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BOARD OF COUNTY COMMISSIONERS
May 19, 2020
OPEN SESSION AGENDA

****In response to the existing State of Emergency, this meeting of the Board of County Commissioners will be conducted with a virtual component allowing for Commissioner and Staff participation via remote video conference****

******The meeting will be available for public viewing via the streaming manner in the customary fashion******

- 10:00 AM** **CALL TO ORDER**, *President Jeffrey A. Cline*
APPROVAL OF MINTUES: *March 20, 2020*
- 10:05 AM** **COMMISSIONERS' REPORTS AND COMMENTS**
- 10:15 AM** **REPORTS FROM COUNTY STAFF**
- 10:25 AM** **FY20 CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM GRANT** – *Cody Miller, Quartermaster/Grant Manager, Sheriff's Office; Stephanie Lapole, Senior Grant Manager, Office of Grant Management*
- 10:30 AM** **PUBLIC HEARING: FY20 COMMUNITY DEVELOPMENT BLOCK GRANT**–
Stephanie Lapole, Senior Grant Manager, Office of Grant Management; Brooke Grossman, Chief Missions Officer, Horizon Goodwill Industries
- 10:45 AM** **MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION RE-CERTIFICATION REPORT APPROVAL** – *Chris Boggs, Land Preservation Planner, Planning and Zoning*
- 10:50 AM** **FY21 HEALTHY FAMILIIES HOME VISITING GRANT** – *Allison Hartshorn, Grant Manager, Office of Grant Management*
- 10:55 AM** **CONTRACT AWARD (PUR1460) LOCAL CARE TEAM COORDINATOR** – *Rick Curry, Director, Purchasing; Allison Hartshorn, Grant Manager, Office of Grant Management*
- 11:00 AM** **CONTRACT AWARD (PUR1467) STOP LOSS INSURANCE COVERAGE** – *Rick Curry, Director, Purchasing; Rachel Brown, Director, Human Resources; Representative, CBIZ Benefits & Insurance Services, Inc.*
- 11:05 AM** **COUNTY COMMISSIONERS OF WASHINGTON COUNTY PUBLIC IMPROVEMENT BONDS OF 2020 AND REFUNDING BONDS OF 2020 AUTHORIZING RESOLUTION** – *Lindsay Rader, Bond Counsel for Washington County; Sara Greaves, CFO*

11:20 AM REVIEW DRAFT OF WASHINGTON COUNTY AND CITY OF HAGERSTOWN COVID-19 SMALL BUSINESS EMERGENCY RELIEF GRANT FUND – Susan Small, Director, Business Development

11:30 AM CLOSED SESSION

(To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; or any other personnel matter that affects one or more specific individuals; and to discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the development of fire and police services and staff; and (ii) the development and implementation of emergency plan)

11:50 AM RECONVENE IN OPEN SESSION

11:55 AM ADJOURNMENT



Agenda Report Form

Open Session Item

SUBJECT: FY20 Coronavirus Emergency Supplemental Funding Program Grant

PRESENTATION DATE: May 19, 2019

PRESENTATION BY: Cody Miller, Quartermaster/Grants Manager, Washington County Sheriff Office and Stephanie Lapole, Senior Grant Manager, Office of Grant Management

RECOMMENDED MOTION: Move to approve the submission of the grant application for the FY20 Coronavirus Emergency Supplemental Funding Program to the US Department of Justice in the amount of \$55,015 and accept funding as awarded.

REPORT-IN-BRIEF: The Coronavirus Emergency Supplemental Funding Program allows states, tribes and local governments to support a broad range of activities to prevent, prepare for, and respond to the coronavirus. Allowable projects and purchases include, but are not limited to, overtime, equipment (including law enforcement and medical personal protective equipment), supplies (such as gloves, masks, sanitizer), training, travel expenses (particularly related to the distribution of resources to the most impacted areas), and addressing the medical needs of the inmates in the state, local, and tribal prisons, jail and detention centers.

DISCUSSION: The Sheriff's Office is projecting \$20,000 in overtime, covering salary and fringe benefits; as well as designating \$35,015 for equipment. The Office of Grant Management has reviewed the grant funding guidelines. The grants performance period is for two years and recurring expenses are not expected. Matching funds or in-kind support is not required. There are no unusual conditions or requirements attached to the acceptance of the grant.

FISCAL IMPACT: The grant will provide up to \$20,000 in overtime expenses and \$35,015 for equipment related to the COVID-19 pandemic.

CONCURRENCES: Susan Buchanan, Director, Office of Grant Management

ALTERNATIVES: Deny approval for submission of this request

ATTACHMENTS: N/A

AUDIO/VISUAL NEEDS: N/A



Agenda Report Form

Open Session Item

SUBJECT: Public Hearing – FY20 Community Development Block Grant Application

PRESENTATION DATE: May 19, 2020

PRESENTATION BY: Stephanie Lapole, Senior Grant Manager, Office of Grant Management and Brooke Grossman, Chief Missions Officer, Horizon Goodwill Industries

RECOMMENDED MOTION: Move to approve a resolution of support authorizing the submission of the County's application for FY20 Community Development Block Grant funding on behalf of Horizon Goodwill Industries requesting \$100,000 for program activities and \$5,000 Program Income Reuse for County administrative expenses and accept funding as awarded.

REPORT-IN-BRIEF: In accordance with 24 CFR 570.486(a)(5), Washington County must provide a public hearing for the purpose of obtaining citizen's view before submission of an application to the Community Development Block Grant Program (CDBG). Horizon Goodwill Industries has requested that the County submit an application requesting \$100,000 on their behalf. Local governments are the required applicants on CDBG applications. The Department of Housing & Community Development has given the County permission to utilize \$5,000 of CDBG Program Income on hand for administrative expenses.

DISCUSSION: The Maryland Community Development Block Grant Program is a federally funded program designed to assist units of local government with activities directed toward neighborhood revitalization, housing opportunities, economic development and improved public facilities and services. The State of Maryland, specifically the Department of Housing and Community Development (DHCD), has assumed the responsibility for the administration of the program from the U.S. Department of Housing and Urban Development (HUD). During state fiscal year 2020, the State of Maryland received an award of \$7,778,516, a portion of this funding is being utilized for COVID-19 activities.

The State provides CDBG funds for eligible projects based on meeting one of three national objectives: 1) benefit to persons of low and moderate income 2) prevention or elimination of slum or blight; or 3) meet an urgent need that is an immediate threat to community health, safety, or welfare. During state fiscal year 2020, additional requests are being received for public service activities related specifically to COVID-19 prevention, preparation and response for the homeless population.

If approved today, the County will submit an application requesting funds to be used to offer overnight emergency shelter to 10 of the most vulnerable persons on the coordinated entry list as identified by the Continuum of Care shelter coordinators, evening and overnight shelter staffing, shelter supplies, twice daily shelter cleaning, staff/participant PPE, full time case management

services for 1 year to support the projected increase in need as a result of the COVID-19 crisis, and emergency hotel stays when necessary.

The grant application is available for viewing on Washington County's website at www.washco-md.net.

FISCAL IMPACT: The grant will provide up to \$100,000 for Horizon Goodwill Industries. The Washington County Office of Grant Management will utilize up to \$5,000 of CDBG Program Income for the cost of administering and monitoring the grant.

CONCURRENCES: Susan Buchanan, Director, Office of Grant Management

ALTERNATIVES: Deny approval for submission of this request

ATTACHMENTS: Proposed Resolution of Support

AUDIO/VISUAL NEEDS: N/A

RESOLUTION NO. RS-2020-__

(Authorization to Seek Community Development Block Grant (CDBG) Funds in an amount up to \$100,000.00 and up to \$5,000 of CDBG Program Income)

RECITALS

The State of Maryland, through the Department of Housing and Community Development ("DHCD"), solicits applications from eligible jurisdictions to apply for funding under the Maryland Community Development Block Grant ("CDBG") Program.

The Board of County Commissioners of Washington County, Maryland, (the "Board") is eligible to apply for funds from the Maryland CDBG Program through the Maryland Department of Housing and Community Development.

The Board has held the required public hearing related to the formulation of the Board Board's CDBG application.

The Board understands and acknowledges that it would be responsible for completion of grant activities and any corrective actions including the repayment of funds if necessary.

NOW, THEREFORE, BE IT RESOLVED, that the Board of County Commissioners of Washington County, Maryland, authorizes the submission of an application for Community Development Block Grant funds in an amount of up to \$100,000.00 and up to \$5,000 of CDBG Program Income for the following project(s):

Washington County COVID-19 Homeless Crisis Response

IT IS FURTHER RESOLVED, that the President of the Board of County Commissioners of Washington County, Maryland is authorized and empowered to execute any and all documents required for submission of the application and is further authorized and empowered to execute any subsequent Grant Agreement relating to the above-mentioned application for CDBG funds.

Adopted and effective this ____ day of _____, 2020.

ATTEST:

BOARD OF COUNTY COMMISSIONERS OF
WASHINGTON COUNTY, MARYLAND

Krista L. Hart, Clerk
Approved as to form
and legal sufficiency:

Kirk C. Downey
County Attorney

Jeffrey A. Cline, President

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



Agenda Report Form

Open Session Item

SUBJECT: Maryland Agricultural Land Preservation Foundation (MALPF) Re-Certification Report Approval

PRESENTATION DATE: May 19, 2020

PRESENTATION BY: Chris Boggs, Land Preservation Planner, Dept. of Planning & Zoning

RECOMMENDED MOTION: Move to approve the enclosed Final certification application of the Washington County Agricultural Land Preservation Program to present to the Maryland Departments of Planning (MDP) and Agriculture (MDA) for approval. (See note under Discussion).

REPORT-IN-BRIEF: Every 3 years the Land Preservation staff is required to prepare and submit a certification report so as to retain an additional 42% (total 75% retention) of state agricultural transfer taxes. Agricultural Preservation Staff will submit the certification report if approved by the Board of County Commissioners to MDP and MDA. The certification report is based on questions developed at the State level to assess the County's Land Preservation Program and compliance with the Comprehensive Plan. While the certification report addresses all the county land preservation programs, Washington County has traditionally used 100% of the funds for the 60/40 match component of MALPP. A sample under fiscal impact shows the multiplying effect of both the certification and the 60/40 match mechanism.

DISCUSSION: The County's final certification report addresses several main items from the interim certification report which the State feels need to be clarified. These items are located on page 4 item III.A. (adoption of PPAs), page 6 item III.B.6(land use management practices and their effectiveness) and page 7 item III.B.9 (include the PPA element in the agricultural land preservation program). The report discusses our plans to achieve a goal of 50,000 acres in permanent preservation. MDA and MDP understand that factors affecting our strategy will change over time and we will have on-going opportunity to update and modify our land preservation plans.

FISCAL IMPACT: The certification process allows the county to retain an additional 42% of state agricultural transfer tax. While the tax varies, in years of high farmland to residential use conversion the additional 42% has yielded several hundred thousand dollars.

Example: Collection of tax w/o certification - $\$200,000 \times 33\% = \$66,000$ then leveraged through 60/40 match = $\$165,000$. With certification - $\$200,000 \times 75\% = \$150,000$ then leveraged = $\$375,000$.

CONCURRENCES: The Agriculture Advisory Board and the Planning Commission are both required to sign off on the certification report. At this writing both the Advisory Board and Planning Commission have approved the report.

ALTERNATIVES: Decline certification and not receive the 42% additional funds from agricultural transfer tax.

ATTACHMENTS: Final Certification Report; PPA Map

DATE: October 24, 2019

COUNTY: Washington

DATE OF TRANSMITTAL:

October 1, 2019

CHECKLIST FOR CERTIFIED COUNTIES' ANNUAL REPORTS¹ - FYs 2017-2019

I. The county agricultural preservation advisory board, the county office of planning, or the county planning commission, as designated by the county, and the governing body of the county:

_____ A. Have approved the application for (re)certification of the county program (.05(A)(2)).

*Letters **will** be coming from Jeffrey A. Cline, President, Board of County Commissioners of Washington County, MD; and Robert Meyers, Chairman, Agricultural Land Preservation Advisory Board*

II. Financial Reporting. Both annual reports shall provide a financial report that includes:

OK A. Estimated revenues and expenditures for the county's agricultural land transfer tax account for fiscal years that have transpired in their entirety during the certification period (.10(B)(1)(a));

	Ag Land Transfer Tax Collected	Remitted to State	Retained	Funds without Certification	Funds Gained through Certification
FY 2017	\$80,093	\$20,023	\$60,070	\$26,431	\$33,639
FY 2018	\$140,311	\$35,078	\$105,233	\$46,302	\$58,930
FY 2019	\$102,705	\$25,676	\$77,029	\$33,893	\$43,136
TOTAL	\$323,109	\$80,777	\$242,332	\$106,626	\$135,706

OK B. Revenue sources for, and estimated expenditures of, any other fund used to purchase development rights, provide financial enhancements to purchases of development rights, or administer the county's agricultural preservation program (.10(B)(1)(b)).

Actual expenditures of county funds for the certification period are as follows:

Expenditure of "Other" County Funds			
	FY 2017	FY 2018	FY 2019
Installment Payments	\$272,354	\$208,541	\$211,525
Tax Credits on Easement Properties	\$185,353	\$193,024	\$199,059
TOTAL	\$457,707	\$401,565	\$410,584

¹ Note: The first report is due on October 1 following the completion of the first full fiscal year of the certification period, except as extended by MDP for reasonable cause.

The second report is due on October 1 following completion of the second full fiscal year of the certification period, except as extended by MDP for reasonable cause.

- OK C. Information necessary for MDP and MALPF to determine if the county is meeting its commitment of qualifying expenditures in an amount at least equal to the additional funds available to the county as a result of certification (a financial reporting form for this purpose is available from MDP) (05(D); .10(B)(2)).

The figures above show that the County is more than meeting its matching requirements.

- OK D. All expenditures reported shall be identified as qualifying or non-qualifying expenditures (.10(B)(3)).

- OK E. Financial reports shall be verified and signed by the county's chief financial officer or by an independent auditor (.10(B)(4)).

The financial report for FY 2017 was signed by SB & Company, LLC. The financial report for FY 2018 was signed by Todd L. Hershey, County Treasurer. The financial report for FY 2019 was signed by SB & Company, LLC.

III. In addition to the financial report above, the FIRST and SECOND annual report of each certification period shall include:

- OK A. Demonstrate that the county has maintained a successful program of purchase of development rights or financial enhancements related to the purchase of development rights (11(B)(1)(a));

See III.C, below.

- OK B. An inventory of properties which have been permanently preserved by an agricultural land preservation easement during the reporting period (.10(C)(2)).

See Attachment D.

- OK C. The total number of easements purchased and acreage preserved through the county and State agricultural land preservation easement purchase programs during the reporting period (.10(C)(3)).

During the certification period, Washington County preserved 3,383.4 acres:

Washington County Land Preserved by Easement FY 2017-2019							
FY	MALPF	Rural Legacy	MET	CREP	IPP*	NGFAP**	Other
2017	0.00	209.03	56.85	211.46	394.06	0.00	0.34
2018	135.51	334.83	0.00	102.14	0.00	352.34	0.00
2019	456.76	824.11	0.00	302.47	0.00	0.00	0.00
TOTAL	592.28	1,367.97	56.85	616.07	394.06	352.34	0.34

* Installment Purchase Program of County PDR program.

** MARBIDCO's Next Generation Farmland Acquisition Program

Washington County Number of Easements Purchased FY 2017-2019							
FY	MALPF	Rural Legacy	MET	CREP	IPP	NGFAP	Other
2017	0	5	3	3	3	0	1
2018	1	3	0	2	0	3	0
2019	3	7	0	4	0	0	1
TOTAL	4	15	3	9	3	3	2

- OK D. An update on progress made to reach the milestones established in the county's most recent program development strategy (.10(C)(4)).

Provided elsewhere in checklist.

IV. In addition to the financial report and the information required in the first annual report, above, the SECOND annual report of each certification period shall include:

- _____ A. A map of all agricultural lands preserved in the county, including those preserved both during and before the certification period, showing those properties in relation to priority preservation areas (.10(D)(2)).

Attachment A.

- OK B. A description of the programs the county has established to encourage participation of farmers in agricultural land preservation efforts, including purchase of development rights or financial enhancements related to the purchase of development rights, outside of MALPF (.05(B));

Washington County uses a full array of easement programs: MALPF, MET, Rural Legacy, MARBIDO-NGFAP, local PDRs with an IPP option, CREP, and other federal programs such as transportation scenic easements.

- OK C. An update on: The method, evaluation, shortcomings, and future actions the county is using or will use to achieve preservation goals (as required under Regulation .05E and F) that demonstrates significant progress toward achievement of the preservation goals in the priority preservation area (.11(B)(2));

Washington County's PPA contains 72,693 acres of undeveloped land; its preservation goal is 50,000 acres countywide. The great majority of the County's easements are in the PPA and location in the PPA adds points to easement ranking (though only 59% of easements acquired during the reporting period were located in the PPA). When the state approved Washington County's initial certification application, the PPA was smaller and the acreage goal there was 30,000 acres. Today, however, even if 50,000 acres were preserved in the PPA alone, that would equal only 68.8% of the unprotected land there. We encourage the county to expand its PPA preservation acreage goal to equal 80% of the unprotected land in the current PPA.

That said, Washington County is well on its way to reaching its 50,000-acre goal. Based on preservation and land conversion trends over the past decade, as the chart in IV.C.2

shows, the county is projected to reach its goal in 2041, with 20,000 acres to spare. The PPA will be expanded to incorporate the expansion of the Rural Legacy Area.

The PPA plan, adopted in 2008, included the following goals (updates follow in red font):

- *Incorporate PPA into the Agricultural Preservation Priority Ranking System. Done. The ranking system also allots 25% of the points for proximity to other easements, which also favors easements in the PPA.*
- *“Continue to evaluate a 2007 consultant report with regard to whether TDRs are an appropriate mechanism for land preservation in Washington County and coordinate such a program to be compatible with the goals and objectives of land use and land preservation programs and policies already existing in the County.” Chris, please provide an update on this. The County is no longer actively working to implement a TDR program in the County. We continue to monitor local needs and changes in economy that may facilitate the need to revive this option.*
- *Maintain ten-year agricultural districts “to help protect against development pressure. Ten-year districts have been maintained.*
- *“Amend the clustering provision section in the Zoning Ordinance to maximize clustering options in the Rural Area zoning districts.” Chris, please provide an update on this. The County has no plans to update the clustering provision in the Zoning Ordinance.*

The recommendations for agriculture in the 2002 Comprehensive Plan before the PPA Plan element was adopted include the following:

- *Establish a minimum target threshold of the total land area of the County to remain in agricultural production. Continue efforts to develop permanent funding sources that can sustain agricultural easement and development rights acquisition program. Done. The PPA established the threshold of land area to remain in agricultural production, and for funding the county has a 2% piggyback ag transfer tax.*
- *Continue the Agricultural District program as an interim program to support agricultural preservation until agricultural easements can be acquired. Done.*
- *Develop setbacks, screening and buffering for residential development proposed adjacent to agricultural preservation districts or easements that would require mitigation to protect the integrity of the agricultural property and not the proposed residential development. Chris, please provide an update on this. The County has already adopted larger setbacks to agricultural easements and agriculturally assessed land. We don't have plans to expand that any further.*

Chris, please provide some text regarding any shortcomings or strengths of the program development strategy, and whether the county will consider any different future actions (i.e., a modified program development strategy) at this time.

1. The ability of the county's zoning and other land use management tools to do the following in the county's priority preservation area (.05(E)(1)(a)):

OK

- a. Limit the amount and geographic distribution of subdivision and development in accordance with established agricultural land preservation goals (.05(E)(1)(a)(i));

When first certified, Washington County had a more liberal 1:1 or 1:3 lot allowance in the rural areas. In 2005, the county made its zoning significantly more protective by changing it from 1:1 (Agriculture) or 1:3 (Conservation) to the following:

1:5 (+3 lots) Agricultural zone,

1:20 (+ 3 lots) Environmental Conservation zone,

1:30 (+ 3 lots) Preservation (Rural Legacy) zone. Plus 2 more lots at 1:50.

Furthermore, the Growth Tier Map law allows for a maximum of only 7 development rights per parcel in the above zoning districts.

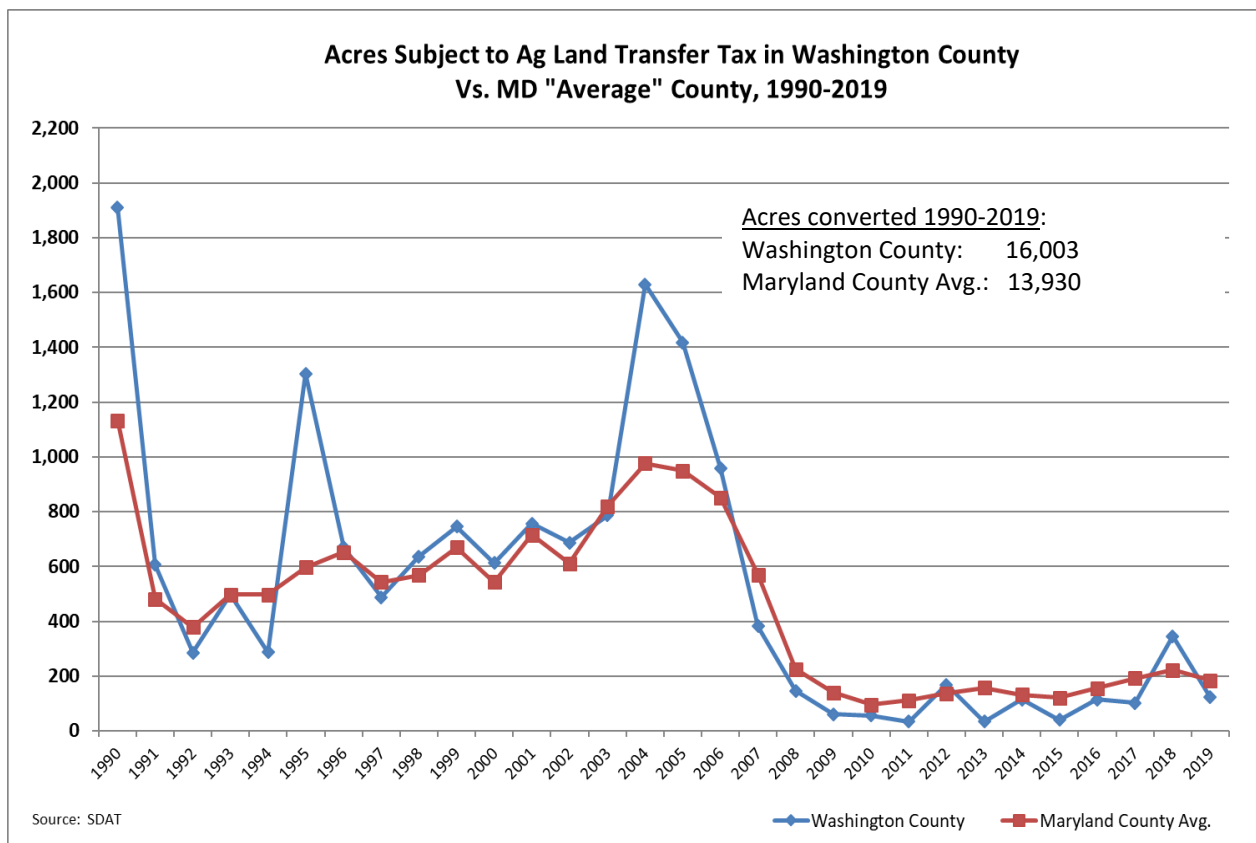
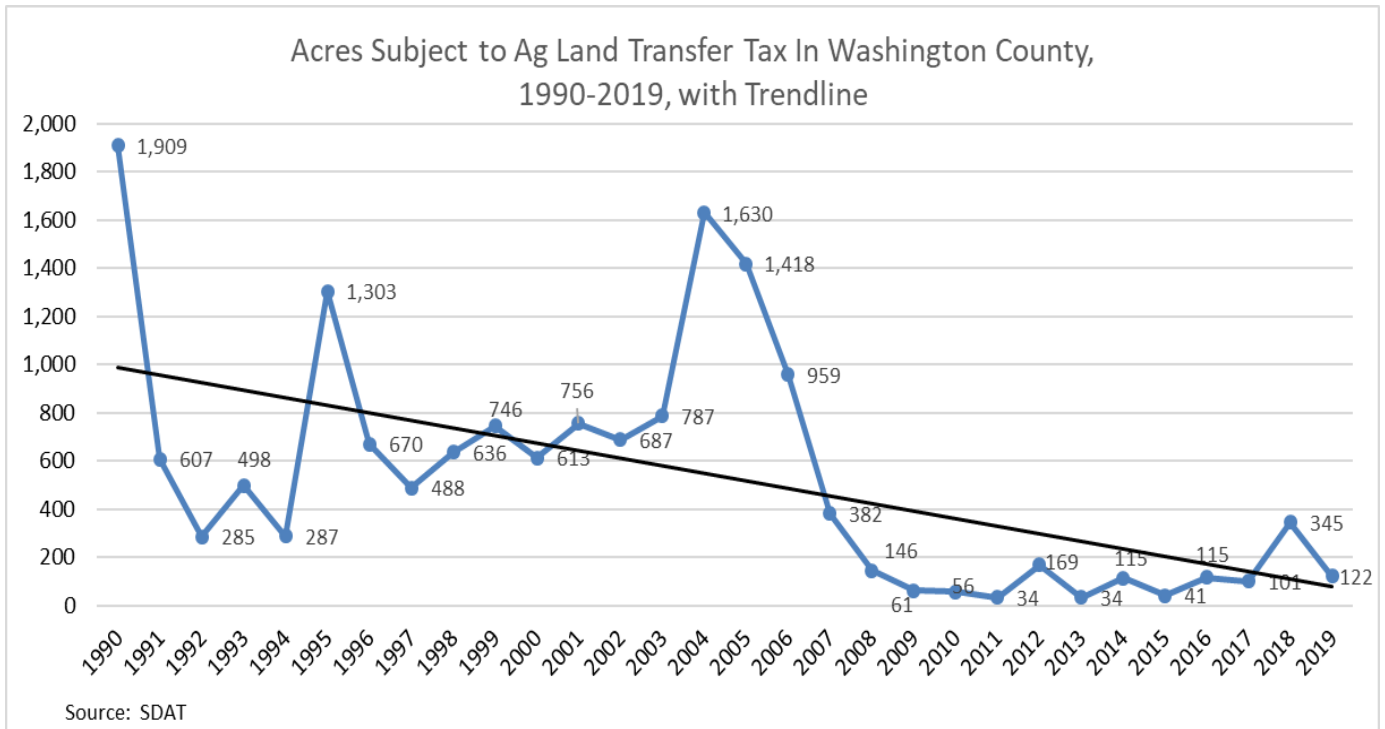
IV. C. An update on: The method, evaluation, shortcomings, and future actions the county is using or will use to achieve preservation goals (as required under Regulation .05E and F) that demonstrates significant progress toward achievement of the preservation goals in the priority preservation area (.11(B)(2));

1. The ability of the county's zoning and other land use management tools to do the following in the county's priority preservation area (.05(E)(1)(a)) **CONTINUED:**

OK

- b. Stabilize the land base (.05(E)(1)(a)(ii));

The two charts below show that though Washington County has converted more farmland than the average Maryland County, little land has been subject to ag land transfer tax in the past ten years and that since spiking early in the aughts, Washington County has usually lost less land per year than the average Maryland County.



OK

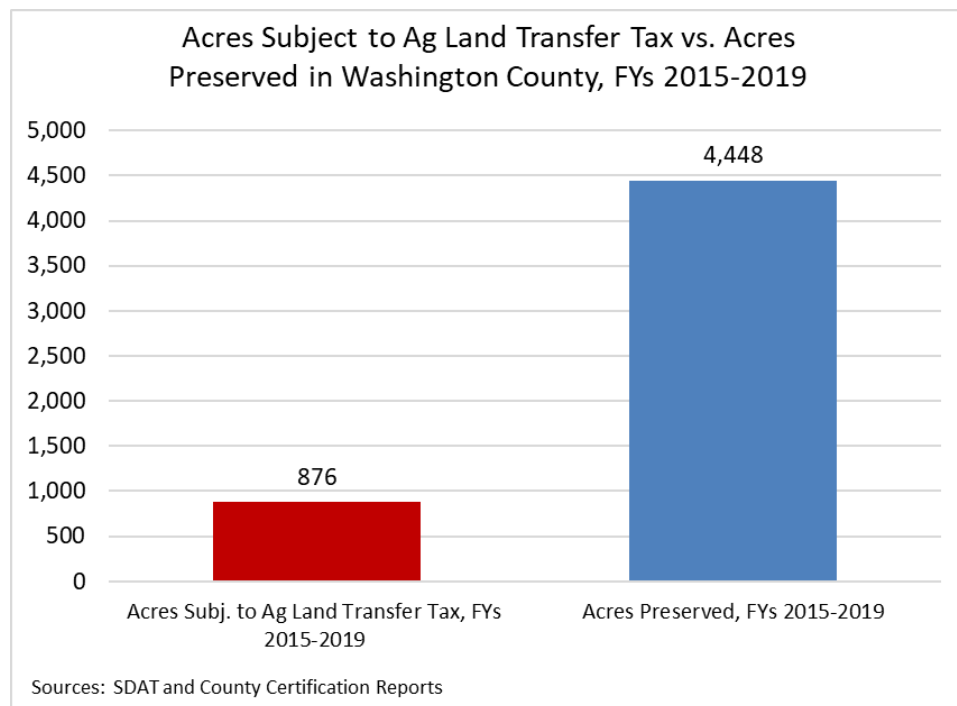
- c. Provide time for agricultural land preservation easement acquisition to achieve State and local preservation goals before the agricultural land resource is excessively compromised by development (.05(E)(1)(a)(iii)).

See IV.C.2 below.

OK

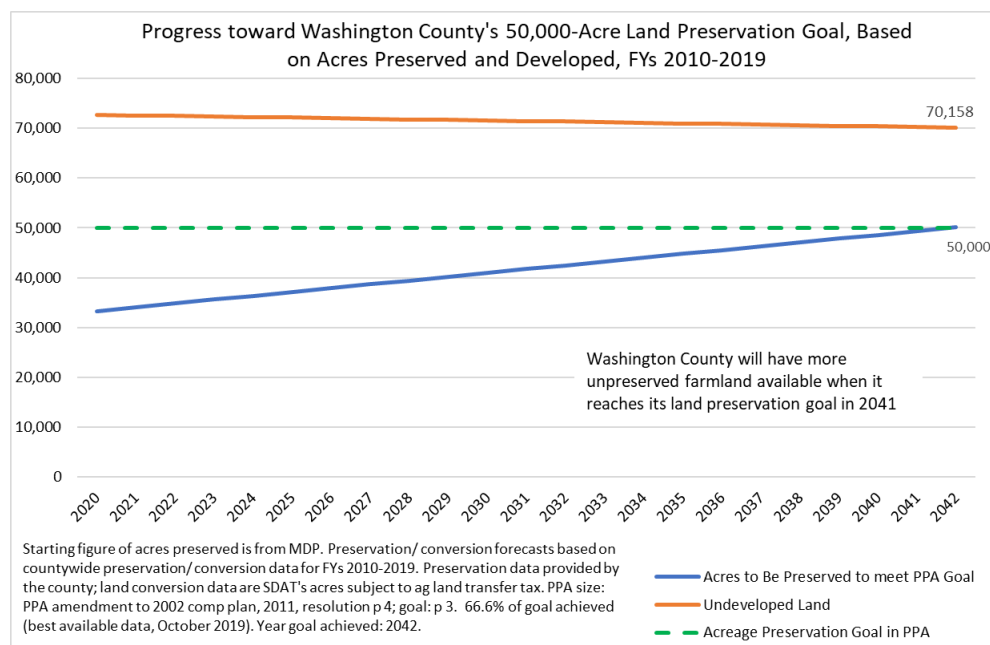
2. The ability of combined State, local, and other agricultural land preservation easement acquisition programs to permanently preserve lands in the county's priority preservation area at a rate sufficient to achieve State and local preservation goals (.05(E)(1)(b)).

The chart below shows that over six acres were preserved for each acre subject to ag land transfer tax for the last five fiscal years. The County reports that from 7/1/2014 to 6/30/2019 Washington County lost only 82 acres of converted farmland in the entire PPA. [This measure may not be acres subject to ag land transfer tax. As the county reports later, "A total of 59 parcels were subdivided in the PPA in the most recent 5-year



period, though the majority of those were not in the prime agricultural areas” (recertification application, page 6).]

Washington County reports that 972 of 1,637 acres preserved in FY 2019 were inside the PPA (59.4%). “This number is greater than previous years, mainly because the CREP program has been opened up to the entire County (not just the Rural Legacy Area) and funding has increased for MALPP easements, thereby providing the County with the ability to preserve more farms, some of which are outside of the PPA. That said, the County has recently approved the expansion of the its Rural Legacy Area (RLA) by over 12,000 acres, more than three-quarters of which are in the PPA. The County expects the State to add their approval to the expansion later in FY 2020, and will be able to follow that up with several high-quality easements in the newly-configured RLA” (recertification application, pages 5-6).



The graph above

shows that given the acreage already preserved in Washington County, and projecting future land preservation and conversion based on ten-year trends, Washington County should meet its 50,000-acre preservation goal by 2041, with plenty of land available afterward for further preservation.

IV. C. An update on: The method, evaluation, shortcomings, and future actions the county is using or will use to achieve preservation goals (as required under Regulation .05E and F) that demonstrates significant progress toward achievement of the preservation goals in the priority preservation area (.11(B)(2)) **CONTINUED;**

OK 3. The degree to which county land use and other ordinances and regulations restrict or otherwise interfere with the conduct of normal agricultural activities in the priority preservation area (.05(E)(1)(c)).

The county reports that in addition to the right-to-farm ordinance, “There are no restrictions on normal agricultural activities” (recertification application, page 6).

- OK 4. The ability of county zoning, subdivision, and development regulations and policies to minimize the degree to which development in the priority preservation area interferes with normal agricultural activities ((.05)(E)(1)(d)).

The County has a right-to-farm law. As mentioned in IV.C.1.a above, the Growth Tier Map law has countered the effects of the liberal 1:5 agricultural zoning, while the Environmental Conservation zoning and Preservation zoning further limit development in rural areas, including PPAs. "Further, the County has recently approved an expansion of its Rural Legacy Area, in which more than three quarters of the expanded area consists of Priority Preservation Areas" (recertification application page 5).

- OK 5. The ability of county and other farming assistance programs to support profitable agriculture and forestry activities in the priority preservation area (05.(E)(1)(e)).

Washington County reports that it administers "a complete package of farmer assistance programs, including Soil Conservation, Farm Services Agency, Extension Service, an Ag Marketing Specialist, as well as an active farmland preservation program. In addition, the County has encouraged farm support services such as feed and equipment dealers to maintain a strong presence in the County" (recertification application (page 5).

6. Statistics and other factual information necessary to evaluate the county's agricultural land preservation program, such as:

- OK a. A description of the amount of subdivision and development allowed on land within zoning districts comprising the priority preservation area, including base density and additional lots allowed for clustering, density transfers between parcels, and any other provisions affecting lot yields (.05(E)(2)(a));

See IV.C.1.a, above

IV. C. An update on: The method, evaluation, shortcomings, and future actions the county is using or will use to achieve preservation goals (as required under Regulation .05E and F) that demonstrates significant progress toward achievement of the preservation goals in the priority preservation area (.11(B)(2)) **CONTINUED**;

6. Statistics and other factual information necessary to evaluate the county's agricultural land preservation program, such as **CONTINUED**:

- OK b. The numbers and locations of residential parcels and acres subdivided and developed within the priority preservation area during the most recent 5-year period (.05(E)(2)(b));

IV.C.2 above shows that a total of 876 acres were subject to ag land transfer tax during the most recent 5-year period. The county reports that "59 parcels were subdivided in the PPA in the most recent 5-year period, though the majority of those were not in the prime agricultural areas" (recertification application, page 6).

- OK c. The total acreage and locations of farms and parcels permanently preserved through agricultural land preservation easements recorded in the land records of the county during the most recent 5-year period (.05(E)(2)(c));

[An attachment to come in the final report will show 4,448.305 acres and list all the easements] See Attachment D.

- OK d. The constraints and restrictions placed by county ordinances and regulations on normal agricultural activities, such as minimum setbacks from property boundaries (.05(E)(2)(d)); and

There are no restrictions on normal agricultural activities. In fact, the County's Right-To-Farm Ordinance specifically protects agricultural activities from nuisance complaints.

- OK e. The constraints and restrictions placed by county ordinances and regulations on non-agricultural development activities, in order to minimize conflicts with normal agricultural activities within the priority preservation area (.05(E)(2)(e)).

Setbacks require a 50-foot buffer.

D. The Department and Foundation:

- N/A 1. Planning has determined that the county update of its program development strategy is adequate (.11 (3)(a));

Washington County has not updated its program development strategy.

2. Determine that the latest local plan update includes an evaluation of:

The 2002 Washington County Comprehensive Plan is still in effect, though it looks as if an update is underway.

- N/A (a) The county's progress toward meeting the goals of the Foundation (.11 (3)(b)(i));

- N/A (b) Any shortcomings in the county's ability to achieve the goals of the Foundation (.11 (3)(b)(ii)); and

- N/A (c) Past, current, and planned actions by the county to correct any shortcomings identified as part of the evaluation (.11 (3)(b)(iii)); and

- OK 3. Determine that the priority preservation area identified in the priority preservation area element of the county's local plan continues to meet the requirements of the certification program (11.(3)(c)).

- E. An inventory, in digital or tabular form, of the properties which have been permanently preserved by a recorded conservation easement, which:

An inventory will arrive with the final report. See Attachment C

- _____ 1. If in digital form, is approved by MDP for content and format (.05(G)).
- _____ 2. If in tabular form, includes, for each property:
- _____ a. The number of each tax map on which each parcel comprising the easement occurs (.05(G)(2)(a));
- _____ b. Each grid cell number of each tax map for each parcel comprising the easement (.05(G)(2)(b));
- _____ c. Each parcel number through which the property can be identified on each tax map (.05(G)(2)(c));
- _____ d. The total number of acres of each easement property (.05(G)(2)(d));
- _____ e. The date on which the easement became effective (.05(G)(2)(e));
- _____ f. The preservation program which holds the easement (.05(G)(2)(f));
- _____ g. The means through which the easement was acquired, such as purchase, transfer of development rights between private parties, or another means specified by the county (.05(G)(2)(g)); and
- _____ h. The easement purchase price, if the easement was purchased through or with financial assistance from a government program (.05(G)(2)(h)).
- N/A F. A description of any changes in the county priority preservation area and the priority preservation area element of the local plan (.10(D)(4)).
- G. During the certification period, the county:
- OK 1. Has made reasonable progress on the recommendations and improvements scheduled in its most recent program development strategy, or can justify deviation from that strategy (.11(1)(B)(1)(c)).
- See IV.C, above. Also, the county reports the following: "Washington County continues to make great strides in all programs since the last reporting period. The County has surpassed 34,000 acres of preserved land. Funding and interest in our programs continues to rise and we are optimistic of reaching our 50,000-acre goal of permanently preserved land in the next 20 years" (recertification application, page 7).*
- OK 2. Has been reasonably successful in preserving agricultural land and controlling subdivisions and conversion of agricultural land consistent with State and

county goals and plans to preserve agricultural land and to protect environmental quality (.11(1)(B)(1)(d)).

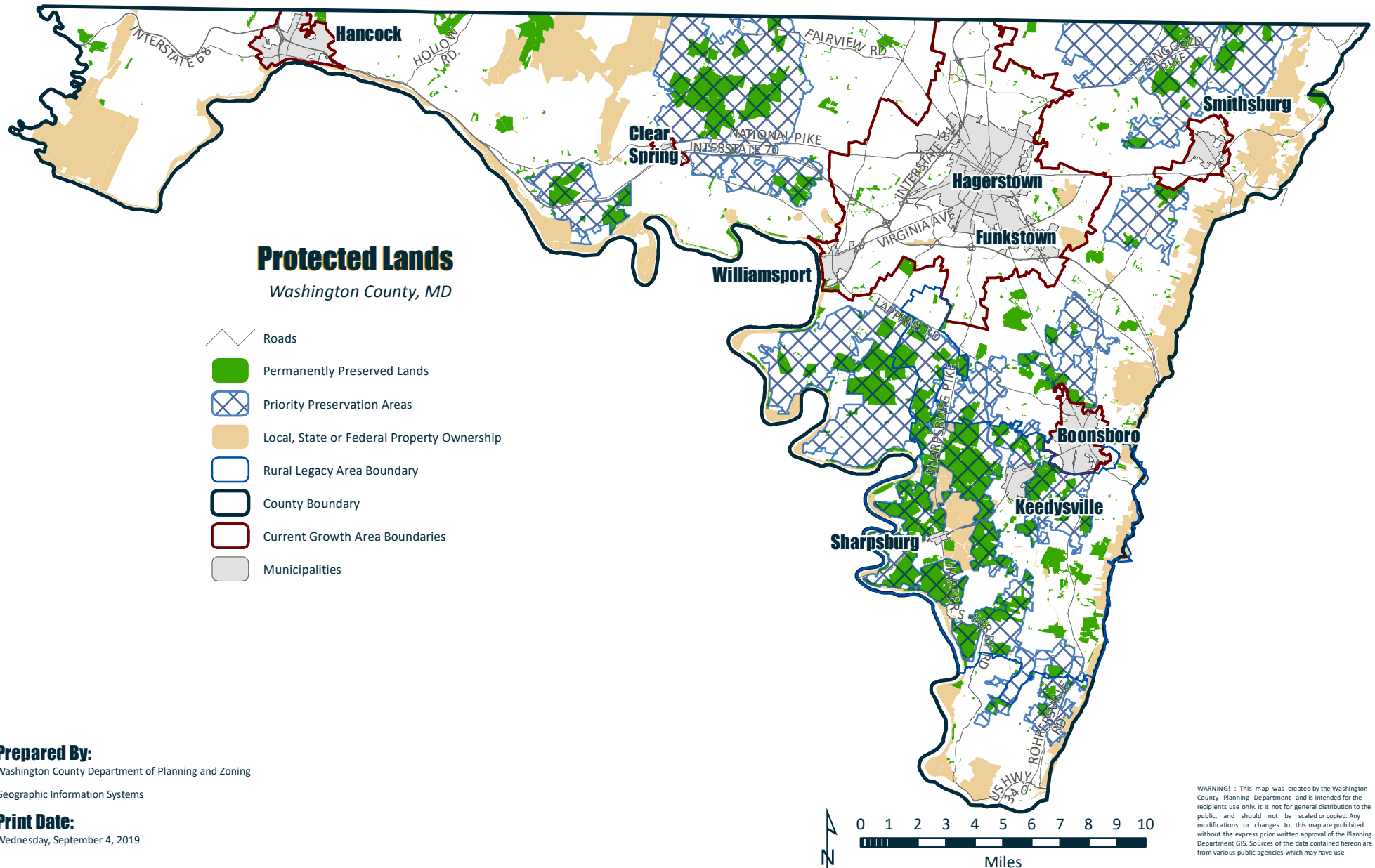
See IV.C.2, above.

OK

3. Has made significant attempts to coordinate agricultural preservation efforts with those of neighboring counties, when appropriate, and MDP and MALPF (.11(1)(B)(1)(e)).

Page 8 of the recertification application reports the following:

Washington County works with other Maryland counties on a regular basis through a variety of programs. Generally, it is in the form of providing guidance for, and trouble-shooting, different nuances of the many preservation programs available. We especially have a great working relationship with our Frederick County counterparts whom we speak with regularly. Further, Chris Boggs [program administrator] has volunteered to sit on the MALPF EVS Committee, and has been involved with the Heart of Maryland RCP initiative.





Agenda Report Form

Open Session Item

SUBJECT: FY21 Healthy Families Home Visiting Grant – Approval to Submit Application

PRESENTATION DATE: May 19, 2020

PRESENTATION BY: Allison Hartshorn, Grant Manager, Office of Grant Management

RECOMMENDED MOTION: Move to approve the submission of the grant application to the Maryland State Department of Education in the amount of \$277,993 and to accept funding as awarded.

REPORT-IN-BRIEF: The Washington County Office of Grant Management on behalf of and at the direction of the Local Management Board is seeking approval to submit a Fiscal Year 2021 Healthy Families Home Visiting grant application to the Maryland State Department of Education.

DISCUSSION: The Healthy Families Home Visiting Program is a comprehensive program modeled after a nationally renowned initiative Healthy Families America. The goals of the program are to prevent child maltreatment through early intervention, promote healthy growth, development, and strengthening of the parent-child relationship. The Washington County Health Department is the vendor contracted to provide this service. Funding in the amount of \$6,606 is included in the award for County administrative support. No County funds are involved in this award.

FISCAL IMPACT: Provides \$6,606 for County administrative expenses.

CONCURRENCES: Susan Buchanan Director, Office of Grant Management

ALTERNATIVES: Deny submission of the application

ATTACHMENTS: N/A

AUDIO/VISUAL NEEDS: N/A



Agenda Report Form

Open Session Item

SUBJECT: Contract Award (PUR-1460) – Local Care Team Coordinator

PRESENTATION DATE: March 19, 2020

PRESENTATION BY: Rick Curry, CPPO – Director of Purchasing and Allison Hartshorn, Grant Manager – Washington County Office of Grant Management (OGM)

RECOMMENDED MOTION: Move to award the contract for the Local Care Team Coordinator in Washington County, Maryland to the responsible proposer with the responsive proposal.

REPORT-IN-BRIEF: The purpose of the service is to fulfill the requirements of a Community Partnership Agreement (CPA) for fiscal year 2020 with the Governor's Office for Children (GOC). The award of funds for Local Care Team Coordinator shall commence upon receipt of a fully executed contract between the Board of County Commissioners of Washington County and the awarded vendor. The awarded contract shall expire on June 30, 2020, with an option to renew up to two (2) consecutive one-year periods through 2022.

The Coordinating Committee was comprised of the following members: Director of Purchasing, OGM Director designee, OGM Grant Manager (Chairman Designee), LMB Board Chairperson, or designee and LMB Community Planning and Review Committee Chairperson or designee. The RFP was advertised locally in the newspaper and on the County's web site, as well as on the State's "eMaryland Marketplace Advantage" (eMMA) web site. Notice of the RFP was e-mailed to those individuals/firms on the OGM's e-mail list. Sixteen (16) persons/firms accessed the RFP document from the web site. One (1) provider was represented at the pre-proposal conference.

DISCUSSION: N/A

FISCAL IMPACT: Funding from the Maryland Governor's Office for Children in the amount of \$49,000.

CONCURRENCES: Award as unanimously recommended by the Coordinating Committee.

ALTERNATIVES: N/A

ATTACHMENTS: Scope of Work (excerpt from RFP document).

AUDIO/VISUAL NEEDS: N/A

PUR-1460
Local Care Team Coordinator

The Children's Cabinet has determined there is a need to strengthen the system of care for children and youth at the local level through a coordinated approach to interagency case management. The goal of a coordinated approach is to return or divert children and youth from preventable out-of-home and out-of-state placements through the provision of community-based services. The Local Care Team (LCT) will serve as the point of access to services for children and youth.

The Local Care Team is a forum for families of children with intensive needs to receive assistance with the identification of individual needs and potential resources to meet the identified needs. The Local Care Team provides interagency discussions and problem solving for individual child and family needs and systemic needs. Parents, family members or agencies will be able to make referrals directly to the Local Care Team through the Local Management Board to seek assistance with accessing services, to develop plans of care for community-based services and to coordinate services from multiple agencies.

The Washington County Local Management Board (LMB) seeks to fund a Local Care Team Coordinator in Washington County. The person in this position will provide contracted staff support to the Local Care Team. Any agency that is included as a mandated member of the Local Care Team will be ineligible for this contract. The Local Care Team agencies with mandated members include the Department of Juvenile Services, Development Disabilities Administration, Local Core Service Agency, Local School System, Local Health Department, Local Department of Social Services, and Division of Rehabilitative Services.

This staff person will ensure a coordinated system for case referral to the Team to include tracking referrals and services, maintaining a comprehensive resource database, collecting and reporting data and ensuring follow up services. The Coordinator will be responsible for facilitating a coordinated approach to services and ensure parent involvement in Local Care Team meetings. This will be a grant funded contractual position which will be required to report at least monthly to the LMB through the Office of Grant Management. The Local Care Team Coordinator shall work an average of twenty (20) to twenty-five (25) hours per week.

1. Essential functions of the Local Care Team Coordinator include:
 - a. Maintain detailed notes from each case discussion that outline the plan of care and agency commitments to be reviewed and provided to the parents/guardians at the end of the Local Care Team meetings.
 - b. A record from each Local Care Team meeting is to include:

- i. Attendance record with signatures
 - ii. List of cases discussed that specifies whether the case:
 - a) Is new or a review;
 - b) Was referred for out-of-State placement, in-State placement or a voluntary placement; and;
 - c) Was recommended for out-of-State placement, in-State Placement, community services, or voluntary placement agreement; and
 - iii. Any official Local Care Team business, including, votes, recommendations or actions taken.
- c. Coordinate/track referrals and representation from child serving agencies (required and those needed for specific issues), schedule meetings, prepare agendas, administer and keep minutes of the meetings. This position is required to follow-up with families and agencies to ensure an action plan has been established.
- d. Referring or alerting families to resources (public and private sector). This includes providing guidance in completing forms and applications and supporting basic needs including housing, food, benefits and other emergency services.
- e. Reviewing documents to ensure families understand; documents include but are not limited to: Individualized Education Programs (IEPs)/504 Plans, Mental Health Assessments and Court Orders.
- f. Developing and presenting training modules to small and large groups.
- g. Maintaining and acquiring knowledge of resources available; sharing knowledge with various agencies on a system-wide level and individual family or child level; researching other systems throughout the state and country; researching availability of flexible funds for families.
- h. Designing, implementing and overseeing evaluation methods based on the Results Accountability model that meets the GOC and LMB needs.

2. Knowledge, Skills and Abilities:

The Local Care Team Coordinator should have the ability to read, analyze, and interpret documents and respond effectively to children, caretakers, Local Care Team members, service providers, office staff, and others. Coordinator should be able to communicate effectively and in a concise manner, both verbally and in writing. Good listening skills are imperative. The Coordinator should be able to work collaboratively and respectfully with diverse groups of individuals.

The Coordinator should be able to maintain, analyze and produce written reports from various data systems, as well as, develop policies and procedures based on written reports. The Coordinator should have the ability to define problems, collect data, establish facts, solve defined problems, draw valid conclusions, and be able to focus on results. Skills in case management, human services, strategic planning, negotiation, team building, and networking with other professionals is an advantage. The Coordinator must be able to develop and present training modules to small and large groups.

Proficiency with various computer programs including Windows 7 or later, Microsoft Word, excel, Internet, outlook, Google Drive and statistical, results tracking, and case management programs. The ability to manage time effectively and be organized are necessary. Familiarity with Washington County resources and educational programs is preferred.

3. Education, Experience, Certificates, Licenses, Registrations:

The position of Local Care Team Coordinator requires an individual who has experience with child placement systems and a clinical or special education background. Due to the need for specialized understanding of complex behavioral health or disabilities as well as the system of care for children and families, the position prefers a master's degree. Individuals with a bachelor's degree in a comparable field and significant experience will also be considered for the position. In addition, the position requires the possession of a valid class C Motor Vehicle Operator's License.

4. Performance Measures:

The following table details the minimum amount of required data measures to track. Additional measures may be added by the Local Management Board as directed and/or the Governor's Office for Children. Collection of data is the responsibility of the selected Contractor. Data measures can vary and maybe revised each fiscal year by the OGM in consultation with the Contractor.

Performance Measures

What/how much we do:
<ul style="list-style-type: none">• Number of new cases referred to the Local Care Team each month and year• Number of cases reviewed by the Local Care Team each month and year• Number of Local Care Team trainings provided each year• Number of Local Care Team meetings
How well we do it:
<ul style="list-style-type: none">• Percentage of mandated Local Care Team representatives that attend at least 75% of Local Care Team meetings• Percentage of all Local Care Team reviews (new, follow-up, and annual reviews) where the youth's parents (or legal guardians) attended.
Is anyone better off?
<ul style="list-style-type: none">• Percentage of new cases referred for in-state residential placement that are alternatively served through community-based services.• Percentage of new cases referred for out-of-state placement that are alternatively serviced through in-state community-based services or in-state residential placements.



Agenda Report Form

Open Session Item

SUBJECT: Contract Award (PUR-1467) – Stop Loss Insurance Coverage

PRESENTATION DATE: May 19, 2020

PRESENTATION BY: Rick Curry, CPPO, Director of Purchasing, Rachel Brown, Director of Health and Human Services, and a representative from the County's consultant, CBIZ Benefits & Insurance Services, Inc.

RECOMMENDED MOTION: Motion to award a contract for Stop Loss Insurance to the responsive, responsible proposer, Sun Life Financial of Wellesley Hills, MA (incumbent) who submitted a total annual premium for Option 1 of \$1,039,933.08 with specific stop loss @ \$175,000 per claimant.

REPORT-IN-BRIEF: The Request for Proposal (RFP) was advertised on the State's "eMaryland Marketplace Advantage" (eMMA) web site, on the County's web site, and in the local newspaper. Direct notice of the solicitation was e-mailed to twelve (12) potential providers of the insurance.

Proposals were received before the deadline on April 24, 2020 from twelve (12) companies that are providers of Stop Loss Insurance.

DISCUSSION: N/A

FISCAL IMPACT: The proposed budget for health insurances and stop loss insurance coverage in FY 2021 is \$16,415,890

CONCURRENCES: As recommended with the concurrence of the Director of Health and Human Services

ALTERNATIVES: N/A

ATTACHMENTS: The attached Summary will be reviewed and discussed by the County's consultant at the meeting.

AUDIO/VISUAL NEEDS: N/A



Board of Washington County Commissioners

Request for Proposal Analysis and Recommendations 2020-2021

Presented by:
CBIZ Employee Services Organization



PUR-1467

Board of County Commissioners of Washington County, Maryland

Effective Date: July 1, 2020
Bid Due Date: April 24, 2020

All bids were requested net of commissions.

Overview

The Board of County Commissioners of Washington County, Maryland (BCC) provides health insurance via Aetna/Aetna's care management programs and prescription drug coverage with CVS Caremark. Stop-Loss coverage is currently with Sun Life and is bid on an annual basis.

Background

Board of County Commissioners of Washington County, Maryland provides medical and prescription drug coverage to active employees, agencies, COBRA members, and pre-Medicare retirees on a self-insured basis.

Medical Vendor: Aetna effective 7/1/2016

Drug Vendor: CVS/Caremark effective 7/1/2019

Stop-Loss policies are insurance that protects the plan from significant claim costs associated with individual members (specific) or for the entire group (aggregate). Currently, Board of County Commissioners of Washington County, Maryland has a Stop-Loss policy with Sun Life that limits the medical and prescription drug plan costs to a maximum of \$175,000 per member per year.

Stop-Loss policies do not automatically renew at the same rate. This year Benefit Mall was brought into the Stop-Loss marketing process to better leverage the bids.



Stop Loss (Reinsurance) Marketing Results				
Carrier	Financial Rating	Quoted	Declined	Comments
Sun Life	A+	x		
Liberty Mutual	A	x		
PACE - Gerber	A		x	Uncompetitive greater than +35% to current
HCC	A++	x		
Voya	A		x	Uncompetitive greater than +35% to current
Swiss RE	A+		x	Uncompetitive greater than +50% to current
Berkley	A	x		
Anthem	A	x		
Aetna	A	x		
KRMA - Garden State	A		x	Unable to quote over ASO business
Evolution Risk - Pan American	A		x	Uncompetitive greater than +35% to current
Sutton Special Risk	A		x	Uncompetitive greater than +35% to current

Washington County Commissioners
Effective Date: 07/01/2020



Stop-Loss Specific Premium	Current	Renewal	Option 1	Option 2
			NNL 50% RC	NNL 50% RC
Carrier:	Sun Life	Sun Life	Sun Life	Anthem
Carrier Rating:	A+	A+	A+	A+
			NNL 50% RC	NNL 50% RC
TPA:	Aetna	Aetna	Aetna	Aetna
PPO Network/UR Vendor:	Aetna choice	Aetna choice	Aetna choice	Aetna choice
Stop Loss Commission:	0%	0%	0%	0%
Benefits Included: Specific	Med/Rx	Med/Rx	Med/Rx	Med/Rx
Deductible:	\$175,000	\$175,000	\$175,000	\$175,000
Aggregating Specific:	\$0	\$0	\$0	\$0
Specific Contract:	Paid	Paid	24/12	24/12
Specific Policy Year Maximum:	Unlimited	Unlimited	Unlimited	Unlimited
Firm Through:		FIRM 5.15.20	FIRM 5.15.20	Illustrative
Lasers:	None	None	None	Pending Large Claim Review
Total Reinsurance Expense	\$954,075.24	\$954,075.24	\$1,039,933.08	\$1,089,22.68
Annual Fixed Premium % Difference		0.00%	9.00%	14.14%

Washington County Commissioners
Effective Date: 07/01/2020



Stop-Loss Specific Premium	Option 3	Option 4	Option 5	Option 6	Option 7
	NNL 50% RC	NNL 50% RC	NNL 50% RC		NNL 50% RC
Carrier:	Berkley	Liberty Mutual	Aetna	Aetna	HCC
Carrier Rating:	A	A	A	A	A++
	NNL 50% RC	NNL 50% RC	NNL 50% RC		NNL 50% RC
TPA:	Aetna	Aetna	Aetna	Aetna	Aetna
PPO Network/UR Vendor:	Aetna choice	Aetna choice	Aetna choice	Aetna choice	Aetna choice
Stop Loss	0%	0%	0%	0%	0%
Commission:	Med/Rx	Med/Rx	Med/Rx	Med/Rx	Med/Rx
Benefits Included:	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000
Specific Deductible:	\$0	\$0	\$0	\$0	\$0
Aggregating Specific:	24/12	24/12	24/12	24/12	24/12
Specific Contract:					
Specific Policy Year					
Maximum:	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Firm Through:	Illustrative	Illustrative	Firm	Firm	Illustrative
Lasers:	Pending Large Claim Review	Pending Large Claim Review	None	None	Pending Large Claim Review
Total Reinsurance Expense	\$1,309,826.04	\$1,105,668.96	\$1,046,109.72	\$942,472.92	\$1,305,331.08
Annual Fixed Premium % Difference	37.29%	15.89%	9.65%	-1.22%	36.82%

Proprietary & Confidential

NNL = No New Laser
50% RC = 50% Rate Cap

Recommendation

- Remain with Sun Life at \$175,000 Specific Stop Loss level
- Move to Option 1 adding no new laser and 50% rate cap
 - Moving to a no new laser will be advantageous for FY22
 - Moving to a +50% rate cap will reduce the risk of an colossal increase for FY22



Agenda Report Form

Open Session Item

SUBJECT: County Commissioners of Washington County Public Improvement Bonds of 2020 and Refunding Bonds of 2020 Authorizing Resolution

PRESENTATION DATE: May 19, 2020

PRESENTATION BY: Lindsey A. Rader, Bond Counsel for Washington County, and Sara L. Greaves, Chief Financial Officer

RECOMMENDED MOTION: Move to approve the resolution authorizing County Commissioners of Washington County (the “County”) to issue and sell, at public sale, upon its full faith and credit, two separate series of general obligation bonds in the original aggregate principal amount not to exceed \$26,835,000 for the purpose of financing or reimbursing costs of certain public facilities and projects and currently refunding certain outstanding County general obligation bonds, as presented.

REPORT-IN-BRIEF: Certain Chapter Laws of Maryland, County Code provisions and provisions of the Annotated Code of Maryland, as applicable, authorize the County to issue and sell at public sale, upon its full faith and credit, two separate series of general obligation bonds for the purpose of (1) financing or reimbursing the cost of certain public facilities and projects (see attachment) and (2) currently refunding in whole or in part the outstanding County Commissioners of Washington County Public Improvement Bonds, Taxable Build America Bonds (Direct Payment) Series 2010B. Bonds issued for financing purposes (also referred to as for new money purposes) will not exceed \$15,335,000 in original aggregate principal amount and bonds issued for refunding purposes will not exceed \$11,500,000 in original aggregate principal amount (the amortization schedule for the refunding bonds set forth in the resolution assumes an original aggregate principal amount of \$9,505,000). Certain details of each series of the bonds are subject to adjustment based on market conditions, due to legal or tax considerations or for other reasons identified in the resolution. The Chief Financial Officer is authorized to make certain determinations and adjustments with respect to each series of the bonds prior to release of the Preliminary Official Statement provided for in the resolution or following such release but prior to the sale of the bonds, including (without limitation) adjustments to the original aggregate principal amount of each series and the amortization schedule for each series, changing the principal, interest and, with respect to the new money bonds, optional redemption dates if the sale date is moved from June 9, 2020, and, with respect to the series of bonds issued for refunding purposes, determining the prior bonds to be refunded, and/or determining that none of the identified prior bonds will be refunded (and, accordingly, that no series of bonds will be issued for refunding purposes). In addition, authority to award or

reject each series of the bonds at the sale, and to make certain post-sale adjustments to either series contemplated by the resolution, is delegated to the Chief Financial Officer, who shall act by order.

DISCUSSION: Proceeds from the series of bonds issued for new money purposes will be used to fund costs of certain infrastructure, public facilities, environmental and educational projects. The max original aggregate principal amount of the authorized new money bond proceeds has been reduced from the \$16,669,000 originally contemplated in the County budget to \$15,335,000 due to project changes or authorized reallocation of unspent prior bond proceeds. The max original aggregate principal amount of the new money bonds as issued may be further reduced from \$15,335,000 due to a determination prior to the sale of the bonds that loan funding from the Maryland Water Quality Financing Administration will be available for two of the projects and/or by the availability of original issue premium resulting from the successful bid for such series for application to project costs. Issuance costs are expected to be funded from pay-go funds or from the net original issue premium received from the successful bidder for each series of the bonds or other available funds of the County.

FISCAL IMPACT: Annual bond issuance has been included in the County's annual debt affordability analysis.

CONCURRENCES: Interim County Administrator and County Attorney

ALTERNATIVES: If the resolution is not approved, it will be necessary to eliminate the public facilities and projects to be funded from the series of new money bonds as detailed in the Capital Improvement Plan. Also, it will be necessary to determine alternative funding for such public facilities and projects already in progress. Depending on market conditions at the time of sale, the County could forego potential debt service savings if refunding bonds are not issued.

ATTACHMENTS: Resolution, schedule of public facilities and projects to be funded from the new money series of bonds, and draft Preliminary Official Statement. (Financial Statements and Supplemental Schedules together with Report of Independent Public Accountants available online at www.washco-md.net under Budget and Finance Department.)

AUDIO/VISUAL NEEDS: N/A

RESOLUTION NO. RS-2020-

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, TWO SEPARATE SERIES OF ITS GENERAL OBLIGATION BONDS DESIGNATED, RESPECTIVELY, "COUNTY COMMISSIONERS OF WASHINGTON COUNTY PUBLIC IMPROVEMENT BONDS OF 2020" AND "COUNTY COMMISSIONERS OF WASHINGTON COUNTY REFUNDING BONDS OF 2020", PURSUANT TO THE PROVISIONS OF, AS APPLICABLE, CHAPTER 99 OF THE LAWS OF MARYLAND OF 2018, TITLE 6 OF THE CODE OF PUBLIC LOCAL LAWS OF WASHINGTON COUNTY (2019 EDITION), CHAPTER 392 OF THE LAWS OF MARYLAND OF 2007, AND SECTION 19-207 OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, EACH AS AMENDED AS APPLICABLE, FOR THE PUBLIC PURPOSES OF (1) 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 FACILITIES, ENVIRONMENTAL AND EDUCATIONAL PROJECTS, TOGETHER WITH ANY RELATED ARCHITECTURAL, FINANCIAL, LEGAL, PLANNING OR ENGINEERING SERVICES, AND (2) SUBJECT TO THE FURTHER PROVISIONS OF THIS RESOLUTION, CURRENTLY REFUNDING ALL OR A PORTION OF THE OUTSTANDING COUNTY COMMISSIONERS OF WASHINGTON COUNTY PUBLIC IMPROVEMENT BONDS, TAXABLE BUILD AMERICA BONDS (DIRECT PAYMENT) SERIES 2010B; SPECIFYING THE MAXIMUM ORIGINAL AGGREGATE PRINCIPAL AMOUNTS OF SUCH SERIES OF BONDS, SUBJECT TO ADJUSTMENT AS PROVIDED HEREIN; PRESCRIBING THE TERMS AND CONDITIONS OF EACH SERIES OF THE BONDS AND THE TERMS AND CONDITIONS UPON WHICH EACH SERIES OF THE BONDS SHALL BE ISSUED AND SOLD AND OTHER INCIDENTAL 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; PROVIDING FOR, AS APPLICABLE, A BOND REGISTRAR AND PAYING AGENT, AN ESCROW DEPOSIT AGENT, AN ESCROW DEPOSIT AGREEMENT, A BIDDING AGENT AND A VERIFICATION CONSULTANT WITH RESPECT TO THE PROCEEDS OF THE REFUNDING 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 FOR THE REDEMPTION OF THE REFUNDED 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 such Act) of certain public facilities in Washington County. The County has previously issued \$514,278 original aggregate principal amount of its County Commissioners of Washington County Public Improvement Bonds of 2019 pursuant to the authority of the 2018 Act.

Title 6 of the Code of Public Local Laws of Washington County, Maryland, as amended to date, including, without limitation, the 2019 Edition (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 \$15,335,000 (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 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 3 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 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.

Pursuant to the authority of Chapter 392 of the Laws of Maryland of 2007 (the “2007 Act”), the Water and Sewer Act, and the federal American Recovery and Reinvestment Act of 2009 (“ARRA”), each as then in effect, the County previously issued upon its full faith and credit its County Commissioners of Washington County Public Improvement Bonds, Taxable Build America Bonds (Direct Payment) Series 2010B, dated June 2, 2010, in the original aggregate principal amount of \$10,915,000 (the “2010B Bonds”). As originally issued, the 2010B Bonds are scheduled to mature on July 1 in the years 2021-2030, inclusive.

Pursuant to the authority of the 2007 Act, the Water and Sewer Act and Section 19-207 of the Local Government Article of the Annotated Code of Maryland (the “Refunding Act”), as applicable and as amended to date, the County has determined to currently refund all or a portion

of the outstanding 2010B Bonds as set forth on Exhibit A attached hereto, subject to the further provisions of this Resolution.

Any refunded 2010B Bonds will be currently refunded from proceeds of the issuance and sale of a series of the County's general obligation bonds in an original aggregate principal amount not to exceed \$11,500,000 (the "2020 Refunding Bonds"), subject to the further provisions of this Resolution.

The County has determined that the total debt service cost to the County with respect to the refunded 2010B Bonds will be reduced by the County issuing the 2020 Refunding Bonds and applying proceeds thereof to discharge and satisfy the indebtedness evidenced by such refunded bonds, thereby satisfying a requirement of the Refunding Act by realizing savings in the total cost of debt service on a direct comparison or present value basis.

The New Money Bonds and the 2020 Refunding Bonds are together referred to in these Recitals as the "2020 Bonds" (and as the "Bonds" in the Sections of this Resolution).

The 2007 Act, the 2018 Act, the Water and Sewer Act and the Refunding Act are together referred to herein as the "Acts".

The 2020 Bonds, as authorized to be issued and sold by this Resolution, are two separate series of bonds for the purposes of financing the cost of certain public facilities and projects in Washington County and currently refunding certain outstanding obligations, all as described herein.

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 projects described in Section 3 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 sum of not to exceed \$15,335,000 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 3 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 \$15,335,000 and designated “County Commissioners of Washington County Public Improvement Bonds of 2020” (the “Public Improvement Bonds”).

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 Public Improvement Bonds to adjust the original aggregate principal amount of the Public Improvement Bonds as set forth in Section 4 hereof upward or downward (so long as such original aggregate principal amount, as adjusted, does not exceed \$15,335,000), to eliminate one or more of the maturities of the Public Improvement Bonds provided for in Section 4 hereof and/or to adjust the original aggregate principal amounts of each maturity of the Public Improvement Bonds upward or downward, due to tax considerations, due to market considerations, in order to restructure the amortization schedule for the Public Improvement 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 to reduce the par amount of the Public Improvement Bonds needed due to anticipated original issue premium, and/or in order to reduce the proceeds of the Public Improvement Bonds to be applied to any of the contemplated public facilities or projects provided for in Section 3 hereof due to the availability of other funds for such projects, including, but not limited to, the availability of funding through the Maryland Water Quality Financing Administration with respect to the environmental projects generally referred to by the County as the Capacity Management Project and the Smithsburg WWTP ENR Upgrade, and any such adjustment (i) shall be reflected in the Preliminary Official Statement provided for in Section 24 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 12 hereof if such determination is made after the release of such Preliminary Official Statement. It is the stated intention of the Board of County Commissioners of Washington County (the “Board”) that, to the extent available for such purpose, any original issue premium provided for in the successful bidder’s bid for the Public Improvement Bonds be applied to reducing the par amount of the Public Improvement Bonds needed for the purposes contemplated in Section 3 of this Resolution after giving effect to the payment of underwriter’s discount and any amount of such original issue premium that may be applied to costs of issuance of the Public Improvement Bonds.

The final original aggregate principal amount of the Public Improvement Bonds, the final maturities of the Public Improvement Bonds, and the final original aggregate principal amount of each maturity of the Public Improvement Bonds, if any, will be determined in accordance with an order or orders of the Chief Financial Officer delivered in conjunction with the award of the sale of the Public Improvement Bonds in accordance with the provisions of Section 13 hereof.

Section 2. Subject to the further provisions of this Resolution, the County hereby determines that it is necessary to borrow money and incur indebtedness pursuant to the authority of the 2007 Act, the Water and Sewer Act and the Refunding Act, as applicable, to currently refund all or a portion of the 2010B Bonds identified on Exhibit A hereto. The final maturities or portions of maturities of the 2010B Bonds to be so refunded, if any, will be determined prior to or upon the sale of the Refunding Bonds identified in the next paragraph in accordance with the further

provisions of this Resolution. Any such 2010B Bonds that are finally determined to be currently refunded in accordance with the provisions of this Resolution are referred to herein collectively as the "Refunded Bonds". The potential Refunded Bonds are the outstanding maturities of the 2010B Bonds.

Pursuant to the authority of the 2007 Act, the Water and Sewer Act and the Refunding Act, as applicable, the County has determined to borrow on its full faith and credit an original aggregate principal amount not to exceed \$11,500,000 in order to provide for the current refunding of the Refunded Bonds, and shall evidence such borrowing by the issuance of a single series of its general obligation bonds in an original aggregate principal amount not to exceed \$11,500,000 and designated "County Commissioners of Washington County Refunding Bonds of 2020" (the "Refunding Bonds").

It is the current intention of the Board, subject to market conditions, to currently refund all of the currently outstanding potential Refunded Bonds identified on Exhibit A hereto and to redeem such Refunded Bonds on a date no later than 45 days after the date of issuance of the Refunding Bonds. Notwithstanding anything to the contrary contained in this Resolution, in the event 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, determines from time to time prior to the sale of the Refunding Bonds that legal or tax considerations limit the County's ability to refund a portion of the potential Refunded Bonds identified on Exhibit A hereto, that sufficient savings cannot be achieved or the goals of the applicable Acts will not be met by refunding a portion of the potential Refunded Bonds identified on Exhibit A hereto, that other funds of the County are available for application to the current refunding of the Refunded Bonds, that anticipated original issue premium is expected to be available for application to the current refunding of the Refunded Bonds, and/or that the amortization schedule for the Refunding Bonds should be adjusted in order to maximize debt service savings in any particular fiscal year or years, to avoid an over-issuance problem and/or due to market considerations, such official may adjust the original aggregate principal amount of the Refunding Bonds as set forth in Section 4 hereof upward or downward (so long as such original aggregate principal amount, as adjusted, does not exceed \$11,500,000), and correspondingly adjust one or more of the original aggregate principal amounts of the maturities of the Refunding Bonds set forth in Section 4 hereof upward or downward, and to the extent necessary, eliminate one or more of the maturities of the Refunding Bonds provided for in Section 4 hereof, in order to reflect such overall adjustment in the original aggregate principal amount of the Refunding Bonds, and any such adjustment (i) shall be reflected in the Preliminary Official Statement provided for in Section 24 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 12 hereof if such determination is made after the release of such Preliminary Official Statement. It is the stated intention of the Board that, to the extent available for such purpose, any original issue premium provided for in the successful bidder's bid for the Refunding Bonds be applied to reducing the par amount of the Refunding Bonds needed for the purposes contemplated in this Section 2 after giving effect to the payment of underwriter's discount and any amount of such original issue premium that may be applied to costs of issuance of the Refunding Bonds.

In addition, notwithstanding anything to the contrary contained in this Resolution, in the event 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, determines from time to time prior to the sale of the Refunding Bonds that legal or tax considerations limit the County's ability to currently refund any portion of the potential Refunded Bonds identified on Exhibit A hereto and/or that sufficient savings cannot be achieved or the goals of the applicable Acts will not be met by refunding any portion of the potential Refunded Bonds identified on Exhibit A hereto, such official may determine that the Refunding Bonds shall not be issued, and such determination (i) shall be reflected in the Preliminary Official Statement provided for in Section 24 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 12 hereof if such determination is made after the release of such Preliminary Official Statement. In such event, all provisions of this Resolution relating to the issuance of the Refunding Bonds and the current refunding and redemption of the Refunded Bonds shall be construed to be inapplicable.

The final actual maturities or portions of maturities of the potential Refunded Bonds identified on Exhibit A hereto to be currently refunded from the proceeds of the Refunding Bonds, if any, shall be determined in accordance with an order of the Chief Financial Officer delivered in conjunction with the award of the sale of the Refunding Bonds in accordance with the provisions of Section 13 hereof.

The final original aggregate principal amount of the Refunding Bonds, the final maturities of the Refunding Bonds, and the final original aggregate principal amount of each maturity of the Refunding Bonds, if any, will be determined in accordance with an order or orders of the Chief Financial Officer delivered in conjunction with the award of the sale of the Refunding Bonds in accordance with the provisions of Section 13 hereof.

The Refunding Bonds, together with the Public Improvement Bonds, are referred to herein collectively as the "Bonds".

Section 3. Subject to adjustments made in connection with the sale of the Public Improvement Bonds (including as contemplated in Section 1 hereof or to provide for the application of net original issue premium received in connection with the sale and issuance of the Public Improvement Bonds), the projects and purposes on account of which the Public Improvement 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>
\$5,797,000	Infrastructure Projects
100,000	Public Facilities Projects
5,395,000	Environmental Projects
4,043,000	Educational Projects

Notwithstanding the foregoing allocation, the County, without notice to or the consent of the registered owners of the Public Improvement Bonds, may reallocate the approximate amount of the par value of the proceeds of the Public Improvement 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 Public Improvement Bonds is re-allocated prior to or in connection with the sale of the Bonds as contemplated in this Resolution, such reallocation shall be reflected in the certificate executed and delivered by authorized County officials in accordance with the provisions of Section 18 of this Resolution.

Section 4. Each series of the Bonds shall be dated their dated date and shall be issued in the denominations of \$5,000 each or any integral multiple thereof. Each series of the Bonds shall bear interest from its dated date. Subject to the further provisions of this Section 4, interest on each series of the Bonds shall be payable on January 1, 2021 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 either series of the Bonds is referred to herein as an “Interest Payment Date”. Interest shall be calculated on a 30-day month/360-day year basis.

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

PUBLIC IMPROVEMENT BONDS*

<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>
2021	\$425,000	2036	\$785,000
2022	450,000	2037	805,000
2023	470,000	2038	820,000
2024	495,000	2039	840,000
2025	515,000	2040	860,000
2026	545,000	2041	215,000
2027	575,000	2042	220,000
2028	600,000	2043	225,000
2029	635,000	2044	230,000
2030	670,000	2045	240,000
2031	700,000	2046	245,000
2032	725,000	2047	250,000
2033	740,000	2048	260,000
2034	755,000	2049	265,000
2035	775,000		

* The original aggregate principal amount of, and original aggregate principal amount of each maturity of, the Public Improvement 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 12 hereof. In addition,

the original aggregate principal amount of, and/or the original aggregate principal amount of each maturity of, the Public Improvement Bonds is subject to adjustment after receipt of bids in accordance with the provisions of the official Notice of Sale provided for in Section 12 hereof; provided that, only that portion of the par amount of the Public Improvement Bonds (if any) allocable to the projects generally referred to as the Capacity Management Project and the Smithsburg WWTP ENR Upgrade may be amortized over the period July 1, 2040 – July 1, 2049, inclusive.

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

REFUNDING BONDS*

<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>
2021	\$745,000	2026	\$ 970,000
2022	790,000	2027	1,020,000
2023	825,000	2028	1,070,000
2024	870,000	2029	1,120,000
2025	915,000	2030	1,180,000

* The principal amortization schedule for the Refunding Bonds set forth above is based on market conditions as of May 4, 2020 and provides for the Refunding Bonds to be issued in the original aggregate principal amount of \$9,505,000. The original aggregate principal amount of, and original aggregate principal amount of each maturity of, the Refunding Bonds, is subject to adjustment or elimination as provided in Section 2 hereof and in the official Notice of Sale provided for in Section 12 hereof. In addition, the original aggregate principal amount of, and/or the original aggregate principal amount of each maturity of, the Refunding Bonds is subject to adjustment after receipt of bids in accordance with the provisions of the official Notice of Sale provided for in Section 12 hereof. The final original aggregate principal amount of the Refunding Bonds, as issued, shall not exceed \$11,500,000.

Notwithstanding anything to the contrary contained in this Section 4, in the event the Chief Financial Officer determines at or prior to the date of sale of the Refunding Bonds in accordance with the provisions of Section 2 hereof not to refund one or more maturities of the potential Refunded Bonds, the Chief Financial Officer, with the advice of the financial advisor to the County and bond counsel to the County, is hereby authorized and empowered to (i) change the principal payment dates for the Refunding Bonds from July 1 to January 1 if such change would better serve the interests of the County and comply with the provisions of the Code (as defined in Section 15 hereof), (ii) determine the first and last such principal payment dates for the Refunding Bonds, and (iii) change the first Interest Payment Date for the Refunding Bonds, and any such adjustments (i) shall be reflected in the Preliminary Official Statement provided for in Section 24 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 12 hereof if such determination is made after the release of such Preliminary Official Statement.

The foregoing provisions of this Section 4 are also subject to the provisions of Sections 2, 12 and 13 hereof.

Subject to the provisions of Section 12 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 each series of the Bonds shall be paid at the rate or rates named by the successful bidder for such series of the Bonds in accordance with the terms of the official Notice of Sale hereinafter provided for.

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

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 a series of the Bonds is maintained in Book-Entry Form (as hereinafter defined), payments of principal or redemption price (if any) of such series of the Bonds shall be made as described in Section 6 hereof. At any other time, the principal or redemption price (if any) of each Bond shall be paid upon presentment and surrender of such Bond on the date such principal or redemption price (if any) 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 for such series of 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 a series of the Bonds is maintained in Book-Entry Form, payment of interest on such series of the Bonds shall be made as described in Section 6 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 such series of the Bonds (with respect to each series, the "Bond Register").

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

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 record date, at the address of such person appearing on the applicable 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 5. Each series of the Bonds shall be issued as fully registered bonds registered on the applicable 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 such series of the Bonds. Each series of the Bonds shall be initially issued in the form of separate, single, authenticated, fully registered Bonds in the amount of each separate maturity of such series of the Bonds.

Section 6. The provisions of this Section 6 shall apply to each series of the Bonds so long as such series of 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 each series 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 each series 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 a series of 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 such series of the Bonds (the “Beneficial Owners”). The Beneficial Owners will not receive certificates representing their ownership in such series of the Bonds, except as hereafter provided.

(c) The principal or redemption price (if any) of and interest on a series of the Bonds shall be payable to the Depository, or registered assigns, as the registered owner of such series of the Bonds, in same day funds on each date on which the principal or redemption price (if any) of or interest on such series of the Bonds is due as provided for in this Resolution and in such series of 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 in writing. Without notice to or the consent of the holders of a series 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 on such series of the Bonds 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 a series of the Bonds with another Depository or discontinue the maintenance of a series 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 such series of the Bonds, or (B) the interests of the Beneficial Owners of such series of the Bonds might be adversely affected by the continuation of the Book-Entry System (as hereinafter defined) with such Depository as the securities depository for such series of the Bonds, or (ii) such Depository determines not to continue to act as a securities depository for such series of 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 a series 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 such series 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 such series 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 a series of 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 such series 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 applicable series of 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 applicable 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 series of 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 each series 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 such series of the Bonds.

For purposes of this Section 6, 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 a series of the Bonds may be transferred only through a book-entry and (ii) physical bond certificates for such series of the Bonds 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 7. (a) The Public Improvement Bonds that mature on or before July 1, 2030 are not subject to redemption at the option of the County prior to their maturities. The Public Improvement Bonds maturing on and after July 1, 2031 shall be redeemable at the option of the County, in whole or in part, on any date on or after July 1, 2030, in any order directed by the County, at a redemption price of the principal amount of the Public Improvement 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 Public Improvement Bonds to be so redeemed shall be determined in the sole discretion of the County.

The Refunding Bonds are not subject to redemption prior to their stated maturities at the option of the County.

(b) Additional provisions relating to the optional redemption of the Public Improvement Bonds and the mandatory sinking fund redemption of either series of the Bonds (if applicable) are provided for in the form of Bond set forth in Section 9 hereof.

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

The provisions of this Section 7 are also subject to the provisions of Section 12 hereof.

Section 8. Each series of the Bonds, when issued, shall be executed in the name of the County by the manual or facsimile signature of the President or the Vice President of the Board and the seal of, or a facsimile of the seal of, the County shall be imprinted thereon, and the Bonds shall be attested by the manual or facsimile signature of the County Clerk and authenticated by the manual signature of the Bond Registrar and Paying Agent.

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/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 applicable approving legal opinion of Bond Counsel with respect to such series of 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 opinion as delivered to the County on the date of delivery of the applicable series of the Bonds to the original purchasers thereof.

Section 9. Each series of 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 respective forms 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 FOLLOWING PAGE]

(Form of Face of Bond)

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

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

[PUBLIC IMPROVEMENT BOND OF 2020]
[REFUNDING BOND OF 2020]

No. R-_____ \$ _____

<u>Annual Interest Rate</u>	<u>Maturity Date</u>	<u>Bond Date</u>	<u>CUSIP Number</u>
	July 1, _____	_____, 2020	_____

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, 2021 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 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 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, 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, 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][Refunding] Bonds of 2020” (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. 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:

<u>Maturing</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Maturing</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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[AMORTIZATION SCHEDULE FOR THE APPLICABLE SERIES OF THE BONDS
TO BE COMPLETED]

*[Include the following for each maturity constituting a term bond only to extent the successful bidder for the applicable series of the Bonds designates term bonds--*The Bonds maturing on July 1, 20__ 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:

<u>Redemption Date</u>	<u>Mandatory Sinking Fund Installment]</u>
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[For the Public Improvement Bonds: The Bonds that mature on or before July 1, 2030 are not subject to redemption at the option of the County prior to their respective maturities. The Bonds maturing on and after July 1, 2031 shall be subject to redemption prior to their respective maturities, at the option of the County, in whole or in part on any date on or after July 1, 2030, in such order as shall be determined 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.]

[For the Refunding Bonds: The Bonds are not subject to redemption prior to their stated maturities at the option of the County.]

[Delete for Refunding Bonds if no term Refunding Bonds: 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 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 in compliance with the redemption notice, 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 THAT ARE SUBJECT TO REDEMPTION--*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 6 of the Resolution, in the event that part, but not all, of this bond shall be called for redemption, the holder of this bond may elect not to surrender this bond in exchange for a new Bond 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 [*for the Public Improvement Bonds*: Chapter 99 of the Laws of Maryland of 2018 and Title 6 of the Code of Public Local Laws of Washington County (2019 Edition)][*for the Refunding Bonds*: Chapter 392 of the Laws of Maryland of 2007, Title 6 of the Code of Public Local Laws of Washington County (2007), and Section 19-207 of the Local Government Article of the Annotated Code of Maryland], each as amended to date (collectively, the “Act”), and in accordance with Resolution No. RS-2020-__ of the Board of County Commissioners of the County adopted on _____, 2020 (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, redemption 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 of the same series, 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, and has also caused its corporate seal to be affixed or imprinted hereon.

(SEAL)

ATTEST:

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY

By: _____
County Clerk

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 2020][Refunding Bonds of 2020]”.

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 a true and correct copy of [the text 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 10. 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 9 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 9 hereof, to reflect matters determined in accordance with Sections 1, 2, 3, 4, 7, 12 or 13 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 of each series by such officer shall be conclusive evidence of the approval by the County of all changes in the form of such series of the Bonds and of the due execution of such series of the Bonds by the County.

Section 11. 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 12. Each series of 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 24 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 June 9, 2020, subject to the further provisions of this Section 12. 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, 2, 3, 4, 7 hereof or this Section 12) 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, modifying or limiting the manner in which the issue price of the Bonds will be determined, modifying or limiting the premium payable by a bidder for a series of the Bonds, modifying the manner of adjusting the amortization schedule for either series of the Bonds pre- or post-sale, modifying or eliminating the maximum interest rate for either series of the Bonds, modifying or eliminating the maximum spread between the lowest and highest interest rates bid with respect to a series of the Bonds by a bidder, or modifying the amount of or method of delivery for the good faith deposit for either series of the Bonds. The Chief Financial

Officer, upon the advice of the financial advisor to the County, is authorized to adjust the original aggregate principal amounts of each series of the Bonds and the maturities thereof in the manner and in accordance with Sections 1, 2, 3 or 4 hereof and this Section 12 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, 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 each series of the Bonds, and to make such adjustments to the official Notice of Sale in the manner provided for herein or therein as she 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 either series of 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 to maximize debt service savings with respect to the Refunding Bonds or to account for unstable market conditions, the County 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 June 9, 2020, and to reschedule said sale without publishing a new Notice of Sale or advertisement, if (i) the financial advisor to the County has advised her that market conditions are such that it is in the best interest of the County to do so, and (ii) she 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 postpone the expected date of delivery of the Bonds. If the sale is postponed to a date later than June 30, 2020, then 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 Preliminary Official Statement, and the terms, provisions and conditions set forth in the final form of the Notice of Sale provided for herein, as the same may be modified, 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 B, 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, 2, 3, 4, 7, or 12 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 said Notice of Sale, as well as the Preliminary Official Statement hereinafter authorized. The Chief Financial Officer or her 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 13. Promptly after the sale of the Bonds, and in accordance with the terms and conditions of the sale of each series 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 each series 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 the Notice of Sale), fixing the interest rate or rates payable on each series of 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 a series of the Bonds (any such rejection also to be made by order of the Chief Financial Officer), and/or determining the Refunded Bonds, as applicable. 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 a series of 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 any preliminary or final award, or any rejection of all bids, with respect to a series of 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 a series of the Bonds are so rejected by the Chief Financial Officer, each series of 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.

In the event all bids for a series of the Bonds are rejected as provided in this Section 13, all references to such series of the Bonds contained in this Resolution shall be deemed to be inapplicable.

Section 14. (a) The portion of the proceeds of the Refunding Bonds issued to provide funds to currently refund any of the Refunded Bonds that constitute 2010B Bonds shall be paid to and held by Manufacturers and Traders Trust Company, the paying agent and bond registrar for the 2010B Bonds, as escrow deposit agent, as further described in this Section 14.

(b) The Chief Financial Officer, with the advice of the financial advisor to the County and bond counsel to the County, is hereby authorized to negotiate an escrow deposit agreement with Manufacturers and Traders Trust Company, as escrow deposit agent, and that portion of the proceeds of the Refunding Bonds to be applied to currently refunding the Refunded Bonds as described in the subsection (a) of this Section 14 shall be deposited with such escrow deposit agent, invested in accordance with the provisions of this Section 14 and the further provisions of this Resolution, and applied to the payment and redemption of the Refunded Bonds in accordance with Section 16 hereof. The President or the Vice President of the Board is each hereby authorized and directed to approve, execute and deliver any such escrow deposit agreement on behalf of the County.

(c) In connection with the issuance of the Refunding Bonds, the Chief Financial Officer, or her designee, is hereby authorized to provide for the bidding for and/or file on behalf of the County, as applicable, any necessary investment agreements or any necessary subscriptions and any amendments thereto to purchase United States Treasury Obligations – State and Local Government Series, and/or any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the “Defeasance Obligations”) in such amounts and maturing at such times so that sufficient moneys will be available from such maturing principal and interest and any cash held uninvested to pay interest on the Refunded Bonds to their redemption date and to redeem the Refunded Bonds on their redemption date as further described in this Resolution, and to take any other action or to execute any further instrument on behalf of the County necessary to purchase such obligations. Any such obligations, and any cash to be held uninvested in escrow, shall be deposited with the escrow deposit agent provided for in this Section 14.

(d) The Chief Financial Officer, on behalf of the County, is hereby authorized and empowered, following consultation with the financial advisor to the County and bond counsel to the County, to select any party or entity to serve as a bidding agent with respect to any bidding conducted for the selection of the Defeasance Obligations.

(e) To the extent any portion of the net original issue premium payable by the successful bidder for the Refunding Bonds is to be applied to pay costs of issuance of the Refunding Bonds, such portion shall be held by the County.

Section 15. Expenses relating to the issuance and sale of the Public Improvement Bonds, including the cost of printing the Public Improvement Bonds and advertising their sale and the legal and financial advisory fees of the County, may be paid from the net original issue premium constituting a portion of the sale proceeds received from the sale of the Public Improvement Bonds or from any other funds available to the County. Expenses relating to the issuance and sale of the Refunding Bonds, including the cost of printing the Refunding Bonds and advertising their sale and the legal and financial advisory fees of the County, may be paid from the net original issue premium constituting a portion of the sale proceeds received from the sale of the Refunding Bonds or from any other funds available to the County. In the event the date of either series of the Bonds is adjusted in accordance with Section 12 hereof to be a date other than the date of delivery of such series, any accrued interest received on the sale of such series of the Bonds shall be applied to the first interest payment on such series of the Bonds. Any net original issue premium received with respect to either series of the Bonds may be applied in such manner as shall be determined by the Chief Financial Officer, subject to applicable limits of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable County law. After providing for payment of costs of issuance from net original issue premium, if applicable, and making such provision relating to net original issue premium and accrued interest thereon, as applicable, the balance of the proceeds of the sale of the Public Improvement Bonds shall be deposited in separate accounts to be used as described in Section 3 hereof for the purpose of financing the public facilities and projects as described in Section 3 hereof and the proceeds of the Refunding Bonds, together with any other funds provided by the County for such purpose, if any, shall be deposited and used as described in Section 14 hereof for the purpose of paying as and when due the principal or redemption price of and interest on the Refunded Bonds. Any proceeds of the Bonds not required for the purposes

stated in Section 3 hereof or for the refunding of the Refunded Bonds, as applicable, 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 either series 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 16. Prior to the delivery of and payment for the Refunding Bonds, the County shall have received a report of a verification consultant, nationally recognized in the field of the refunding of tax-exempt obligations, verifying that the maturing principal amounts of the obligations held in escrow as described in Section 14 hereof, together with investment earnings thereon and any cash held uninvested, will be sufficient to redeem any Refunded Bonds on the redemption date selected in accordance with Section 17 hereof at a redemption price of 100% of the principal amount thereof, together with accrued interest thereon, and to pay interest on such Refunded Bonds to such date fixed for redemption. The Chief Financial Officer is hereby authorized and empowered, following consultation with the financial advisor to the County and bond counsel to the County, to select the verification consultant (which is initially presumed to be The Arbitrage Group, Inc. but may be any other qualified verification consultant selected in accordance with the provisions of this Section 16).

Section 17. Conditional only upon the delivery of and payment for the Refunding Bonds, the County hereby specifically and irrevocably elects to redeem the finally determined Refunded Bonds on a date to be selected by the Chief Financial Officer, with the input of the financial advisor to the County and bond counsel to the County, which date shall be no later than 45 days after the date of issuance of the Refunding Bonds at the redemption price of 100% of the principal amount thereof, and to pay interest when due on such Refunded Bonds to and including such date fixed for redemption, and hereby directs the paying agent for the Refunded Bonds, not fewer than 30 days before the date fixed for redemption, to cause a notice of redemption substantially in the form of Exhibit C hereto to be mailed, first class mail, postage prepaid, to all registered owners of the Refunded Bonds at their addresses as they appear on the registration book provided for the Refunded Bonds; provided that, failure to so mail such notice shall not affect the validity of the proceedings for redemption. Assuming the date of issuance of the Refunding Bonds remains June 23, 2020, the anticipated date fixed for redemption of the Refunded Bonds is July 23, 2020, but the Chief Financial Officer may select any other date for redemption of the Refunded Bonds subject to, and in accordance with, the limitations provided for in, this Section 17. In addition, the Chief Financial Officer is hereby authorized to cause a conditional notice of redemption of the Refunded Bonds to be sent.

Section 18. (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 each series 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 shall also set forth in such certificate any reduction in the par amount of the Public Improvement Bonds to be applied to the categories of the projects set forth in Section 3 above due to adjustments in the final par amount of the Public Improvement 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 facilities financed or refinanced 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 19. 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.

Each series of the Bonds shall be deemed to be paid and no longer to be outstanding when payment of the principal of such series of the Bonds plus interest thereon to the due dates thereof (whether such due date be by reason of maturity or upon redemption) either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing in trust and irrevocably setting aside exclusively for such payment, moneys sufficient to make such payment, or direct non-callable obligations of the United States of America, maturing as to principal and interest in such amounts and at such times as will assure the availability of sufficient moneys to make such payment, or a combination thereof, and all necessary and proper fees, compensation and expenses pertaining to such series of the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for.

Section 20. 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 of the same series 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 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 21. 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 22. With respect to the Public Improvement Bonds, 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.

Section 23. Because the refinancing anticipated hereunder will be undertaken to effect cost savings by replacing the Refunded Bonds with Refunding Bonds bearing lower overall interest rates, it is the intent of the County that such Refunding Bonds be issued under the applicable Acts and other authority referred to in the resolution authorizing the 2010B Bonds (exclusive of ARRA), and that such Refunding Bonds, if issued, will constitute a reissuance of the indebtedness authorized by such resolutions and shall not constitute additional indebtedness under such authorizations or under any other authority.

Section 24. 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. With the exception of 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 to reflect the provisions of or to conform to the provisions of this Resolution, actual or anticipated impacts on the County stemming from the COVID-19 pandemic, certain changes dictated by the terms of the official Notice of Sale, and certain information to be supplied by the successful bidders for the Bonds, the Preliminary Official Statement is deemed final by the County for the purpose of Rule 15c2-12 of the Securities and Exchange Commission. The County

authorizes the distribution of said Preliminary Official Statement in connection with its solicitation of bids for the sale of the Bonds. The County hereby approves the Official Statement 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. 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. 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. 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.

Section 25. In order to assist any Participating Underwriter (as hereafter defined) for a series of 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; 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 Vice President of the Board.

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

Section 26. (a) The President and Vice President of the Board, 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 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) Notwithstanding any references in this Resolution to manual 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 27. The provisions of this Resolution shall be liberally construed in order to effectuate the transactions contemplated by this Resolution.

Section 28. This Resolution shall take effect from the date of its adoption.

Adopted this _____ day of _____, 2020.

(SEAL)

ATTEST:

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY

Krista L. Hart, County Clerk

By: _____
Jeffrey A. Cline, President
Board of County Commissioners
of Washington County

Approved as to form and legal sufficiency:

Kirk C. Downey
County Attorney

#216709;50052.041

EXHIBIT A

Refunded Bonds*

County Commissioners of Washington County Public Improvement Bonds, Taxable Build America Bonds (Direct Payment) Series 2010B

The 2010B Bonds identified below are subject to optional redemption beginning on July 1, 2020, in whole or in part at any time at a redemption price of 100% of the principal amount being redeemed plus accrued interest on such principal amount being redeemed to the date fixed for redemption.

<u>Maturing July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2021	\$ 930,000	4.450%	937751 R23
2022	965,000	4.550	937751 R31
2023	995,000	4.750	937751 R49
2024	1,030,000	4.850	937751 R56
2025	1,065,000	4.950	937751 R64
2026	1,105,000	5.050	937751 R72
2027	1,145,000	5.050	937751 R80
2028	1,185,000	5.350	937751 R98
2029	1,225,000	5.400	937751 S22
2030	1,270,000	5.450	937751 S30

* Preliminary, subject to adjustment based on market conditions at or prior to the time of sale; listed bonds are the outstanding 2010B Bonds.

EXHIBIT B

Form of Advertisement

SUMMARY NOTICE OF BOND SALE

**WASHINGTON COUNTY, MARYLAND
(County Commissioners of Washington County)
General Obligation Bonds Consisting of:**

\$15,335,000*
PUBLIC IMPROVEMENT BONDS OF 2020

\$9,505,000*
REFUNDING BONDS OF 2020

NOTICE IS HEREBY GIVEN that County Commissioners of Washington County (the “County”) will receive electronic bids via BiDCOMP/Parity®/www-idealprospectus.com for the purchase of the above-referenced general obligation bonds (referred to as the “Public Improvement Bonds” and the “Refunding Bonds,” respectively, and, collectively, as the “Bonds”) on

Tuesday, June 9, 2020

at the offices of the County, 100 West Washington Street, Room 3100, Hagerstown, Maryland 21740. Bids for the Public Improvement Bonds will be received until 10:45 a.m. prevailing Eastern time, and bids for the Refunding Bonds will be received until 11:00 a.m. prevailing Eastern time. Each series of the Bonds will be dated the date of its delivery, will bear interest payable semi-annually on the first days of January and July, commencing on January 1, 2021, 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 each series of the Bonds will be payable on July 1 of the years determined in connection with the sale of such series of the Bonds, unless redeemed in whole prior to final maturity, to the extent subject to redemption. Each series of the Bonds will be issued in book-entry form only.

The original aggregate principal amount of each series of the Bonds, and the original aggregate principal amount of each maturity of each series 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 for both series and the optional redemption dates for the Public Improvement Bonds 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 Public Improvement Bonds will not exceed \$15,335,000 and the final original aggregate principal amount of the Refunding Bonds will not exceed \$11,500,000. The Refunding Bonds are not subject to redemption prior to their stated maturities at the option of the County.

Any bid for a series of 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 either series of the Bonds. The sale of each series 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) 294-9426.

Jeffrey A. Cline, President
Board of County Commissioners of Washington County, Maryland

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

Dated: _____, 2020 [TO BE PUBLISHED AT LEAST 10 DAYS PRIOR
TO DATE OF SALE]

EXHIBIT C

Form of Notice of Redemption

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 redemption notice for the Refunded Bonds as appropriate.

NOTICE OF REDEMPTION [IN WHOLE][IN PART]

WASHINGTON COUNTY, MARYLAND
PUBLIC IMPROVEMENT BONDS, TAXABLE BUILD AMERICA BONDS
(DIRECT PAYMENT) SERIES 2010B
Dated June 2, 2010

NOTICE IS HEREBY GIVEN of the election by County Commissioners of Washington County to redeem on _____, 2020, \$ _____ aggregate principal amount of its outstanding County Commissioners of Washington County Public Improvement Bonds, Taxable Build America Bonds (Direct Payment) Series 2010B stated to mature and bearing interest as follows:

<u>Maturing July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2021	\$ 930,000	4.450%	937751 R23
2022	965,000	4.550	937751 R31
2023	995,000	4.750	937751 R49
2024	1,030,000	4.850	937751 R56
2025	1,065,000	4.950	937751 R64
2026	1,105,000	5.050	937751 R72
2027	1,145,000	5.050	937751 R80
2028	1,185,000	5.350	937751 R98
2029	1,225,000	5.400	937751 S22
2030	1,270,000	5.450	937751 S30

[If bonds are being redeemed in part only, add reference to numbers of the bonds being redeemed and other appropriate identifying information, including any newly assigned CUSIP numbers for partially refunded maturities.]

The above CUSIP numbers are included solely for the convenience of the holders of the bonds being refunded [in whole or in part]. The undersigned Paying Agent is not responsible for the selection or use of CUSIP numbers nor does the Paying Agent make any representation as to the correctness of such CUSIP numbers as printed on any such bond or as indicated in this notice of redemption.

The above bonds called for redemption will become due and will be redeemed on

_____, 2020 (the “Redemption Date”), at the redemption price of 100% of the principal amount thereof, together with interest accrued to the Redemption Date, upon presentation thereof at the designated corporate trust office of Manufacturers and Traders Trust Company. From and after the Redemption Date, if monies sufficient for the payment of the redemption price of the bonds called for redemption plus accrued interest thereon to the Redemption Date are held by the undersigned on such date, interest will cease to accrue on the above bonds called for redemption and the registered owners of the bonds so called for redemption shall have no rights in respect thereof except to receive payment for the redemption price thereof plus accrued interest to the Redemption Date fixed for redemption from such monies held by the undersigned.

Payment of the redemption price will be made only upon presentation and surrender of the bonds called for redemption in accordance with this notice. Please send the bonds to be redeemed by appropriate means to insure safe delivery, to the following address:

[INSERT DELIVERY ADDRESS]

Any questions regarding this notice may be addressed to Manufacturers and Traders Trust Company, [INSERT ADDRESS], Attention: _____ or by phone to _____ at (____) _____.

[M&T TO ADD ANY STANDARD DISCLOSURE RE: WITHHOLDING]

Dated: _____, 2020

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY

By: Manufacturers and Traders
Trust Company, Paying Agent

Instructions to Paying Agent for the 2010B Bonds. The foregoing notice shall be completed and mailed to the holders of the bonds being redeemed at least 30 days prior to the date fixed for redemption, as provided in the Resolution authorizing the issuance of the County’s 2010B Bonds; provided that, the failure to so mail this notice shall not affect the validity of the proceedings for redemption.

Washington County, Maryland
Description of 2020 Projects

Project Name	Tax-Supported Bond	Self-Supported Bond	Project Type	Useful Life
	Approved Amount	Approved Amount		
<u>Infrastructure</u>				
Bridges:				
Roxbury Road Bridge W5372	98,000	0		70
Back Road Culvert 11/03	295,000	0		70
Roads:				
Pavement Maintenance and Rehab Program	2,545,000	0		25
Professional Boulevard Extended Phase II	1,235,000	0		25
Valley Mall Area Road Improvements Phase II	200,000	0		25
Halfway Boulevard Extended	450,000	0		25
Drainage:				
Stormwater Retrofits	815,000	0		25
Chestnut Grove Road Drainage	84,000	0		70
Crestwood Drive Culvert	75,000	0		70
Total	5,797,000	0	5,797,000	
<u>Public Safety Projects</u>				
<u>Public Facilities</u>				
Facilities Roof Repairs	100,000	0		20
Total	100,000	0	100,000	
<u>Environmental Projects</u>				
40 West Truck Loading Facility	0	30,000		20
Pump Station Upgrades - Various Stations	0	0		
Capacity Management Project	0	2,865,000		80
Smithsburg WWTP ENR Upgrade	0	2,500,000		50
Total	0	5,395,000	5,395,000	
<u>Educational Projects</u>				
Capital Maintenance - BOE	550,000	0		20
Sharpsburg Elementary School Replacement	3,180,000	0		40
Center for Business and Entrepreneurial Studies	100,000	0		40
Student Center Parking Lot	213,000	0		20
Total	4,043,000	0	4,043,000	41
	\$9,940,000	\$5,395,000	\$15,335,000	

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 (a) will be excludable from gross income for federal income tax purposes, (b) is not a specific preference item for purposes of the federal alternative minimum tax, and (c) 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:

\$26,615,000*
WASHINGTON COUNTY, MARYLAND
(COUNTY COMMISSIONERS OF WASHINGTON COUNTY)
GENERAL OBLIGATION BONDS

Consisting of

\$15,700,000*
PUBLIC IMPROVEMENT BONDS OF 2020

\$10,915,000*
REFUNDING BONDS OF 2020

Dated:	Date of delivery
Due:	July 1, as shown on the inside cover page
Interest Payable:	January 1 and July 1
First Interest Payment Due:	January 1, 2021
Denomination:	Integral multiples of \$5,000
Form:	Registered, book-entry only through the facilities of The Depository Trust Company ("DTC")
Optional Redemption:	The Public Improvement Bonds maturing on or after July 1, 2031 are redeemable prior to maturity at the option of the County as set forth in "THE BONDS—Redemption—Optional Redemption" herein. The Refunding Bonds are not subject to redemption at the option of the County prior to maturity.
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).

FOR MATURITY SCHEDULES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS SEE INSIDE COVER PAGE

Conditions Affecting Issuance: The Bonds of each series are offered when, as and if issued, subject to, among other conditions, the delivery of such series of the Bonds and the corresponding 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 about June 23, 2020.

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

Dated:

***Preliminary; subject to change**

\$15,700,000*

**County Commissioners of Washington County
Public Improvement Bonds of 2020**

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
2021					2031				
2022					2032				
2023					2033				
2024					2034				
2025					2035				
2026					2036				
2027					2037				
2028					2038				
2029					2039				
2030					2040				

\$10,915,000*

**County Commissioners of Washington County
Refunding Bonds of 2020**

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

Maturing July 1*	Principal Amount*	Interest Rate**	Yield**	CUSIP	Maturing July 1*	Principal Amount*	Interest Rate**	Yield**	CUSIP
2021					2026				
2022					2027				
2023					2028				
2024					2029				
2025					2030				

***Preliminary; subject to change**

****The interest rates and prices or yields shown above are those resulting from the successful bid for each series of the Bonds on June 9, 2020 and were furnished by the applicable successful bidder therefor. The prices or yields shown above were furnished by the successful bidder for each series of the Bonds. Other information concerning the terms of the reoffering of the Bonds of each series, if any, should be obtained from the successful bidder for such series and not from the County. (See "MISCELLANEOUS--Sale at Competitive Bidding" herein.)**

No dealer, broker, salesman or other person has been authorized by the County or the successful bidder for either series of 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 any 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 either series 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, the successful bidder for a series of the Bonds may over-allot or effect transactions that stabilize or maintain the market price of such series 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 by S&P Global Market Intelligence (a part of S&P Global 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 inside 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

Jeffrey A. Cline, President
Terry L. Baker, Vice President
Wayne K. Keefer, Commissioner
Cort F. Meinelschmidt, Commissioner
Randall E. Wagner, Commissioner

ADMINISTRATION

Kirk C. Downey, Interim County Administrator and County Attorney
Krista L. Hart, County Clerk
Sara L. Greaves, C.P.A., Chief Financial Officer

COUNTY TREASURER

Todd L. Hershey

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 AND ESCROW AGENT

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

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I. The Bonds

Introduction

The purpose of this Official Statement, including the cover page, inside cover page and appendices, is to provide information for prospective purchasers and others regarding County Commissioners of Washington County (the “County”) and its \$15,700,000* Public Improvement Bonds of 2020 (the “Public Improvement Bonds”) and its \$10,915,000* Refunding Bonds of 2020 (the “Refunding Bonds”). The Public Improvement Bonds and the Refunding Bonds are referred to herein collectively as the “Bonds” and individually as a “series” of the “Bonds” or as a “Bond”. As described herein, at or prior to the sale of the Bonds, the County may determine not to issue the Refunding Bonds..

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 hereof or as of a particular specified date.

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 Sara L. Greaves, Chief Financial Officer, Washington County Administration Building, 100 West Washington Street, Room 3100, Hagerstown, Maryland 21740; telephone: (240) 313-2300; email: sgreaves@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 inside 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 each series of 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 inside cover page of this Official Statement. Interest will be first paid on January 1, 2021, 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 registered owners of record as of the 15th day of the month next 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.

Each series of the Bonds will be issued in fully-registered form without coupons, in denominations of \$5,000 and integral multiples thereof. Each series of the Bonds initially will be issued in book-entry form without any physical distribution of certificates made to the public. The Depository Trust Company, New York, New York (“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).

*Preliminary; subject to change

So long as a series of the Bonds is maintained in book-entry form, payments of principal of and interest on such series of the Bonds will be made as described below under “DTC and Book-Entry Only System.” At any other time the principal amount of such series 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”).

Except during any period that a series of the Bonds is maintained under a book-entry only system, interest on such series of the Bonds will be payable by check 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 a series of the Bonds is maintained in book-entry form, transfers of ownership interests of such series 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 of the same series 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 each series 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.

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.

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 less than all of the Bonds within a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 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 for either series of 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, Bonds of the applicable series are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers for either series of the Bonds through DTC (or a successor securities depository). In that event, Bond certificates for the applicable series 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 of either series, payments of interest, principal and redemption price and transfer and exchange of the Bonds of such series will be made as described above under "THE BONDS—Description of Bonds".

Authorization

The Public Improvement 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), as amended (the “Water and Sewer Act”), as applicable, and in accordance with Resolution No. RS-2020-XX adopted by the Board of County Commissioners of Washington County (the “Board”) on May 5, 2020 (the “Resolution”).

The Refunding Bonds are issued pursuant to the authority of Chapter 392 of the Laws of Maryland of 2007 (“Chapter 392”), the Water and Sewer Act, and Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended (the “Refunding Act”), as applicable, and in accordance with the Resolution. As described in the official Notice of Sale set forth in Appendix C hereto, the County, at or prior to the sale of the Bonds, may determine not to issue the Refunding Bonds.

Chapter 99 and the Water and Sewer Act are collectively referred to in this Official Statement as the “Act” with respect to the Public Improvement Bonds. Chapter 392, the Water and Sewer Act and the Refunding Act are collectively referred to in this Official Statement as the “Act” with respect to the Refunding Bonds. Copies of the applicable Act and the Resolution are available at the office of the Chief Financial Officer of the County (the “CFO”).

Application of Proceeds

Proceeds of the Public Improvement Bonds, exclusive of any premium paid by the successful bidder therefor, will be applied to costs of the following projects: Any premium received by the County will be applied to costs of issuance of the Bonds or additional costs of the projects, or a combination thereof.

Use	Amount*
Infrastructure Projects	\$ 5,847,000
Education Projects	4,043,000
Public Facilities	100,000
Environmental Projects	5,710,000
	<u>\$ 15,700,000</u>

A portion of the proceeds of the Refunding Bonds, including any premium paid by the successful bidder therefor, will be used to currently refund that portion of the County’s outstanding Public Improvement Bonds, Taxable Build America Bonds (Direct Payment) Series 2010B, dated June 2, 2010 (the “2010B Bonds”), identified below. The specific full or partial maturities of the 2010B Bonds to be refunded, if any, will be determined prior to or upon award of the sale of the Refunding Bonds. The refunded portions of the 2010B Bonds, if any, are referred to as the “Refunded Bonds” in this Official Statement.

The potential Refunded Bonds are as follows:

Bond Issue	Principal Amount Outstanding	Principal Amount Refunded	Maturities Refunded	Redemption Date	Redemption Price
2010B Bonds	\$ 10,915,000	\$ 10,915,000	2021-2030	July 23, 2020	100%

The specific full or partial maturities of the 2010B Bonds to be refunded, if any, will be determined upon award of the sale of the Refunding Bonds.

Refunding Plan*

A portion of the proceeds of the Refunding Bonds, together with other available funds, if applicable, will be applied to currently refund the Refunded Bonds. The refunding method being used is frequently termed a “net defeasance” in that provision is made to set aside immediately, from the proceeds of a refunding bond issue and any other funds then available, if applicable, monies for investment that, together with the interest to be received thereon, and any cash held uninvested, shall be sufficient to

*Preliminary; subject to change

satisfy all payments of interest on the Refunded Bonds to and including the date on which such Refunded Bonds are redeemed and the principal of and any premium due upon the redemption of such Refunded Bonds.

That portion of the proceeds of the Refunding Bonds used to currently refund the Refunded Bonds, together with other available funds, if applicable, will be applied to the purchase of non-callable direct obligations of or obligations the principal of and interest on which are guaranteed by the United States of America (the "Acquired Obligations"). The Acquired Obligations, together with any cash held uninvested, will be held in trust in an escrow fund (the "Escrow Deposit Fund") by Manufacturers and Traders Trust Company (the "Escrow Agent") pursuant to an Escrow Deposit Agreement between the Escrow Agent and the County. The Acquired Obligations will mature at such times and in such amounts and will bear interest payable at such times and in such amounts, together with any cash held uninvested, so that sufficient money will be available to pay when due, interest on the Refunded Bonds to and including their date of redemption and to redeem the Refunded Bonds on their date of redemption. (See "MISCELLANEOUS--Verification of Mathematical Computations" herein.) The Escrow Agent will apply the maturing principal of and interest on the Restricted Acquired Obligations and any cash held uninvested to the payment of the interest on the Refunded Bonds prior to their redemption date and will be irrevocably instructed to redeem the Refunded Bonds on the date fixed for redemption at a price equal to the outstanding principal amount thereof plus accrued interest to the date fixed for redemption. The Acquired Obligations will be pledged only to payment of the principal of and interest on the Refunded Bonds and are not available for the payment of principal and premium, if any, of or interest on the Bonds or any other obligations of the County. The Escrow Agent will be irrevocably instructed to redeem the Refunded Obligations on the date fixed for redemption.

Redemption

Optional Redemption

The Public Improvement Bonds that mature on or before July 1, 2030 are not subject to redemption at the option of the County prior to their maturities. The Public Improvement Bonds that mature on or after July 1, 2031 are subject to redemption at the option of the County as a whole or in part at any time on or after July 1, 2030, in any order directed by the County, at a redemption price of the principal amount of the Public Improvement 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 Refunding Bonds are not subject to redemption prior to their stated maturities at the option of the County.

[Mandatory Sinking Fund Redemption]

The Public Improvement 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 to the date fixed for redemption, on the dates and in the principal amounts set forth below:

Redemption Date (<u>July 1</u>)	Principal <u>Amount</u>	Redemption Date (<u>July 1</u>)	Principal <u>Amount</u>

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

Selection of Bonds for Redemption; Notice of Redemption

Certain of the Public Improvement Bonds are subject to redemption at the option of the County as described above under “--Redemption—Optional Redemption.” If the successful bidder for a series of 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 of a series shall be called for redemption, the particular Bonds or portions of Bonds of such series and 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 of such series are maintained in book-entry form, the selection of individual ownership interests in such series of the Bonds 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 of a series 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 such series of 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 identify the affected series of the Bonds and shall state (i) whether the applicable series of the Bonds are to be redeemed in whole or in part and, if in part, the maturities, numbers and CUSIP numbers of the Bonds of such series 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 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 taxable 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 and is not a specific preference item for purposes of the federal alternative minimum tax 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”). 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.

Bond Counsel will issue a separate opinion with respect to each series of the Bonds. Bond Counsel’s opinions 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 opinions 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 or refinanced from Bond proceeds 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.

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.

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 which, 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 or reduce the benefit of the excludability of interest on the 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.

See Appendix B hereto for the proposed forms of opinions of Bond Counsel to be delivered with respect to the respective series of the Bonds upon issuance.

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. 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 Administrator.

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

JEFFREY A. “JEFF” CLINE, a third-term County Commissioner, serves as President of the Board of County Commissioners and is a Williamsport, Maryland, resident. Mr. Cline is a graduate of Williamsport High School and Hagerstown Community College. An experienced realtor since 2003, Mr. Cline has assumed an inactive status in this field in order to fulfill his commitment to Washington County. He graduated from the Maryland Association of Realtors’ 2008 Leadership Academy, received the Graduate of Realtor Institute (GRI) designation and is also a graduate of Leadership Washington County Class 26. Mr. Cline served on the Williamsport Town Council from 2005 to 2009.

TERRY L. BAKER, a fourth-term County Commissioner, was first elected in 2006, and serves as Vice-President of the Board of County Commissioners. Mr. Baker is a 1973 graduate of Williamsport High School, a 1975 graduate of Hagerstown Community College and a 1978 graduate of Auburn University, with a bachelor’s degree in Education. Mr. Baker retired in 2015 from the position of Washington County Students Trades Coordinator for the Washington County Technical High School after being an educator for 34 years. Prior to being elected a County Commissioner he served from 2002 to 2004 as a member of the Council for the municipality of Clear Spring, Maryland, and as Assistant Mayor for such municipality from 2004 to 2006.

WAYNE K. KEEFER, a second-term County Commissioner, was appointed to fill a vacancy on the Board of County Commissioners on March 25, 2016 by Maryland Governor Lawrence J. Hogan, Jr., initially assumed office on April 5, 2016 and was subsequently elected to a full, four-year term in 2018. Mr. Keefer is a lifelong resident of Hancock and a 2004 graduate of Hancock Middle-Senior High School. Mr. Keefer holds an A.S. degree in Management from Hagerstown Community College and a B.S. degree in Business Administration and an M.B.A. from Frostburg State University. He has over a decade of experience as a commercial banker and is currently a small business owner and an adjunct instructor with Frostburg State University and the University System of Maryland at Hagerstown.

CORT F. MEINELSCHMIDT, a first-term County Commissioner, was born and raised in Washington County. Mr. Meinelschmidt served in the United States Navy as a rescue swimmer for nearly seven years. On September 30, 2003, the Department of the Navy conferred upon Mr. Meinelschmidt the Navy and Marine Corps Achievement Medal for “the superior performance of his duties” and “more notably, 15 lives saved.” He has worked in the financial services business since 2004 and is currently the CEO of Sentinel Capital Solutions, where he is active in the day-to-day research and trading of Sentinel’s investment portfolios. Mr. Meinelschmidt is very active in the community serving on non-profit boards and as a coach to Washington County Special Olympics Swim Team.

RANDALL E. “RANDY” WAGNER, a first-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 16 years and is a licensed private pilot. Prior to his election to the Board of County Commissioners, Mr. Wagner served on the Animal Control Board of Washington County for eight years and held the position of Vice-Chair.

County Treasurer

TODD L. HERSHEY, County Treasurer, was first elected to his position in November 1986. He holds a Bachelor of Science degree, majoring in Sociology, from Guilford College and a Master of Science degree in Management and Administration from Hood College. He was formerly a commercial banker.

Administrative Officials

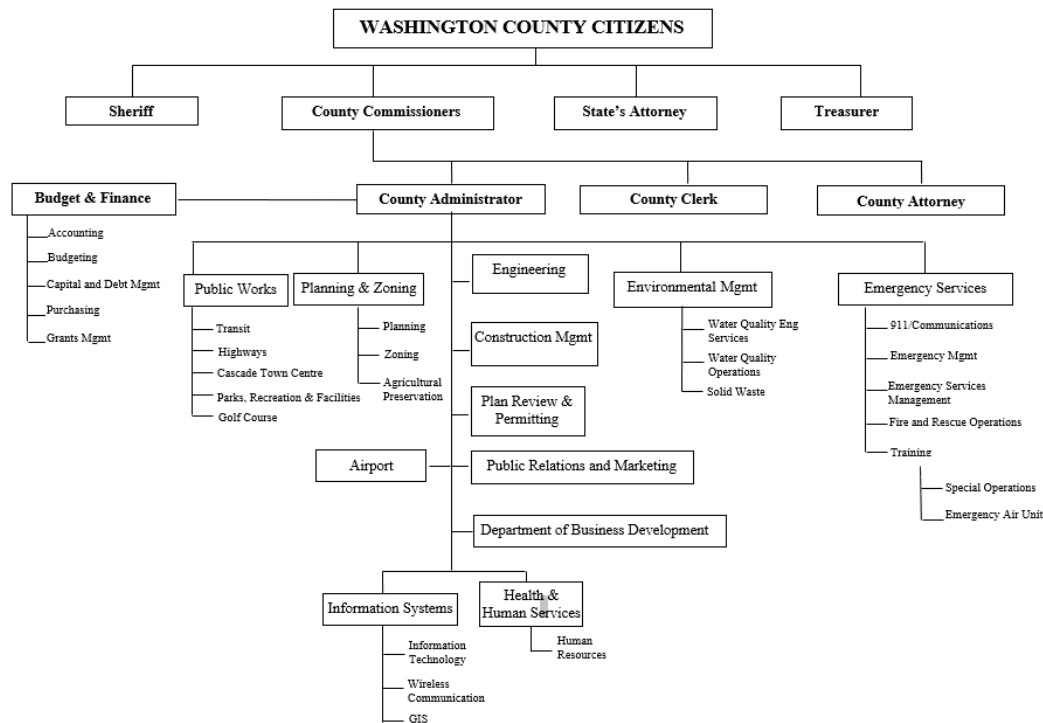
SARA L. GREAVES, C.P.A., Chief Financial Officer, holds a B.S. degree in Accounting from the University of Maryland University College (now known as University of Maryland Global Campus). She earned a Master of Business Administration degree from Frostburg State University. Mrs. Greaves was hired by Washington County in 2012 as an accountant, was promoted to Deputy Director of Budget and Finance in 2014 and was appointed as Chief Financial Officer in February 2018. She 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 Government Finance Officers Association of the United States and Canada.

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. Mrs. 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. Mrs. 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 Government Finance Officers Association of the United States and Canada.

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. 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 until the Assistant County Attorney position became full-time. 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 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, and serves as the treasurer for the Washington County Bar Association.

The position of County Administrator is vacant as of the date of this Official Statement. Mr. Downey was appointed on November 12, 2019 to serve as Interim County Administrator until the position is filled.

Washington County Government Organizational Chart



County Employment

As of June 30, 2019, the County employed 774 full-time employees and 569 part-time employees, including seasonal positions. The County has a compensation and classification plan, which is complemented by a performance evaluation system. There are 150 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 1,264 participants as of June 30, 2019. All full-time County employees are eligible to participate in the Plan. The Plan also provides death and disability benefits. The employees and the County fund the guaranteed allowance. Approximately 32% 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 2016 through 2019 and for fiscal year 2020. For fiscal year 2020, which began July 1, 2019, the County has already paid the \$10,916,468 amount reflected in the "Total" column in the table below. This payment is the aggregate of the amounts reflected in the columns "Current Service Costs" and "Recommended Payment for Unfunded Accrued Liability".

As of July 1	Current Service Costs	Recommended		Unfunded Accrued Liability
		Payment for	Unfunded	
		Accrued Liability	Total	
2019	\$3,271,075	\$76,453,963	\$10,916,468	\$85,204,939
2018	2,403,396	9,415,983	11,819,379	85,336,525
2017	2,309,989	8,199,538	10,509,527	83,002,235
2016	1,454,253	5,555,195	7,009,448	55,888,694
2015	1,411,897	5,209,259	6,621,156	53,172,860

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, 2019 unfunded liability by July 1, 2039.

Please refer to Notes 1 and 11 to the financial statements for fiscal year 2019 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 50% of the health insurance premium. 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, 2019, 54 retirees were receiving OPEB benefits and 149 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, 2019 is as follows:

Components of Net OPEB Obligation

Total OPEB liability	\$ 13,718,221
Net position	\$ (24,296,728)
Net OPEB liability (asset)	\$ (10,578,507)

Source: Bolton Partners, Inc.

Please refer to Note 16 to the financial statements for fiscal year 2019 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 22,993 students (including 1,128 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 \$12,188 for the 2018-19 school year.

The largest General Fund appropriation by the County in its adopted budget for fiscal year 2020 is \$100,515,610 for the Board of Education, which represents 43.00% of the General Fund budget. This appropriation is for operating expenditures. In addition, the County appropriated \$4,115,000 in its capital budget for fiscal year 2020 for Board of Education projects.

Washington County's high school graduation rate for the 2018-2019 school year as compared to other selected peer group counties and the State of Maryland is as follows:

Washington County	Frederick County	Cecil County	Carroll County	Charles County	St. Mary's County	State of Maryland
91.37%	91.95%	93.30%	95.00%	94.60%	94.33%	86.86%

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.

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 11th and 12th 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.

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 STEMM Technical Middle College, 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 Technical Innovation Center, a small business incubator.

The County appropriated \$10,035,290 in its fiscal year 2020 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 \$313,000 in its capital budget for fiscal year 2020 for HCC projects.

Purdue University Global, a public online, non-profit university for working adults, offers over 100 programs at the certificate, associate, bachelor, master and doctoral level in the areas of business, criminal justice, education, health services, information technology, law, and nursing. Purdue University Global is part of the respected Purdue University system.

University System of Maryland at Hagerstown (“USMH”) opened in January 2005 and is located in Hagerstown’s historic City Center. USMH is part of a regional system offering 13 undergraduate and 10 graduate degree programs from six respected universities within the Maryland system: Frostburg State University, University of Maryland Global Campus, University of Maryland Eastern Shore, Towson University, Coppin State University and Salisbury University. 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 nine. The Planning Commission has authority to approve subdivision and site development plans. The plans are required by the Subdivision and the Zoning Ordinances and managed by the County’s Division of Plan Review & Permitting. 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 2020.

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 zoning regulations as well as the 2015 Maryland Building Performance Standards, the 2015 International Existing Building Code, trade codes and local amendments administered by the Division of Construction Management and the Division of Plan Review & Permitting govern the development of these areas.

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, located in Hagerstown, Maryland, is the largest health care provider in Western Maryland. As a community-focused, not-for-profit system, Meritus Health's programs span the continuum of health care, ranging from inpatient care to occupational health services to physician practices and outpatient care.

Meritus Medical Center, which opened in 2010, is a state-of-the-art, Joint Commission-accredited hospital with 257 licensed beds in single-patient rooms. Services offered include a special care nursery, a level III trauma program, a primary stroke center and a wound center, as well as a cardiac diagnostic laboratory. Hospital services that address outpatient needs include the John R. Marsh Cancer Center, Meritus Total Rehab Care, Meritus Endocrinology Specialists, Meritus Home Health, Meritus Medical Laboratory and Equipped for Life.

Meritus Medical Group, with more than 100 physicians and advanced practice providers, is a medical neighborhood of primary and specialty care practices offering comprehensive, coordinated health care services to all ages.

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 2020 from the County. Along with the main headquarters, it has staff and programs based at seven other sites. The Health Department employs a total of 146 full-time and part-time personnel in five divisions.

The Environmental Health Division of the Health Department engages in food inspection, well and septic services, 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 101 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 110 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 Services

The County's Division of Emergency Services ("DES") oversees Emergency Communication/911, Emergency Management, Fire and Rescue, and the Emergency Medical Services Operations Program. DES is led by a full-time career Director and four full-time department heads who oversee the daily operational components of Emergency Services in Washington County. The division has 104 full-time and part-time personnel working directly within the division and approximately 40 volunteers who provide dedicated service to the citizens of Washington County.

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 and 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.

Emergency Management

Emergency management activities are overseen by an assistant director with support from a full-time emergency planner. 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.

Fire and Rescue

Fire and rescue protection are coordinated through DES by an assistant director. 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 an assistant director. 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 an assistant director and includes eight full-time advanced life support (“ALS”) technicians and five part-time ALS technicians. This team deploys two 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 service 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, 2019. For customers receiving County collection services only, treatment is provided by the City of Hagerstown.

WATER SYSTEM

	No. of Services	No. of EDUs	Residential Annual (Avg) User Rate
Full Service.....	<u>1,350</u>	<u>1,506</u>	\$701.76

WASTEWATER SYSTEM

	No. of Services	No. of EDUs	Residential Annual (Avg) User Rate
Full Service	7,313	10,913	\$678.56
Collection Service Only	3,834	5,142	\$232.00
Wholesale	<u>5</u>	<u>4,134</u>	
Total.....	<u>11,152</u>	<u>20,189</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"), Fort Ritchie 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 8 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 six full-time employees to conduct the day-to-day operations of the office, as well as business development and business outreach efforts in the community.

Throughout the year the DBD meets with representatives of existing companies in need of assistance. 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., 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, the Town of Hancock, and elsewhere in Washington County. For tax year 2019-20 (fiscal year 2020), the City of Hagerstown, the Town of Hancock, and the County granted \$23,103, \$421, and \$459,281, respectively, in real property tax credits for private capital investment. The State of Maryland is expected to reimburse \$11,551 to the City of Hagerstown, \$210 to the Town of Hancock, and \$229,641 to the County for these credits.

Business Development

New and Expanding Businesses

In calendar year 2019, the County experienced new and expanding businesses highlighted by the creation of 238 new jobs and known new investments of approximately \$103.2 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. Significant projects announced in 2019 and 2020 that are expected to provide an additional 2,356 new jobs and an additional \$545.2 million of new investments are noted in the following table based on the most recent information available:

Hagerstown-Washington County, Maryland – Significant Business Activity for 2019/2020

Company Name	Business Type	Completed/ Expected Completion	Project Cost (1)	#New Jobs ⁽¹⁾	SF/Acreage	Type of Activity
Completed Projects 2019						
AmeriServ Financial Bank	Finance	1Q19	\$ 700,000	5		Relocation/Expansion
Krispy Kreme	Retail	1 Q19	974,426	n/a		New Jobs/Construction
Meritus Medical Plaza	Healthcare	1Q19	15,000,000	0		Relocation/Construction
Middletown Valley Bank - Marsh Pike	Finance	1Q19	265,000	8		Expansion
EM Corporation	Manufacturing	2Q19	1,300,000	10		New Jobs/Expansion
Lidl Grocery Store	Retail	2Q19	2,000,000	n/a		New Jobs/Construction
Middletown Valley Bank - N. Potomac	Finance	2Q19	400,000	22		Relocation
Maryland Theatre	Arts and Entertainment	1Q19	13,000,000	0		Expansion
R&L Carriers	Transportation	4Q19	6,000,000	25		Expansion
NB3 Packaging	Manufacturing	3Q19	1,500,000	15		New Jobs/Relocation
First United Bank (Smitsburg)	Finance	4Q19	350,000	2		Renovation
First United Bank (Wesel Blvd)	Finance	4Q19	350,000	2		Renovation
Volvo	Manufacturing	3Q19	43,000,000	85		Expansion/New Jobs
CNB Bank (Dual Highway)	Finance	4Q19	300,000	n/a		Renovation
Rider Jet Center	Hangar Space	2Q19	3,000,000	n/a		New Construction
Black Rock Bar and Grille	Hospitality	2Q19	1,100,000	20		Renovation/New Business
Home2 Suites by Hilton	Hospitality	2Q19	14,000,000	44		New Jobs/Construction
<i>Sub-totals</i>			<u>\$ 103,239,426</u>	<u>238</u>		
Projects Under Development or Announced 2019						
Dick's Sporting Goods	Retail	1Q20	\$ 15,000,000			Relocation/Expansion
Regal Cinemas	Tourism	1Q20	10,000,000			Renovation/Expansion
SkyZone	Tourism	1Q20	400,000			Expansion
Cushwa Brewery	Expansion	2Q20	1,200,000	16		Expansion
North Point Development (ph 1)	Warehouse/Distribution	4Q20				
North Point Development (ph 2)	Warehouse/Distribution	4Q21	250,000,000	1500		New Construction
Trammel Crow	Warehouse/Distribution	1Q20	62,500,000	500		New Construction
Antraquip	Manufacturing	2Q20	2,250,000	15		New Jobs/Expansion
IKO Industries/Blair Materials	Manufacturing	1Q20	70,000,000	40		New Jobs/Relocation
DaVita Foods	Manufacturing	1Q20	1,200,000	20		Expansion/New Jobs
National Park Service (C&O Canal)	Tourism	3Q20	26,650,000	75		New Jobs/Relocation/Construction
First United Bank (Edgewood Dr.)	Finance	1Q20	300,000	u/k		Renovation/Expansion
Pinnacle Foods	Manufacturing	4Q19	35,000,000	100		New Jobs/Expansion
PSI, Inc	Manufacturing	4Q19	6,000,000	u/k		New Equipment
Volvo VPL	R&D	1Q21	33,000,000	12		New Jobs/Expansion
Stoney Creek Farm & Event Center	Expansion	2Q20	9,500,000	20		Expansion
Antietam Overlook Brewery/B&B	Expansion	2Q20	800,000	15		Expansion
New Heights Industrial Park	Unknown	2Q20	12,000,000	u/k		Investment/Rehabilitation
Pathfinder Farm	Tourism		900,000	5		
Thomas, Bennett, Hunter	Construction	1Q20	1,500,000	u/k		Relocation/Expansion
Elmwood Farm Distillery	Tourism		1,000,000	8		
Utility Keystone	Transportation	1Q21	6,000,000	30	16 acres	Construction/New Jobs/Possible Expansion
<i>Sub-totals</i>			<u>\$ 545,200,000</u>	<u>2356</u>		
Totals for Projects 2019/2020:			<u>\$648,439,426</u>	<u>2,594</u>		

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:

Park	Total Acreage	Available Acreage	Ownership
City of Hagerstown—Washington County			
Enterprise Zone:			
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
Town of Hancock Enterprise Zone:			
Hancock Industrial Park.....	185	157	Town
Raylock Business Park.....	55	20	Town
Other Locations:			
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
Cascade Town Centre.....	591	528	Public
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
Top Flight Airpark.....	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 Zones

Approximately 5,500 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 2012. This zone now encompasses approximately 4,000 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.

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 are able to 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 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 which provides twice weekly service to Orlando/Sanford International (SFB), via Allegiant. Allegiant also offers summer seasonal flights twice weekly to St Pete-Clearwater (PIE) and Myrtle Beach (MYR) airports. The airfield also offers fixed base operation services to general aviation, corporate and military aircraft. There are 17 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 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.

ECONOMIC AND DEMOGRAPHIC INFORMATION

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 2020.

Population Growth						
Year	Washington County		State of Maryland		United States	
	Population	Percent Change	Population	Percent Change	Population	Percent Change
2020	156,800	2.4	6,042,718	4.4	326,687,501	5.8
2010	147,430	11.8	5,787,988	9.0	308,845,538	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; Maryland Department of Planning, Maryland State Data Center for 2020 projections.

Income

Median household Effective Buying Income ("EBI") in Washington County was estimated at \$59,719 for calendar year 2018. The median household EBI for Washington County, the State of Maryland and the United States are estimated as follows:

Median Household Effective Buying Income					
	2018	2017	2016	2015	2014
Washington County	\$59,719	\$56,316	\$56,228	\$56,477	\$55,700
State of Maryland	81,868	76,067	74,551	74,149	72,345
United States	60,293	55,322	53,889	53,482	52,176

Source: MD Brief Economic Facts for 2014-2018; United States Census Bureau QuickFacts

Comparative statistics relating to the distribution of EBI for calendar year 2017 are presented in the following table:

Distribution of Effective Buying Income (2017)

Households By EBI Group	Washington County	State of Maryland	United States
Under \$25,000	20.6%	14.2%	21.3%
\$25,000 - \$49,999	22.7	17.1	22.5
\$50,000 - \$74,999	19.3	16.5	17.7
\$75,000 - \$99,999	13.5	13.1	12.3
\$100,000 - \$149,999	14.1	18.7	14.1
\$150,000 - \$199,999	5.8	9.7	5.8
\$200,000 and over	3.9	10.7	6.3

Source: MD Brief Economic Facts 19 release 2, based on U.S. Bureau of the Census updated 2019 for 2017.

Area Labor Supply

Washington County has an available civilian labor force of approximately 77,592. 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 433,769.

Employment

Within Washington County there are more than 3,410 businesses. The following table shows the employment statistics for the 15 largest employers in Washington County as of December 2018.

Employer	Employment
Washington County Public Schools.....	3,396
Meritus Health.....	2,740
Citi.....	2,300
First Data.....	2,185
State of Maryland.....	2,030
Washington County Government.....	1,401
Volvo Group.....	1,300
FedEx Ground.....	900
Bowman Group, LLP (The).....	745
Federal Government.....	582
Hagerstown Community College.....	545
Merkle Response Management Group.....	545
ARC of Washington County.....	500
Direct Mail Processors.....	500
City of Hagerstown.....	486

Source: Maryland Department of Commerce; MD Brief Economic Facts

Unemployment Rate

Unemployment in Washington County averaged 4.7% between 2015 and 2019. The following table indicates the County's average unemployment rate as compared with the State of Maryland for the five most recent calendar years.

	Unemployment Rate – Annual Average				
	2019	2018	2017	2016	2015
Washington County	3.8%	4.5%	4.4%	5.1%	5.8%
State of Maryland	3.6%	4.2%	4.1%	4.4%	5.2%

Source: Maryland Department of Labor, Licensing and Regulation

Construction Activity

Construction activity during the years 2015-2019 in Washington County is provided below:

Year Ended Dec. 31	Building Permits (Value in Thousands)					
	Residential New		Other Permits		Total	
	Number	Value	Number	Value	Number	Value
2019	200	\$50,455	1,002	\$175,029	1,202	\$225,484
2018	245	59,441	1,104	138,376	1,349	197,818
2017	198	57,704	1,117	75,737	1,315	133,441
2016	172	40,510	1,977	99,632	2,149	140,142
2015	202	52,305	2,065	97,055	2,267	149,360

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:

Year Ended December 31	Single Family (One and Two-Unit Structures)
2019	193
2018	234
2017	189
2016	159
2015	177

Source: Washington County Department of Permits and Inspections

Multi-family housing starts in the County were nominal during 2016. During the year ended December 31, 2015 there were five, 24-unit multi-family buildings constructed and for the year ending December 31, 2017, there were 12, 24-unit multi-family buildings constructed. During the years ending December 31, 2018 and 2019, 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 are as follows:

Washington County Agriculture Statistics, 2017

Number of farms	877
Total Land in farms	119,248
Average acres/farm	136
Estimated market value of land and building:	
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 2019 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.

Distinguished Budget Presentation Award

The County received the Distinguished Budget Presentation Award for its 2019 Budget Document from the Government Finance Officers Association of the United States and Canada. The award is given to those entities that satisfy nationally recognized guidelines for effective budget presentation. Those guidelines are designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communication device. The County has received the award for 15 consecutive years. The award reflects the commitment of the County to meet the highest standards in governmental budgeting.

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, and 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 Program (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 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 2019, budgeted revenues and expenditures for fiscal year 2020, and the proposed budget for fiscal year 2021.

County Commissioners of Washington County Budget Comparison General Fund Fiscal Years 2019, 2020 and 2021				
	Fiscal Year 2019		Fiscal Year 2020	Fiscal Year 2021
	Final Budget	Actual Amounts	Original Budget	Proposed Budget
REVENUES				
Property Tax				
Real Property Tax.....	\$ 113,679,470	\$ 113,528,948	\$ 115,862,420	\$ 119,464,580
Personal Property Tax.....	14,057,110	14,997,807	14,057,110	14,057,110
Property Tax Interest Income.....	385,000	404,561	395,000	395,000
Other Property Tax.....	622,980	661,260	635,100	745,330
State Administrative Fees.....	(580,000)	(480,132)	(580,000)	(620,000)
Property Tax Discounts, Credits, and Fees.....	(1,716,310)	(1,671,950)	(1,672,000)	(1,828,950)
Total Property Taxes.....	\$ 126,448,250	\$ 127,440,494	\$ 128,697,630	\$ 132,213,070
Other Local Taxes				
Income Tax.....	\$ 84,000,000	\$ 86,848,691	\$ 87,950,000	\$ 87,030,080
Admissions and Amusement Tax.....	255,000	286,414	255,000	210,000
Recordation Tax.....	6,500,000	6,886,789	6,500,000	6,000,000
Trailer Tax.....	550,000	577,871	550,000	250,000
Total Other Local Taxes.....	\$ 91,305,000	\$ 94,599,765	\$ 95,255,000	\$ 93,490,080
Other Revenues				
Licenses and Permits.....	\$ 1,272,200	\$ 1,283,820	\$ 1,161,950	\$ 1,161,950
Court Costs and Fines.....	5,112,400	2,631,213	2,734,160	1,651,000
Charges for Services.....	1,391,780	1,365,493	1,462,900	1,519,190
Interest Income.....	692,400	2,151,321	1,200,000	500,000
Reimbursed Expenses.....	1,094,370	1,111,052	951,640	977,540
Miscellaneous Revenues.....	408,210	1,618,804	382,360	307,750
Grant and Shared Revenues.....	5,444,713	4,875,585	1,822,300	2,623,000
Highway Revenues.....	2,293,860	2,253,157	2,452,110	2,409,730
Total Other Revenues.....	\$ 17,709,933	\$ 17,290,445	\$ 12,167,420	\$ 11,150,160
TOTAL REVENUES.....	\$ 235,463,183	\$ 239,330,704	\$ 236,120,050	\$ 236,853,310
EXPENDITURES				
General Government.....	\$ 28,510,874	\$ 27,349,583	\$ 27,124,250	\$ 27,349,580
Public Safety.....	48,657,519	47,201,336	52,492,880	53,699,330
Health.....	2,339,270	2,339,270	2,339,270	2,339,270
Social Services.....	435,560	435,560	435,560	435,560
Education.....	108,566,050	108,566,050	110,550,900	113,243,390
Parks, Recreation, and Culture.....	7,521,900	7,366,504	7,329,870	7,509,460
Conservation of Natural Resources.....	751,600	721,153	764,120	861,430
Highway.....	11,281,970	11,358,140	11,490,360	11,736,350
General Operations.....	503,600	434,356	580,750	518,180
Unallocated Employee Insurance and Benefits.....	4,892,100	5,435,165	819,240	125,000
Intergovernmental.....	7,693,760	10,285,303	7,006,980	3,224,990
Debt Service.....	14,308,980	14,139,010	15,185,870	15,810,770
TOTAL EXPENDITURES.....	\$ 235,463,183	\$ 235,631,430	\$ 236,120,050	\$ 236,853,310
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ 3,699,274	\$ -	\$ -

Source: Washington County Department of Budget and Finance

(1) Budget revisions are possible until the close of the year on June 30, 2018. Amendments to date to the fiscal year 2018 budget since its adoption have not been material.

The following table displays the County's General Fund revenues and expenditures on a GAAP basis with additional ratios for fiscal years 2015 through 2019.

County Commissioners of Washington County
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

Year Ended June 30

	2019	2018	2017	2016	2015
Revenues:					
Taxes, interest and penalties.....	\$ 222,040,259	\$ 210,500,448	\$ 208,934,726	\$ 204,569,492	\$ 198,990,605
Shared taxes and grants	4,875,585	3,267,236	4,431,597	6,349,348	3,355,253
Licenses and permits	1,283,820	1,417,875	1,189,019	1,316,242	1,362,651
Revenues from use of money and property	3,262,373	2,390,598	1,327,838	1,074,126	881,502
Charges for services.....	1,365,493	1,328,177	448,532	477,971	434,237
Other revenue	4,250,017	3,050,871	2,410,607	1,757,855	2,049,297
Highway revenue	2,253,157	1,645,244	1,378,314	1,720,771	1,554,706
Total revenues	<u>\$ 239,330,704</u>	<u>\$ 223,600,449</u>	<u>\$ 220,120,633</u>	<u>\$ 217,265,805</u>	<u>\$ 208,628,251</u>
Expenditures:					
General government	\$ 27,349,583	\$ 26,733,212	\$ 26,764,285	\$ 25,392,800	\$ 23,779,920
Public safety	47,201,336	44,190,232	42,703,200	41,898,282	39,155,311
Health	2,339,270	2,339,270	2,339,270	2,339,270	2,339,270
Social services	435,560	424,390	373,390	454,165	571,517
Education	108,566,050	106,796,410	104,387,080	104,109,040	103,810,462
Recreation and culture	7,366,504	5,988,897	5,794,949	5,586,517	5,622,928
Conservation of natural resources	721,153	707,995	753,063	669,041	595,350
Intergovernmental	38,543	38,543	38,543	38,543	38,543
General operations	5,869,521	786,862	1,092,721	2,337,705	2,003,326
Highway.....	10,492,140	10,446,328	10,243,937	9,821,132	9,953,368
Debt service:					
Principal	9,316,119	10,033,918	9,005,341	9,748,588	10,147,504
Interest	4,822,891	4,711,877	5,683,469	4,070,313	4,504,974
Total Expenditures	<u>\$ 224,518,670</u>	<u>\$ 213,197,934</u>	<u>\$ 209,179,248</u>	<u>\$ 206,465,396</u>	<u>\$ 202,522,473</u>
Excess of revenues over expenditures	<u>\$ 14,812,034</u>	<u>\$ 10,402,515</u>	<u>\$ 10,941,385</u>	<u>\$ 10,800,409</u>	<u>\$ 6,105,778</u>
Other financing sources(uses):					
Net bond proceeds.....	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds of capital leases.....	50,769	267,420	1,036,682	-	-
Principal amount of new debt for advanced refunding..	-	-	-	7,078,184	26,026,715
Deposit to escrow fund for advance refunding and repayment of loans.....	-	-	-	(7,075,279)	(26,021,529)
Operating transfers in	-	90,000	22,000	-	-
Operating transfers out	(11,112,760)	(9,326,453)	(11,429,045)	(9,388,519)	(5,974,080)
Total other financing sources(uses)	<u>\$ (11,061,991)</u>	<u>\$ (8,969,033)</u>	<u>\$ (10,370,363)</u>	<u>\$ (9,385,614)</u>	<u>\$ (5,968,894)</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ 3,750,043</u>	<u>\$ 1,433,482</u>	<u>\$ 571,022</u>	<u>\$ 1,414,795</u>	<u>\$ 136,884</u>
Fund balances at beginning of year	41,746,652	40,313,170	39,742,148	38,327,353	38,190,469
Fund balance at end of year	<u>\$ 45,496,695</u>	<u>\$ 41,746,652</u>	<u>\$ 40,313,170</u>	<u>\$ 39,742,148</u>	<u>\$ 38,327,353</u>
Fund Balance:					
As a percent of revenue	19.0%	18.7%	18.3%	18.3%	18.4%
As a percent of expenditures	20.3%	19.6%	19.3%	19.2%	18.9%
Committed, Assigned and Unassigned Fund Balance:					
As a percent of revenue	18.1%	17.7%	17.4%	17.5%	17.7%
As a percent of expenditures	19.3%	18.6%	18.3%	18.5%	18.2%
Debt Service:					
As a percent of revenue	5.9%	6.6%	6.7%	6.4%	7.0%
As a percent of expenditures	6.3%	6.9%	7.0%	6.7%	7.2%

Source: Washington County Department of Budget and Finance

Anticipated Results for Fiscal Year 2020

Fiscal year 2020 final results are not available as of the date of this Official Statement. However, based on current review, the County's two largest revenue sources, real estate and income taxes, are projected to meet current year budget and all expenditures are in-line with the approved budget. Overall, the financial results for fiscal year 2020 are expected to end on the positive side, with total revenues in excess of total expenditures. The County expects to maintain its cash reserves for fiscal year 2020. See "Miscellaneous – Potential Impact of COVID-19 Pandemic on the County" herein.

Sources of Tax Revenue

Ad valorem property taxes, the County's largest source of tax revenues, were 59% of total tax revenues fiscal year 2018 and 57% in fiscal year 2019. During the same period, income tax revenues as a percentage of total tax revenues were 37% in fiscal year 2018 and 39% in fiscal year 2019. The following table presents the County's tax revenues by source for each of the last five fiscal years as well as the budgeted amounts for fiscal year 2020.

Tax Revenues by Source

Fiscal Year Ended June 30	Total Taxes	Local Property Taxes⁽¹⁾	Local Income Taxes	Other Local Taxes⁽²⁾
Budgeted 2020	\$ 223,952,630	\$ 128,697,630	\$ 87,950,000	\$ 7,305,000
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
2017	208,934,726	122,905,748	78,891,902	7,137,076
2016	204,569,492	122,001,946	75,208,180	7,359,366
2015	198,990,605	118,513,533	73,603,292	6,873,780

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 court fees, recordation taxes, admission and amusement taxes and hotel/motel 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 2019 was \$1,506,965 and the tax credit processed as of March 18, 2020 for fiscal year 2019 is \$1,416,157.

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 \$2,168,628,513 for the fiscal year ended June 30, 2018, is not included in the table. As of March 16, 2020, FY19 Annual Report is not available on the State of Maryland website. 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)

	2019	2018	2017	2016	2015
Real property.....	\$12,486,754	\$12,217,613	\$12,047,907	\$11,889,530	\$11,798,859
Personal property:					
Railroads and public utilities.....	196,942	188,380	180,988	172,128	162,536
Business corporations.....	420,000	416,848	416,031	405,500	390,610
Total property	<u>\$13,103,696</u>	<u>\$12,822,841</u>	<u>\$12,644,926</u>	<u>\$12,467,158</u>	<u>\$12,352,005</u>
Change in market value of property	2.1%	1.4%	1.4%	0.9%	(0.9)%
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 2020.

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 of Levy		Year		Total Taxes Collected (Current and Delinquent)		Taxes Receivable as a Percentage of Total Taxes Collected
		Amount	Percent	Amount	Percent	Amount	Percent	
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
2017	124,295,568	123,986,762	99.75	124,150,669	99.89	494,206		0.40
2016	122,703,971	122,397,609	99.75	122,899,961	100.16	480,714		0.39
2015	120,444,868	119,903,244	99.55	120,597,778	100.13	676,704		0.56

Source: Washington County Department of Budget and Finance

Principal Taxpayers

The 20 largest taxpayers in the County as of June 30, 2019, ranked by assessed value, are listed below.

Name of Taxpayer	Assessed Value	Percentage of Assessed Value
PR Valley Limited Partnership.....	\$ 112,138,050	
Outlet Village of Hagerstown.....	\$ 101,847,233	
Potomac Edison.....	\$ 94,886,420	
Bowman Group.....	\$ 87,731,984	
Liberty Property Management.....	\$ 71,819,633	
Walmart Stores/Wal-Mart R.E. Sam's East.....	\$ 62,855,723	
Fedex Ground Packaging System.....	\$ 60,604,210	
CR Hagerstown LTD.....	\$ 56,375,700	
LCN STP Hagerstown Multi, LLC.....	\$ 48,819,990	
Ghattas Enterprise Maugans Ave.....	\$ 47,156,577	
Sub-total	\$ 744,235,520	5.80%
Western Hagerstown (Ind. & Dist).....	\$ 46,094,500	
2007 East Greencastle Pike.....	\$ 44,934,600	
254 Hagerstown/Citigroup/Citicorp.....	\$ 43,765,667	
Mack Truck Inc/Volvo Group.....	\$ 35,070,680	
Intelsat Golbal Service LLC.....	\$ 34,140,940	
Verizon.....	\$ 34,071,650	
Norfolk Southern Combined Rail.....	\$ 33,737,100	
Columbia Gas Of Maryland.....	\$ 33,690,247	
Cortpark II LLC.....	\$ 32,936,300	
Lowe's Home Centers Inc.....	\$ 32,149,940	
Total	\$ 1,114,827,144	8.69%

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 3.2%. The rate was increased from 2.8% to 3.2% effective January 1, 2020. The County does not levy a local income tax on corporations. As a result of federal tax changes enacted by the U.S. Congress and actions of the Maryland General Assembly, Washington County's income tax revenues may experience an increase; however, the impact is yet to be determined.

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, 2019 were \$6,886,790. 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, 2019 were \$9,044,227.

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, 2019, an aggregate of \$11,464,374 in federal and State funds was received by all County departments for use in operations. The largest single categorical source was a State grant for \$2,867,865, which was for the Rural Legacy Land Preservation Grant. The County also received a total of \$7,472,875 in federal and State funds for capital projects in the fiscal year ended June 30, 2019. The County projects that \$5,792,124 in federal and State funds will be received in fiscal year 2020 for operations and \$2,521,614 in federal and State funds will be received for capital projects.

During the fiscal year ended June 30, 2019, the Board of Education received \$179,408,974 in State funds and \$26,339,391 in federal funds for operating and food service expenses. In fiscal year 2020, the Board of Education anticipates receiving \$195,590,542 in State funds and \$24,207,754 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**

	2019	2018	2017	2016	2015
ASSETS					
Cash and short-term investments	\$ 618,872	\$ 415,192	\$ 627,517	\$ 162,083	\$ 32,999
Investment in U.S. Government					
Agency Securities	97,052,684	99,211,242	101,443,510	91,452,894	110,533,955
Property taxes receivable (net)	498,411	651,241	348,751	357,582	535,177
Accounts receivable	1,139,143	862,246	422,410	503,433	416,161
Due from other governments	27,515,971	21,428,932	16,752,299	16,757,732	16,373,944
Inventories	776,816	730,400	763,099	790,714	763,940
Other assets	1,921,103	1,754,650	1,421,211	962,586	1,398,654
Total assets	<u>\$ 129,523,000</u>	<u>\$ 125,053,903</u>	<u>\$ 121,778,797</u>	<u>\$ 110,987,024</u>	<u>\$ 130,054,830</u>
LIABILITIES					
Accounts payable	\$ 1,442,745	\$ 1,791,101	\$ 1,366,313	\$ 2,514,765	\$ 1,413,769
Accrued expenses	1,743,490	1,907,822	4,563,855	1,404,296	1,086,819
Liabilities on unpaid claims	2,211,941	2,030,677	1,523,730	1,892,223	1,833,471
Due to other funds	58,845,269	62,263,607	63,884,634	55,483,023	77,037,235
Unearned revenue	533,242	604,215	382,729	346,841	306,901
Other liabilities	1,866,760	2,042,323	2,219,462	1,350,527	1,868,922
Total liabilities	<u>\$ 66,643,447</u>	<u>\$ 70,639,745</u>	<u>\$ 73,940,723</u>	<u>\$ 62,991,675</u>	<u>\$ 83,547,117</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	<u>\$ 17,382,858</u>	<u>\$ 12,667,506</u>	<u>\$ 7,524,904</u>	<u>\$ 8,253,201</u>	<u>\$ 8,180,360</u>
FUND EQUITY					
Nonspendable	\$ 1,409,371	\$ 1,353,130	\$ 1,455,417	\$ 1,090,714	\$ 1,063,939
Restricted	855,333	821,597	577,869	528,978	418,968
Committed	43,212,749	39,554,672	38,263,353	38,104,831	36,830,635
Assigned	19,242	17,253	16,531	17,625	13,811
Unassigned ⁽¹⁾	-	-	-	-	-
Total fund equity	<u>\$ 45,496,695</u>	<u>\$ 41,746,652</u>	<u>\$ 40,313,170</u>	<u>\$ 39,742,148</u>	<u>\$ 38,327,353</u>
Total liabilities and fund equity	<u>\$ 129,523,000</u>	<u>\$ 125,053,903</u>	<u>\$ 121,778,797</u>	<u>\$ 110,987,024</u>	<u>\$ 130,054,830</u>

Source: Washington County Department of Budget and Finance

(1) Unassigned fund balance is reflected differently from audited financial statements for fiscal year 2015. Highway consolidation should have been reflected in Committed Fund Balance. Financial statements will compare to this presentation moving forward.

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 2020.

Fiscal Year	Revenues	Fund Balance	Fund Balance as Percentage of Revenues	Reserves as Percentage of Revenues
2019	\$ 239,330,704	\$ 45,496,695	19.01%	17.85%
2018	223,690,449	41,746,652	18.66	17.49
2017	220,120,633	40,313,170	18.31	17.13
2016	217,265,805	39,742,148	18.29	17.55
2015	208,628,251	38,327,353	18.37	17.66

Source: Washington County Department of Budget and Finance

V. Debt and Capital Requirements

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, 2019 was \$514,278. The unused authorization available under Chapter 99 prior to the issuance of the Bonds is \$69,485,722.

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, 2019, exclusive of certain water and sewer bonds (see “Water and Sewer Bonds” herein). Outstanding principal amounts have not been adjusted for discounts or premiums.

**Statement of General Obligation Bonded Debt
Issued and Outstanding*
As of June 30, 2019**

	Date of Issue	Amount Issued	Amount Outstanding			
			General Fund	Solid Waste Fund	Airport Fund	Total
Public Improvement Series A Bonds.....	May 2010	\$ 6,992,993	(1) \$ 1,112,246	\$ 440,270	-	\$ 1,552,516
Taxable Build America Series B Bonds.....	May 2010	9,711,007	(2) 6,957,113	2,753,894	-	9,711,007
Public Improvement and Refunding Bonds...	May 2010	13,790,000	3,011,641	803,359	-	3,815,000
Public Improvement Bonds.....	May 2011	14,170,000	7,878,210	2,316,790	-	10,195,000
Public Improvement Bonds.....	May 2012	12,068,100	(3) 9,231,944	-	-	9,231,944
Refunding Bonds.....	May 2012	7,740,000	2,580,910	11,100	472,990	3,065,000
Public Improvement Bonds.....	May 2013	12,000,000	9,640,000	-	-	9,640,000
Refunding Bonds.....	May 2013	12,540,000	9,021,171	123,829	-	9,145,000
Public Improvement Bonds.....	May 2014	14,000,000	12,020,000	-	-	12,020,000
Public Improvement Bonds.....	May 2015	12,000,000	(4) 10,754,204	-	-	10,754,204
Refunding Bonds.....	May 2015	25,573,470	(5) 17,541,060	1,483,062	-	19,024,122
Public Improvement Bonds.....	May 2016	12,103,000	(6) 11,156,772	95,762	-	11,252,534
Refunding Bonds.....	May 2016	7,317,990	(7) 6,396,940	921,050	-	7,317,990
Public Improvement Bonds.....	May 2017	13,142,000	(8) 11,616,836	1,105,536	-	12,722,372
Public Improvement Bonds.....	May 2018	12,852,000	(9) 12,000,000	852,000	-	12,852,000
Public Improvement Bonds.....	May 2019	12,255,000	(10) 12,000,000	255,000	-	12,255,000
MWQFA ⁽¹¹⁾ Financing Cell 3.....	Nov 2004	2,498,427	-	811,319	-	811,319
MWQFA ⁽¹¹⁾ Solid Waste Refinancing.....	Feb 2005	7,248,761	834,934	2,293,826	-	3,128,760
MWQFA ⁽¹¹⁾ Resh Road Cap Phase I.....	Dec 2006	5,000,000	2,220,522	-	-	2,220,522
		<u>\$ 213,002,748</u>	<u>\$ 145,974,503</u>	<u>\$ 14,266,797</u>	<u>\$ 472,990</u>	<u>\$ 160,714,290</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 \$ 7,860,000.

(2) Total issue amount for all County funds was \$10,915,000.

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

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

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

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

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

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

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

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

(11) Maryland Water Quality Financing Administration.

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 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, 2019. 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, 2019**

	<u>Date of Issue</u>	<u>Issued</u>	<u>Outstanding</u>
Series A Bonds	June 1996	\$ 9,606,968	\$ 566,146
Public Improvement Series A Bonds	May 2010	867,007 ⁽¹⁾	192,484
Taxable Build America Series B Bonds	May 2010	1,203,993 ⁽²⁾	1,203,993
Public Improvement Bonds	May 2012	5,696,900 ⁽³⁾	4,358,056
Public Improvement Bonds	May 2015	3,460,000 ⁽⁴⁾	3,100,796
Refunding Bonds	May 2015	821,530 ⁽⁵⁾	780,878
Public Improvement Bonds	May 2016	8,532,000 ⁽⁶⁾	7,932,465
Refunding Bonds	May 2016	2,137,010 ⁽⁷⁾	2,137,010
Public Improvement Bonds	May 2017	638,000 ⁽⁸⁾	617,628
Public Improvement Bonds	May 2018	1,633,000 ⁽⁹⁾	1,633,000
Public Improvement Bonds	May 2019	1,055,000 ⁽¹⁰⁾	1,055,000
MWQFA ⁽¹¹⁾ Loan	Mar 2000	3,620,697	414,979
MWQFA ⁽¹¹⁾ Loan	May 2004	8,091,063	1,786,063
MWQFA ⁽¹¹⁾ Loan	Oct 2006	560,000	237,453
MWQFA ⁽¹¹⁾ Loan	May 2015	2,553,000	2,195,498
MWQFA ^(11 & 12) Loan	Feb 2018	1,849,660	1,784,798
		<u>\$ 52,325,828</u>	<u>\$ 29,996,247</u>

Source: Washington County Department of Budget and Finance

(1) Total issue amount for all County funds was \$ 7,860,000.

(2) Total issue amount for all County funds was \$10,915,000.

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

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

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

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

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

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

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

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

(11) Maryland Water Quality 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 Agreements 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.

**Water and Sewer Bonded Debt
Schedule of Legal Debt Margin
As of June 30, 2019**

Assessed Value of Property in Washington County	\$ 12,274,225,556
Debt Limit: % of Assessed Value ⁽¹⁾	10%
Water and Sewer Borrowing Limitation	1,227,422,556
Water and Sewer Debt	29,996,247
Debt Margin	1,197,426,309
Ratio of Water and Sewer Debt to Assessed Value	0.24%

Source: Washington County Department of Budget and Finance

(1) Reduced from 25% to 10% - see "Water and Sewer Bonds" herein.

Capital Lease Obligations and Other Contracts

The County has entered into several five-year capital lease agreements. The outstanding balance of these obligations as of June 30, 2019 was \$663,182. The lease agreements are primarily for heavy-duty equipment. The leases have been recorded as capital leases in the appropriate County funds in the financial statements. GASB Statement No. 87, implementing new lease accounting standards, will be effective with the fiscal year ending June 30, 2021 with respect to the County.

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.

Between fall 2016 and early 2017, the County established two separate development districts: (i) the Conococheague Development District, consisting of approximately 137 acres, and (ii) the Cascade Development District, consisting of most of the acreage comprising the former Fort Ritchie Military Reservation. To date, the County has not passed a bond ordinance authorizing the issuance of TIF bonds for either established development district, and the designation of the Conococheague Development District expired on December 31, 2018 by its terms due to no TIF bonds having been issued with respect to such development district. The designation of the Cascade Development District will expire on December 31, 2022 if no TIF bonds have been issued with respect to such development district, unless such sunset date is extended by resolution of the Board. Until any TIF bonds are issued with respect to the Cascade Development District, the County may use incremental tax revenues, if any, derived from properties within such development district for any legal purpose.

Bonded Indebtedness of Incorporated Municipalities

Eight of the nine incorporated municipalities of Washington County have outstanding indebtedness in the aggregate principal amount of \$82,461,723 as of June 30, 2019. 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, 2019

Towns	Amount
Boonsboro.....	\$ 5,829,315
Clear Spring.....	541,095
Funkstown.....	1,074,309
Hagerstown.....	68,040,654
Hancock.....	1,360,145
Keedysville.....	1,741,965
Smithsburg.....	895,513
Williamsport.....	2,978,727
Total	<u>\$ 82,461,723</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, 2019, 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, 2019
(Excludes this Issue)

Direct Debt - Tax-Supported:	
General Government Debt (1).....	\$ 145,974,503
Direct Debt - Self-Supported:	
Solid Waste	14,266,797
Water and Sewer	29,996,247
Airport	472,990
Total Direct Debt.....	190,710,537
Underlying Debt.....	<u>82,461,723</u>
Overall Bonded Debt.....	<u>\$ 273,172,260</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, 2019
(Excludes this Issue)

Per Capita (Estimated Population 150,926):

Direct Tax-Supported Debt (1).....	\$ 967
Overall Bonded Debt.....	\$ 1,797

Percentage of Assessed Value of \$12,274,226,000:

Direct Tax-Supported Debt (1).....	1.19%
Overall Bonded Debt.....	2.21%

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.

Fiscal Year Ended June 30	Direct Tax-Supported Debt (000)	Estimated Population	Assessed Value (000)	Per Capita	Direct Tax-Supported Debt as a Percentage of Assessed Value
2019	\$145,975	150,926	\$12,274,226	\$967	1.19
2018	143,291	150,578	12,822,840	952	1.11
2017	141,325	150,292	12,644,926	940	1.12
2016	139,495	149,585	12,467,158	933	1.12
2015	137,325	149,573	12,352,005	918	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, 2019, adjusted to reflect issuance of the Bonds, and the rapidity of repayment for the County's direct tax-supported debt.

Washington County Schedule of Debt Service
Requirements on Long-term Obligations*
As of June 30, 2019
Excludes this Issue

Year Ending June 30	Tax-Supported Debt Service			Self-Supporting Debt Service			Total Debt Service		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 9,982,974	\$ 4,863,211	\$ 14,846,185	\$ 4,511,865	\$ 2,913,335	\$ 7,425,200	\$ 14,494,839	\$ 7,776,546	\$ 22,271,386
2021	10,833,372	4,634,981	15,468,353	3,444,754	1,147,308	4,592,063	14,278,126	5,782,290	20,060,416
2022	10,056,672	4,224,456	14,281,128	3,578,204	1,052,497	4,630,701	13,634,876	5,276,954	18,911,829
2023	10,065,502	3,837,898	13,903,400	3,754,181	958,485	4,712,666	13,819,683	4,796,383	18,616,065
2024	10,190,876	3,441,334	13,632,210	2,582,213	856,956	3,439,169	12,773,089	4,298,289	17,071,379
2025	10,175,882	3,077,901	13,253,783	2,550,768	766,090	3,316,858	12,726,650	3,843,991	16,570,641
2026	9,758,726	2,717,341	12,476,067	2,521,294	675,967	3,197,261	12,280,020	3,393,308	15,673,328
2027	9,354,483	2,380,670	11,735,153	2,610,180	598,112	3,208,292	11,964,663	2,978,782	14,943,445
2028	9,406,999	2,054,820	11,461,819	2,661,111	520,824	3,181,935	12,068,110	2,575,644	14,643,754
2029	7,410,727	1,763,579	9,174,306	2,448,901	445,190	2,894,091	9,859,628	2,208,769	12,068,397
2030	6,871,271	1,505,280	8,376,551	2,602,301	371,039	2,973,340	9,473,572	1,876,319	11,349,891
2031	7,123,471	1,258,658	8,382,129	2,209,224	303,120	2,512,344	9,332,695	1,561,778	10,894,473
2032	6,543,959	1,026,256	7,570,215	1,805,289	241,941	2,047,230	8,349,248	1,268,197	9,617,445
2033	5,997,935	820,399	6,818,334	1,632,876	191,541	1,824,417	7,630,811	1,011,940	8,642,751
2034	5,377,527	633,787	6,011,314	1,289,858	149,953	1,439,811	6,667,385	783,740	7,451,125
2035	4,763,740	464,191	5,227,931	1,330,231	112,874	1,443,105	6,093,971	577,065	6,671,036
2036	3,905,584	319,338	4,224,922	1,369,989	74,272	1,444,261	5,275,573	393,610	5,669,183
2037	3,160,103	206,327	3,366,430	1,018,436	39,275	1,057,711	4,178,539	245,602	4,424,141
2038	2,445,707	118,386	2,564,093	453,348	18,109	471,457	2,899,055	136,495	3,035,550
2039	1,678,969	52,869	1,731,838	266,031	7,166	273,197	1,945,000	60,035	2,005,035
2040	870,024	13,052	883,076	94,980	1,425	96,405	965,004	14,477	979,481
2041	-	-	-	-	-	-	-	-	-
	<u>\$ 145,974,503</u>	<u>\$ 39,414,734</u>	<u>\$ 185,389,237</u>	<u>\$ 44,736,034</u>	<u>\$ 11,445,479</u>	<u>\$ 56,181,513</u>	<u>\$ 190,710,537</u>	<u>\$ 50,860,214</u>	<u>\$ 241,570,751</u>

Source: Washington County Department of Budget and Finance

* Totals may not foot due to rounding.

Washington County Schedule of Debt Service
Requirements of Long-term Obligations
As of June 30, 2019
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
2020	\$ 14,494,839	\$ 7,776,546	\$ 22,271,386	\$ -		\$ -	\$ 14,494,839	\$ 7,776,546	\$ 22,271,386
2021	14,278,126	5,782,290	20,060,416			-	14,278,126	5,782,290	20,060,416
2022	13,634,876	5,276,954	18,911,829			-	13,634,876	5,276,954	18,911,829
2023	13,819,683	4,796,383	18,616,065			-	13,819,683	4,796,383	18,616,065
2024	12,773,089	4,298,289	17,071,379			-	12,773,089	4,298,289	17,071,379
2025	12,726,650	3,843,991	16,570,641			-	12,726,650	3,843,991	16,570,641
2026	12,280,020	3,393,308	15,673,328			-	12,280,020	3,393,308	15,673,328
2027	11,964,663	2,978,782	14,943,445			-	11,964,663	2,978,782	14,943,445
2028	12,068,110	2,575,644	14,643,754			-	12,068,110	2,575,644	14,643,754
2029	9,859,628	2,208,769	12,068,397			-	9,859,628	2,208,769	12,068,397
2030	9,473,572	1,876,319	11,349,891			-	9,473,572	1,876,319	11,349,891
2031	9,332,695	1,561,778	10,894,473			-	9,332,695	1,561,778	10,894,473
2032	8,349,248	1,268,197	9,617,445			-	8,349,248	1,268,197	9,617,445
2033	7,630,811	1,011,940	8,642,751			-	7,630,811	1,011,940	8,642,751
2034	6,667,385	783,740	7,451,125			-	6,667,385	783,740	7,451,125
2035	6,093,971	577,065	6,671,036			-	6,093,971	577,065	6,671,036
2036	5,275,573	393,610	5,669,183			-	5,275,573	393,610	5,669,183
2037	4,178,539	245,602	4,424,141			-	4,178,539	245,602	4,424,141
2038	2,899,055	136,495	3,035,550			-	2,899,055	136,495	3,035,550
2039	1,945,000	60,035	2,005,035			-	1,945,000	60,035	2,005,035
2040	965,004	14,477	979,481			-	965,004	14,477	979,481
2041	-	-	-			-	-	-	-
	<u>\$ 190,710,537</u>	<u>\$ 50,860,214</u>	<u>\$ 241,570,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,710,537</u>	<u>\$ 50,860,214</u>	<u>\$ 241,570,751</u>

Source: Washington County Department of Budget and Finance

* Totals may not foot due to rounding.

** Inclusive of 2020 Public Improvement Bonds and Refunding Bonds.

Rapidity of Direct Tax-Supported Debt Principal Payment
June 30, 2019
Adjusted to Reflect Issuance of the Bonds

Number of Years	<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	\$ 51,129,396	35.03	\$ -	-
10	97,236,213	66.61	-	-
15	129,150,376	88.47	-	-
20	145,104,479	99.40	-	-
25	145,974,503	100.00	-	-

Source: Washington County Department of Budget and Finance

Anticipated Future Financing

The County currently anticipates issuing additional general obligation bonds for approximately \$30.0 million in fiscal year 2021, \$13.4 million in fiscal year 2022, and \$13.7 million in fiscal year 2023. 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.

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.

Potential Impact of COVID-19 Pandemic on the County

In response to the ongoing 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 and renewed on March 17, 2020. Since the initial and renewed proclamation, the Governor of Maryland has issued a series of executive orders, among other things, prohibiting large gatherings and events, requiring closure of nonessential and certain other businesses and authorizing emergency healthcare delivery. On March 30, 2020, the Governor of Maryland issued an executive order requiring Maryland residents to stay at home except for essential activities. As a result of these executive orders, many businesses and retail establishments in Maryland, including in the County, have closed or materially reduced business activity. Further, the U.S. Treasury Department and the Internal Revenue Service have announced that the federal income tax filing due date is automatically extended from April 15, 2020, to July 15, 2020, and that taxpayers can also defer federal income tax payments due on April 15, 2020, to July 15, 2020. The Maryland Comptroller has extended the deadline for filing Maryland state tax returns and making payments for state income taxes from April 15, 2020, to July 15, 2020.

The County's principal source of revenue is local taxes, which constitute 92.7% of total General Fund operating revenue for fiscal 2019: 53.2% from real property taxes, 36.2% from local income taxes and 3.3% from other local taxes. See "GENERAL FUND REVENUES AND EXPENDITURES" for a further discussion of the County's revenues and revenue sources. Although the County does not currently anticipate that the levy and collection of property taxes will be materially affected, the potential impact of the COVID-19 pandemic cannot be fully determined at this time. The County may experience a decline and delay in income tax collected in the current and upcoming fiscal years, the extent to which the County cannot determine at this time. Certain other revenues are expected to be temporarily affected, primarily for the remainder of fiscal year 2020 and include residential and commercial permits, recordation and transfer tax, admission and amusement tax, interest from investments, gaming revenue, and hotel motel tax. However, for the current fiscal year 2020, the County anticipates other revenues to exceed budget and savings from wages to provide for the anticipated reduction in those aforementioned revenues. As a result of the COVID-19 pandemic, the County may experience an increase in expenses for emergency preparedness, public health and personnel costs. Of those expenditures, the County anticipates being reimbursed the allocable shares from other entities on whose behalf the County makes an initial expenditure outlay and is hopeful to recover other portions through FEMA reimbursement. Further, the County increased its income tax rate from 2.8% to 3.2% effective January 2020 for future anticipated costs related to fire and emergency medical services personnel and the projected impact of Kirwan Commission recommendations regarding increased educational spending, the impacts of which on the County are not yet subject to being quantified. Those costs have not materialized to date and will be delayed if possible and necessary. The County has the ability to adjust its spending on certain capital projects and other operating costs to maintain a balanced budget in response to the anticipated challenges of the COVID-19 pandemic. In addition, the County maintains a fund balance in its General Fund which the County may utilize to respond to such challenges. See "GENERAL FUND REVENUES AND EXPENDITURES" for a further discussion regarding the County's General Fund.

The COVID-19 pandemic's long-term impact on the State and local economy and on County pension funding and contribution requirements resulting from reduced investment returns cannot be currently determined. Further, the ongoing COVID-19 pandemic may cause additional economic and health challenges that cannot be anticipated or quantified at this time.

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

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 attached to this Official Statement as Appendix D. Potential purchasers of the Bonds should note that the definition of Listed Events in Appendix D is intended to completely restate the events specified in Rule 15c2-12. It is noted that certain Listed Events are expected to have no applicability to the Bonds, such as the possibility of unscheduled draws on debt service reserves or credit enhancements, substitution of credit or liquidity providers or their failure to perform, and matters affecting collateral for the Bonds.

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 of each series were offered by the County at competitive bidding on June 9, 2020, in accordance with the official Notice of Sale (a copy of which is attached as Appendix C). The interest rates shown on the inside cover page of this Official Statement are the interest rates resulting from the award of each series of the Bonds at the competitive bidding. The prices or yields shown on the inside cover page of this Official Statement for each series of the Bonds were furnished by the successful bidder for each series 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 applicable series of the Bonds and not from the County. _____ was the successful bidder for the Public Improvement Bonds and _____ was the successful bidder for the Refunding Bonds.

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 each series of the Bonds is conditioned upon delivery by Bond Counsel of an opinion relating to such series of the Bonds substantially in the applicable form set forth in Appendix B to this Official Statement. The certified text of the approving legal opinion for each series of the Bonds will be printed on or attached to such series of the Bonds.

Independent Auditors

The financial statements as of June 30, 2019, 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.

Verification of Mathematical Computations

The arithmetical accuracy of certain computations included in the schedules provided by Davenport & Company LLC, the financial advisor to the County, on behalf of the County relating to (i) computation of forecasted payments of principal and interest to pay accrued interest on the Refunded bonds and to redeem the Refunded Bonds, and (ii) computation of yields on the Bonds and the Acquired Obligations was examined by The Arbitrage Group, Inc. (the “Verification Agent”). Such computations were based solely upon assumptions and information supplied by Davenport & Company LLC on behalf of the County. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

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: _____
Jeffrey A. Cline
President, Board of County Commissioners

Agenda Report Form**Open Session Item**

SUBJECT: Review DRAFT of Washington County and City of Hagerstown COVID-19 Small Business Emergency Relief Grant Fund

PRESENTATION DATE: May, 19th, 2020

PRESENTATION BY: Susan Small, Director of Business Development

RECOMMENDED MOTION: N/A

REPORT-IN-BRIEF: All County assets and departments have been reporting through the Joint Information Center (JIC) throughout the COVID-19 threat to ensure a unified and efficient response. The City of Hagerstown Department of Community and Economic Development, along with Washington County's Department of Business Development, have been actively engaged to participate with the Emergency Operations Center as stakeholders in the Emergency Support Function -18 for Economic Resources (ESF-18), transitioning now to the Recovery Support Function – 2 (RSF-2) for Economic Recovery.

The Federal Government has passed the CARES Act which includes a fund titled the Coronavirus Relief fund. This fund was established to assist County and Municipal governments offset expenses incurred in their response to COVID-19. Washington County Government has been allotted \$13,178,443.00 for non-Public Health related response activities to the COVID-19 crisis. The purpose of today's discussion is to review and gather comments of the Washington County and City of Hagerstown COVID-19 Small Business Emergency Relief Grant Fund.

DISCUSSION: Washington County Department of Business Development in partnership with the Washington County Department of Grant Management and the City of Hagerstown's Department of Community and Economic Development has put together a program for the use of the funding available through the CARES Act. The CARES Act Business Stabilization Program has a proposed funding amount of \$8,960,000. The program will be a grant and/or loan program created to help local employers sustain operations, stabilize economic and employment by retaining employees, pay vendors, utilities, rent or mortgage and address the unforeseen reduction in production, consumer demand and unbudgeted and unknown costs associated with a new way of operating under the COVID-19 regulations. Broadly, we intend to distribute funds based on; eligibility associated with specific industries, eligibility associated with thresholds such as; employee count, time in business, and a requirement to be in good standing.

The task force has created the attached DRAFT program description, application and guidelines, and is actively working on the efficiency and swiftness of the administration of the program. The portal or electronic acceptance of documents is still under investigation by the teams through research with our respective information system departments.

FISCAL IMPACT: N/A

CONCURRENCES: N/A

ATTACHMENTS: Draft Summary of further detailed CARES Act Business Stabilization Plan

Draft Summary

Washington County and City of Hagerstown COVID-19 Small Business Emergency Relief Grant Fund

This COVID-19 Small Business Emergency Relief Grant Fund offers working capital to assist Washington County and City of Hagerstown small businesses with disrupted operations due to COVID-19. Grant assistance is intended to provide interim relief complementing actions with its bank, business interruption insurance, and financial partners.

- Grants up to \$10,000 not to exceed 3 months of cash operating expenses businesses impacted by the COVID-19 with 50 or fewer employees.
- Must be established and operating prior to September 1, 2019.
- Business must be in good standing prior to January 1, 2020
- Annual Revenues of the business must not exceed \$5 million (Applicant, its parent subsidiaries and affiliates, if any, with combined revenues not to exceed \$5 million) as evidenced by Financial Statement or other financial documentation.
- Business is expected to demonstrate efforts to obtain longer term funding through its bank, SBA, or other source.
- Business will be asked to make a good faith effort to retain/rehire employees and have willing intentions to continue operating the business for at least the next 12 months. (The program is not intended for businesses considering permanent closure or bankruptcy proceedings.)
- Program is subject to funding ability.
- Grants will be awarded up to the total funds available.
- Grant award amount will depend on level of demonstrated impact from COVID-19 and demonstrated business sustainability.
- Grants will be processed on a first come, first serve basis.

Eligible uses include:

- Working capital to support operating expenses including payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of operations.
- Working capital for unbudgeted costs to modify operations and/or reopen safely in response to COVID-19.
- Grant funds cannot be used solely to replace lost revenues, and must be spent for operating expenses.
- Grant funds cannot be used for non-critical inventory, equipment, software purchases, subscription services.

The eligible business must demonstrate financial stress or disrupted operations, which may include but are not limited to:

- Notice of inability to make rent or loan payments due to reduced sales/income, suspended operations.
- Increased cost related to COVID-19 prevention measures.
- Notice of disrupted supply network leading to shortage of critical inventory or materials.
- Other circumstances subject to review on a case by case basis.

Ineligible Applicants:

Businesses such as:

- Non-profit organizations
- Real estate holding companies, LLC's, Property Management Companies, and the like.
- Bail bonds
- Store front churches
- Home based businesses,
- Hookah shops, tattoo businesses, adult bookstores or other adult businesses, gambling businesses or the like.
- Applicants who were not in good standing with the City, County, State or Federal Governments prior to January 1, 2020.