the Bonds.

## **Good Faith Deposits and Award**

The apparent successful bidder for the Bonds shall submit a good faith deposit in the amount of \$151,000\* (the "Good Faith Deposit") as provided below. The Good Faith Deposit will secure the County from any loss resulting from the failure of the apparent successful bidder to comply with the terms of its bid. The apparent successful bidder for the Bonds shall transfer the Good Faith Deposit by wire transfer directly to the County upon notification of identification of the apparent successful bidder, but in any case, no later than 3:00 p.m. Eastern Time on the Bid Date (the "Deposit Deadline"). Wire instructions will be provided to the apparent successful bidder for the Bonds by the County's financial advisor upon verification of bids submitted, identification of the apparent successful bidder for the Bonds and prior to the Deposit Deadline.

The apparent successful bidder for the Bonds will provide as quickly as it is available evidence of the wire transfer to the County's financial advisor by providing to the County's financial advisor the federal funds reference number. Notification of the award of the Bonds, if made, will be indicated on Parity and shall not be made until after the County's financial advisor has confirmation of receipt of the Good Faith Deposit. If the apparent successful bidder fails to so deliver the Good Faith Deposit by the Deposit Deadline, the County will have the option to not award the Bonds without any liability to the apparent successful bidder and the apparent successful bidder shall be responsible to the County for all consequential damages arising from such failure. Formal award of the Bonds, if made, will be made by 5:00 p.m. on the Bid Date.

---

\*Preliminary; subject to change



At the time of delivery of the Bonds, the Good Faith Deposit will be applied against the purchase price for the Bonds or will be retained as liquidated damages upon the failure of the successful bidder to take and pay for the Bonds in accordance with the terms of its bid. The successful bidder for the Bonds shall have no right in or to the Good Faith Deposit if it fails to complete the purchase of, and payment in full of, the Bonds for any reason whatsoever, unless such failure of performance shall be caused by an act or omission of the County. No interest will be paid upon the Good Faith Deposit to the successful bidder. Notwithstanding the foregoing, should the successful bidder fail to pay for the Bonds at the price and on the date agreed upon, the County retains the right to seek further compensation for damages sustained as a result of the successful bidder so doing.

If the original aggregate principal amount of the Bonds is adjusted as described above under "Adjustments to Principal Amounts", no adjustment will be made to the Good Faith Deposit.

#### **Establishment of Issue Price for the Bonds**

The County expects and intends that the provisions of U.S. Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purpose of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds because (i) the County will disseminate this Notice of Sale to potential underwriters (as defined below) in a manner that is reasonably designed to reach potential underwriters, (ii) all bidders will have an equal opportunity to bid, (iii) the County may receive bids from at least three underwriters of municipal bonds that have established industry reputations for underwriting new issuances of municipal bonds, and (iv) the County anticipates awarding the sale of the Bonds to the bidder that submits a firm offer to purchase the Bonds at the lowest possible TIC, as set forth herein. If such competitive sale requirements are met, the successful bid for the Bonds will be treated as a "Qualified Competitive Bid". If the competitive sale requirements are not met, the successful bid for the Bonds will be treated as a "Nonqualified Competitive Bid". **It is noted that the procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices of the Bonds for some or all maturities of the Bonds for up to five (5) business days after the sale date (as defined below), as further specified below.**

By submitting a bid, each bidder (i) confirms that it was not given the opportunity to review other bids prior to submitting its bid, (ii) confirms that its bid is a firm offer for the purchase of the Bonds, on the terms set forth in its bid and this Notice of Sale (as this Notice of Sale may be modified in accordance with its terms), except as permitted by this Notice of Sale, and (iii) represents that it has an established industry reputation for underwriting new issuances of municipal bonds.

The County will advise the apparent successful bidder as promptly as possible after bids are received whether its bid constitutes a Qualified Competitive Bid or a Nonqualified Competitive Bid.

If the apparent successful bid is a Qualified Competitive Bid, as promptly as possible after bids are received, the County will notify the apparent successful bidder and such bidder, upon such notice, shall advise the County of the reasonably expected initial offering price to the public (as defined below) of each maturity of the Bonds.

If the apparent successful bid is a Nonqualified Competitive Bid, the County shall treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as of the date and time of award of the Bonds as the issue price of that maturity, if applicable, and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. If the apparent successful bid is a Nonqualified Competitive Bid, the successful bidder shall advise the County if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. Any maturity of the Bonds as to which the successful bidder has not so advised the County that the 10% test has been satisfied as of the date and time of award of the Bonds shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation if the hold-the-offering-price rule applies to any maturity of the Bonds. **Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.**

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer to sell the Bonds to the public on or before the date of sale at the offering price or prices (the "initial offering prices"), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (1) the close of fifth (5<sup>th</sup>) business day after the sale date or (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price for that maturity to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the sale date.

For a Nonqualified Competitive Bid, the successful bidder shall promptly advise the County when the underwriters have sold to the public 10% of any maturity subject to the hold-the-offering-price rule at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the sale date.

The County acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that any underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer that is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sale of any Bonds to any person that is a related party (as defined below) to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or related party to an underwriter;

(ii) "related party" generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly;



(iii) “sale date” means the date that the Bonds are awarded by the County to the successful bidder; and

(iv) “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this definition to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

The successful bidder must deliver to the County at closing an “issue price” or similar certificate establishing the issue price of the Bonds in accordance with U.S. Treasury Regulation Section 1.148-1, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit 1 (for a Qualified Competitive Bid) or Exhibit 2 (for a Nonqualified Competitive Bid), as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the County and bond counsel to the County.

All actions to be taken on behalf of the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County’s financial advisor, Davenport & Company LLC, and any notice or report to be provided to the County may be provided to the County’s financial advisor Davenport & Company LLC or bond counsel to the County.

### **Security**

The full faith and credit and unlimited taxing power of the County are unconditionally pledged to the payment of the principal of the Bonds and the interest to accrue thereon.

### **Book-Entry Only**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity of the Bonds will be issued to Cede & Co., the nominee of The Depository Trust Company (“DTC”), and immobilized in DTC’s custody or in the custody of the Bond Registrar and Paying Agent. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 and integral multiples thereof, with transfers of ownership interest of each actual purchaser of a Bond effected on the records of DTC and its participants. The successful bidder for the Bonds, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with the Bond Registrar and Paying Agent to be held under DTC’s “FAST” system, registered in the name of Cede & Co., DTC’s nominee. All fees due DTC shall be paid by the successful bidder.

Principal and interest on the Bonds will be paid to Cede & Co., nominee of DTC, as registered owner of the Bonds on the dates such principal and interest are payable.

Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

DTC may determine not to continue to act as securities depository for the Bonds at any time by giving notice to the County. The County may determine to select a different securities depository for the Bonds, or the County may determine not to continue the book-entry system for the Bonds. If the County does not identify another qualified securities depository to replace DTC with respect to the Bonds, the County will deliver replacement bonds in the form of fully-registered certificates.

### **Optional Redemption**

The Bonds that mature on or before July 1, 2033, are not subject to redemption at the option of the County prior to their maturities. The Bonds that mature on or after July 1, 2034, are subject to redemption at the option of the

County in whole or in part on any date on or after July 1, 2033, in any order of maturity directed by the County, at a redemption price of the principal amount of the Bonds (or portions thereof) to be redeemed, plus accrued interest on the principal amount being redeemed to the date fixed for redemption, without premium or penalty.

### **Legal Opinion**

The Bonds will be issued and sold subject to approval as to legality by Funk & Bolton, P.A., Baltimore, Maryland, bond counsel. The approving opinion of Funk & Bolton, P.A. will be delivered, upon request, to the successful bidder for the Bonds, without charge, and the text of or a copy of the approving opinion will also be printed on, or attached to, each Bond. The substantially final form of the opinion of bond counsel is included in the Preliminary Official Statement referred to below as Appendix B.

### **CUSIP Numbers**

CUSIP numbers for the Bonds will be applied for by the financial advisor to the County, but the County will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder for the Bonds to accept delivery or make payment for the Bonds.

### **Official Statement**

Within seven business days after the award of the Bonds to the successful bidder therefor on the Bid Date, the County will authorize its Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. The Preliminary Official Statement has been deemed final by the County for the purpose of Rule 15c2-12 of the Securities and Exchange Commission, subject to revision, amendment and completion in a final Official Statement. The County will also issue any amendment or supplement to the Official Statement that may be necessary between the date of the Official Statement and the date of delivery of the Bonds. If requested and furnished to the County in writing by the successful bidder at or before the close of business on the Bid Date, the County will include in the Official Statement such pricing and other information relating to the reoffering of the Bonds, if any, as may be so furnished. If the successful bidder for the Bonds furnishes no such information, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. Whether or not any such information is included in the Official Statement, the successful bidder for the Bonds shall be responsible to the County and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any reoffering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. Within seven business days after the award of the Bonds, the successful bidder will also be furnished, without cost, with a reasonable number of copies of the Official Statement. The successful bidder will also be furnished with any amendment or supplement to the Official Statement, without cost, except to the extent any such amendment or supplement is required due to a change in the reoffering information or other information provided by or on behalf of the successful bidder.

### **Continuing Disclosure**

In order to assist the successful bidder in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the County will undertake, pursuant to a continuing disclosure agreement, to provide certain information annually and notices of the occurrence of certain events. The substantially final form of Continuing Disclosure Agreement is included in the Preliminary Official Statement as Appendix D.

### **Delivery of the Bonds**

Delivery of the Bonds will be made to the successful bidder through the facilities of DTC on or about June 6, 2023. Payment for the Bonds shall be made in immediately available funds.

The Bonds will be accompanied by the customary closing documents, including a no litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of the Bonds. It shall be a condition to the obligation of the successful bidder for the Bonds to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, the successful bidder shall be furnished a certificate of the President of the Board and the CFO to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the reoffering information and except as to information regarding DTC and DTC's book-entry system provided by DTC, as to which no view will be expressed) as of the Bid Date and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and that between the Bid Date and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement.

#### **Amendment and Postponement**

The County reserves the right to modify or amend this Notice of Sale prior to the Bid Date including, but not limited to, adjusting and changing the Preliminary Amounts for the Bonds, determining not to issue the Bonds, and/or changing the bid specifications for the Bonds; however, such modifications or amendments shall be made not later than 9:30 a.m. Eastern Time on the Bid Date and communicated through Parity or TM3.

The County reserves the right to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be communicated through Parity or TM3. If any date fixed for the receipt of bids and the sale of the Bonds is postponed, any alternative Bid Date will be announced via Parity or TM3 at least 24 hours prior to such alternative Bid Date. In addition, the County reserves the right, on the date established for the receipt of bids, to reject all bids for the Bonds and to then or later establish a subsequent date on which bids for the Bonds will again be received. If all bids for the Bonds are rejected and a subsequent date for receipt of bids established, notice of the subsequent Bid Date will be announced via Parity or TM3 at least 24 hours prior to such subsequent Bid Date. On any such alternative or subsequent Bid Date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with this official Notice of Sale except for the Bid Date and except for the changes announced by Parity or TM3.

Any bid submitted shall be made in accordance with this Notice of Sale, including any modifications, amendments or changes communicated via Parity or TM3 in accordance with the provisions of this Notice of Sale.

#### **Additional Information**

The Preliminary Official Statement relating to the Bonds, together with the official Notice of Sale, may be obtained by contacting Davenport & Company, LLC., The Oxford Building, 8600 LaSalle Road, Suite 618, Towson, Maryland 21286, or by telephone, (410) 296-9426 or by facsimile transmission, (866) 932-6660, or by email, [sostazeski@investdavenport.com](mailto:sostazeski@investdavenport.com), the financial advisor to the County. The Preliminary Official Statement and the official Notice of Sale will also be made available via [www.i-dealprospectus.com](http://www.i-dealprospectus.com).

COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY

By: \_\_\_\_\_

**John F. Barr, President  
Board of County Commissioners  
of Washington County**



**FORM OF ISSUE PRICE CERTIFICATE FOR  
QUALIFIED COMPETITIVE BID**

**§ \_\_\_\_\_  
COUNTY COMMISSIONERS OF WASHINGTON COUNTY  
PUBLIC IMPROVEMENT BONDS OF 2023**

**ISSUE PRICE CERTIFICATE (Qualified Competitive Bid)**

The undersigned, on behalf of [WINNING BIDDER] (the “Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) to be issued by County Commissioners of Washington County (the “Issuer”). Certain capitalized terms used in this certificate are defined in paragraph 2 below.

**1. *Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A hereto (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached hereto as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

(d) The Purchaser has an established industry reputation for underwriting new issuances of municipal bonds.

**2. *Defined Terms.***

“Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

“Sale Date” means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is [SALE DATE TO BE INSERTED].

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and Compliance Agreement of the Issuer and with respect to compliance with the federal income tax rules affecting the Bonds, and by Funk & Bolton, P.A., bond counsel to the Issuer, in rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice bond counsel may give to the Issuer from time to time relating to the Bonds.

\_\_\_\_\_, as Purchaser

By: \_\_\_\_\_  
Name:  
Title:  
(Authorized Signatory)

Dated: \_\_\_\_\_, 2023

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**

[To be Attached]

**SCHEDULE B**

**COPY OF PURCHASER'S BID**

[To be Attached]

**FORM OF ISSUE PRICE CERTIFICATE FOR  
NONQUALIFIED COMPETITIVE BID**

§ \_\_\_\_\_  
**COUNTY COMMISSIONERS OF WASHINGTON COUNTY  
PUBLIC IMPROVEMENT BONDS OF 2023**

**ISSUE PRICE CERTIFICATE (Nonqualified Competitive Bid)**

The undersigned, on behalf of [NAME OF THE WINNING BIDDER] (the “[SHORT FORM NAME OF WINNING BIDDER]”), [on behalf of itself and [NAMES OF MEMBERS OF THE UNDERWRITING SYNDICATE] (together, the “Underwriting Syndicate”)] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) to be issued by County Commissioners of Washington County (the “Issuer”). Certain capitalized terms used in this certificate are defined in paragraph 3 below.

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold by [SHORT FORM NAME OF WINNING BIDDER][the Underwriting Syndicate] to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The [SHORT FORM NAME OF WINNING BIDDER][Underwriting Syndicate] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, [the SHORT FORM NAME OF WINNING BIDDER][the members of the Underwriting Syndicate] [has][have] agreed in writing that (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer that is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer that is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(c) The [SHORT FORM NAME OF WINNING BIDDER has][the members of the Underwriting Syndicate have] an established industry reputation for underwriting new issuances of municipal bonds.

3. ***Defined Terms.***

“General Rule Maturities” means those Maturities of the Bonds listed on Schedule A hereto as the “General Rule Maturities”.

“Hold-the-Offering-Price Maturities” means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities”.



“Holding Period” means, with respect to each Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth (5) business day after the Sale Date, or (ii) the date of which the [SHORT FORM NAME OF WINNING BIDDER][Underwriting Syndicate] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering Price Maturity.

“Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

“Sale Date” means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is [SALE DATE TO BE INSERTED].

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and Compliance Agreement of the Issuer and with respect to compliance with the federal income tax rules affecting the Bonds, and by Funk & Bolton, P.A., bond counsel to the Issuer, in rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice bond counsel may give to the Issuer from time to time relating to the Bonds.

[NAME OF WINNING BIDDER] [, as Representative of the  
Underwriting Syndicate]

By: \_\_\_\_\_  
Name:  
Title:  
(Authorized Signatory)

Dated: \_\_\_\_\_, 2023

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES**

[To be Inserted or Attached]

**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

[To be Inserted or Attached]

**SCHEDULE B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

[To be Attached]

**PROPOSED FORM OF  
CONTINUING DISCLOSURE AGREEMENT**

§ \_\_\_\_\_  
**COUNTY COMMISSIONERS OF WASHINGTON COUNTY  
PUBLIC IMPROVEMENT BONDS OF 2023**

**CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by **COUNTY COMMISSIONERS OF WASHINGTON COUNTY** (the “Issuer”) in connection with the issuance of its \$ \_\_\_\_\_ Public Improvement Bonds of 2023 (the “Bonds”). The Bonds are being issued pursuant to Resolution No. RS-2023-\_\_ adopted on \_\_\_\_, 2023. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the owners and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The Issuer’s obligations hereunder shall be limited to those required by written undertaking pursuant to the Rule.

SECTION 2. Definitions. In addition to the definitions set forth above, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Listed Events**” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board. To the extent the Rule is amended to refer to any additional or different repositories, references in this Disclosure Agreement to the MSRB shall be deemed to such additional or different repositories to the extent required by the Rule. As of the date of execution and delivery of this Disclosure Agreement, any of the notices or materials required by this Disclosure Agreement to be filed with the MSRB shall be filed with the Electronic Municipal Market Access system maintained by the MSRB at <https://www.emma.msrb.org> in accordance with the Rule.

“**Official Statement**” shall mean the Official Statement dated May \_\_, 2023 relating to the Bonds.

“**Participating Underwriter**” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Rule**” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Financial Information, Operating Data and Audited Information.

(a) The Issuer shall provide to the MSRB annual financial information and operating data generally consistent with the information contained in the charts or tables under the headings “General Fund Revenues and Expenditures”, “General Fund Balance Sheet” and “General Obligation and Revenue Bonds” in the Official Statement, such information to be made available within 240 days after the end of the Issuer’s fiscal year, commencing with the

fiscal year ending June 30, 2023. Any of such financial information or operating data required by this subsection (a) may be set forth in the Issuer's audited financial statements, including in the notes to, or any supplementary or additional information provided with, such audited financial statements. To the extent such financial information or operating data is provided in or with the Issuer's audited financial statements, including in the notes to, or any supplementary or additional information provided with, such audited financial statements, such provided financial information or operating data may not be in the same format as the applicable charts or tables set forth in the Official Statement and/or may contain details that were not included in the charts or tables referenced above that were included in the Official Statement.

(b) The Issuer shall provide to the MSRB annual audited financial statements for the Issuer, such information to be made available within 240 days after the end of the Issuer's fiscal year, commencing with the fiscal year ending June 30, 2023, unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 240 days after the end of the Issuer's fiscal year (commencing with the fiscal year ending June 30, 2023), the Issuer will provide unaudited financial statements within said time period.

(c) The presentation of the financial information referred to in paragraph (a) and in paragraph (b) shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the Official Statement, provided, that the Issuer may modify the accounting principles utilized in the presentation of financial information by amending this Disclosure Agreement pursuant to the provisions of Section 7 hereof. Changes in Generally Accepted Accounting Principles, where applicable to financial information to be provided by the Issuer, shall not require the Issuer to amend this Disclosure Agreement.

(d) If the Issuer is unable to provide the annual financial information and operating data within the applicable time periods specified in (a) and (b) above, the Issuer shall send in a timely manner a notice of such failure to the MSRB.

(e) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer would otherwise be required to provide financial information and operating data pursuant to this Section 3.

(f) The financial information and operating data to be provided pursuant to this Section 3 may be set forth in full in one or more documents or may be incorporated by specific reference to documents available to the public on the MSRB's Internet Website or filed with the Securities and Exchange Commission.

(g) All information provided to the MSRB pursuant to subsections (a), (b) or (d) of this Section 3 shall be in an electronic format or such other format as prescribed by the MSRB.

#### SECTION 4. Reporting of Listed Events.

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following Listed Events with respect to the Bonds:

- i) principal and interest payment delinquencies;
- ii) non-payment related defaults, if material;
- iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- v) substitution of credit or liquidity providers, or their failure to perform;
- vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- vii) modifications to rights of Bond holders, if material;
- viii) Bond calls, if material, and tender offers;
- ix) defeasances;
- x) release, substitution, or sale of property securing repayment of the Bonds, if material;



- xi) rating changes;
- xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- xv) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- xvi) default, event of acceleration, termination event, modification of terms, or similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

For the purpose of the event identified in clause (xii) of this Section 4(a), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

For purposes of the events identified in clauses (xv) and (xvi) of this Section 4(a), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(b) Notice of any of the Listed Events identified in Section 4(a) shall be given to the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of the event.

(c) All information provided to the MSRB pursuant to this Section 4 shall be in an electronic format or such other format as prescribed by the MSRB.

**SECTION 5. Termination of Reporting Obligations.** The Issuer’s obligations under this Disclosure Agreement shall terminate upon the payment in full of all of the Bonds either at their maturity or by early redemption. In addition, the Issuer may terminate its obligations under this Disclosure Agreement if and when the Issuer no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

**SECTION 6. Dissemination Agent.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel, expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule. To the extent applicable, the reasons for any amendment and the impact of the change in the type of operating data or financial information being provided will be explained in information provided with the annual financial information containing the amended operating data or financial information.

**SECTION 8. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is required by this

Disclosure Agreement. If the Issuer chooses to include any information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event.

SECTION 9. Limitation of Remedies. The Issuer shall be given written notice at the address set forth below of any claimed failure by the Issuer to perform its obligations under this Disclosure Agreement, and the Issuer shall be given 15 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the Issuer shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the Issuer shall be given to the Chief Financial Officer, Washington County Administration Building, Room 3100, 100 W. Washington Street, Hagerstown, MD 21740, or at such alternate address as shall be specified by the Issuer with disclosures made pursuant to Section 3(a) or (b) hereof or a notice of occurrence of a Listed Event.

SECTION 10. Relationship to Bonds. This Disclosure Agreement constitutes an undertaking by the Issuer that is independent of the Issuer's obligations with respect to the Bonds; any breach or default by the Issuer under this Disclosure Agreement shall not constitute or give rise to a breach or default under the Bonds.

SECTION 11. Law of Maryland. This Disclosure Agreement, and any claim made with respect to the performance by the Issuer of its obligations hereunder, shall be governed by, subject to, and construed according to the laws of the State of Maryland.

SECTION 12. Limitation of Forum. Any suit or other proceeding seeking redress with regard to any claimed failure by the Issuer to perform its obligations under this Disclosure Agreement must be filed in the Circuit Court for Washington County, Maryland.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the owners, including beneficial owners, from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Compliance with MSRB Requirements. All documents provided to the MSRB pursuant to this Disclosure Agreement and the Rule shall be accompanied by identifying information as prescribed by the MSRB.

Date: \_\_\_\_\_, 2023

(SEAL)

ATTEST:

COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY

\_\_\_\_\_  
County [Clerk] [Administrator]

By: \_\_\_\_\_  
John F. Barr, President  
Board of County Commissioners  
of Washington County