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BOARD OF COUNTY COMMISSIONERS

July 21, 2020

OPEN SESSION AGENDA

The meeting of the Board of County Commissioners of Washington County will be held at 100 West Washington Street, Suite 1113, Hagerstown. Due to Governor Hogan's Executive Order and gathering restrictions, Board members will be practicing social distancing. County buildings remain closed to public access except by appointment. Therefore, there will be no public attendance in the meeting chambers. The meeting will be live streamed on the County's YouTube and Facebook sites.

- 10:00 AM** **MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE**
CALL TO ORDER, *President Jeffrey A. Cline*
- 10:05 AM** **APPROVAL OF MINUTES: June 22, 2020**
- 10:10 AM** **COMMISSIONERS' REPORTS AND COMMENTS**
- 10:20 AM** **STAFF COMMENTS**
- 10:25 AM** **CONVENE AS BOARD OF HEALTH**
- 10:26 AM** **AWARD OF GRANT TO REIMBURSE MERITUS HEALTH – COVID 19 PUBLIC HEALTH RESPONSE FUNDS** – *Earl Stoner, Health Officer; Daniel Triplett, Administrator*
- 10:30 AM** **AUTHORIZE AN INTERAGENCY AGREEMENT BETWEEN THE BOARD OF COUNTY COMMISSIONERS AND THE WASHINGTON COUNTY HEALTH DEPARTMENT FOR THE CARES ACT 2020 REIMBURSEMENT** – *Earl Stoner, Health Officer; Daniel Triplett, Administrator*
- 10:35 AM** **RECONVENE AS THE BOARD OF COUNTY COMMISSIONERS**
- 10:40 AM** **FY22 FAMILY LAW FUND** – *Kristin Grossnickle, Court Administrator, Washington County Circuit Court; Allison Hartshorn, Grant Manager, Office of Grant Management*
- 10:45 AM** **BUDGET ADJUSTMENT – CASCADE TOWN CENTRE** – *Sara Greaves, CFO; Andrew Eshleman, Director, Public Works*
- 10:50 AM** **AUDIT AND AGREED UPON PROCEDURES PRESENTATION** – *Chris Lehman, Engagement Partner*
- 11:00 AM** **PUBLIC HEARING: Not to Exceed \$165,000,000 of ECONOMIC DEVELOPMENT REVENUE BONDS FOR THE BENEFIT OF HOMEWOOD AT WILLIAMSPORT, MD, INC. AND HOMEWOOD AT FREDERICK MD, INC. AND PROPOSED RESOLUTION** – *Lindsey A. Rader, Bond Counsel for Washington County; Sara Greaves, CFO*
- 11:10 AM** **BONNARD J. & PEGGY R. MORGAN RURAL LEGACY PROGRAM EASEMENT** – *Chris Boggs, Land Preservation Planner, Planning and Zoning*

- 11:15 AM** **COVID-19 PUBLIC RELATIONS PROJECT** – *Charles Brown, Emergency Manager, EMS*
- 11:20 AM** **CARES ACT REALLOCATION DISCUSSION** – *Sara Greaves, CFO; Susan Buchanan, Director, Office of Grant Management; Susan Small, Director, Business Development; Charles Brown, Emergency Manager, EMS*
- 11:35AM** **PANGBORN PARK DREDGING** – *Dave Mason, Deputy Director, Solid Waste*
- 11:45 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*
- 11:55 AM** **ADJOURNMENT**



Agenda Report Form

Open Session Item

SUBJECT: Convene as *Board of Health*: **Award a grant to reimburse Meritus Health for its efforts in combating COVID-19 in Washington County using funds provided through the CARES Act (2020) - COVID-19 Public Health Response Funds**

PRESENTATION DATE: July 21, 2020

PRESENTATION BY: Earl Stoner, Health Officer, and Daniel Triplett, Administrator

RECOMMENDED MOTION: Award a grant to Meritus Health for supplies and equipment purchased by Meritus Health specifically to address the COVID-19 pandemic.

REPORT-IN-BRIEF: The Washington County Health Department has been provided funding through the federal CARES Act (2020) via the Maryland Department of Health to support the Public Health Response to COVID-19 in Washington County. As a key partner in battling the public health impact of the COVID-19 pandemic, the health department has set aside \$6,000,000.00 to assist Meritus Health by reimbursing for supplies and equipment necessary to combat COVID-19. The supplies and equipment must have been or will be purchased between March 19, 2020 – December 30, 2020 and necessary to combat the COVID-19 pandemic; were not previously included in any of Meritus Health's operational budgets prior to March 27, 2020 and are not reimbursable to Meritus Health through any other federal or State source of funds.

DISCUSSION: N/A

FISCAL IMPACT: No money is being requested. 100% of the funds used for reimbursement are federal funds through the CARES ACT (2020).

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: Reimbursement Contract

**STATE OF MARYLAND
MARYLAND DEPARTMENT OF HEALTH
REIMBURSEMENT CONTRACT
CARES Act (2020) COVID-19 Public Health Response Funds Reimbursement (F913M)**

THIS CONTRACT (the "Contract"), is made as of the _____ day of _____, 20____ by and between the STATE OF MARYLAND, acting through the MARYLAND DEPARTMENT OF HEALTH, Washington County Health Department ("Department"), and

Meritus Health

("Contractor") whose principal office in Maryland is

and whose principal business address is

WHEREAS the current COVID-19 pandemic has placed a tremendous strain on the general public health and all providers who support the public health throughout Washington County, Maryland;

WHEREAS the United States government has passed the CARES Act (2020) providing funds for jurisdictions throughout the United States to assist with public health response to the COVID-19 pandemic;

WHEREAS the Washington County Health Department has been identified by the State of Maryland as the custodian of these public health response funds for Washington County, Maryland; and

WHEREAS the Washington County Health Department recognizes the vital role that Meritus Health Medical Center provides in combating the COVID-19 pandemic and the unanticipated financial strain this has caused;

The parties agree as follows:

1. Scope of Contract.

- (a) The Washington County Health Department will reimburse Meritus Health for supplies and equipment purchased by Meritus Health to address the COVID-19 pandemic, provided that such supplies and equipment:
- i. Are purchased between March 19, 2020 and December 30, 2020;
 - ii. Are necessary to combat the COVID-19 pandemic;
 - iii. Were not previously included in any of Meritus Health's operational budgets prior to March 27, 2020; and
 - iv. Are not reimbursable to Meritus Health through any other federal or State source of funds.

The scope of work or solicitation dated N/A is attached and incorporated by reference as Exhibit N/A . The Contractor's bid or proposal dated N/A is attached and incorporated by references as Exhibit N/A . If there is any conflict between this Contract and any exhibits incorporated by reference, the terms of this contract shall govern. If there is any conflict among the Exhibits, the following order of precedence shall determine the prevailing provision: Exhibit A – the scope of work or solicitation and Exhibit B – the Contractor's bid or proposal.

- (b) **Changes.** This Contract may be amended only with the written consent of both parties. Amendments may not change significantly the scope of the Contract (including the Contract price).

2. Term of Contract. The term of this Contract shall be for the period of _____ July 1 _____, 20 20 through _____ December 30 _____, 20 20 .

3. Compensation and Method of Payment.

- (a) **Compensation.** The total compensation for reimbursement for supplies and equipment purchased by the Contractor shall not exceed \$6,000,000.00.
- (b) **Method of Payment.** The Department shall pay the Contractor no later than thirty (45) days after the Department receives a proper invoice from the Contractor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, State Finance and Procurement Article, Maryland Code, are prohibited.
- (c) **Tax Identification Number.** The Contractor's Federal Tax Identification Number is _____ . The Contractor's Social Security Number is _____ (Individual Contractor Only). Contractor's Federal Tax Identification Number (or Social Security Number - Individual Contractor Only) shall appear on all invoices submitted by the Contractor to the Department for payment.
- (d) **Invoicing.** All invoices for services shall be signed by the Contractor and submitted to the Procurement Officer. All invoices shall be submitted along with any supporting documentation to prove the expenses were incurred by the contractor. All invoices shall include the following information:
- Contractor name;
 - Remittance address;
 - Federal taxpayer identification number;
 - Invoice period;
 - Invoice date;
 - Invoice number
 - Goods or services being submitted for reimbursement; and
 - Amount due.

Invoices submitted without the required information and inclusive of the supportive documentation cannot be processed for payment until the Contractor provides the required information.

Supporting Documentation Requirements

The Washington County Health Department is required to ensure that all expenses disbursed under grant programs are made within the scope of the Condition of Awards and only appropriate expenses are reimbursed under the grant. As such, supporting documentation is required to support expenses invoiced under this contract.

- For reimbursement of salaries and related personnel costs, copies of payroll reports or other proof of payments/costs must be submitted along with the invoice. Reports must detail amounts paid to or on behalf of (salary and fringe costs) individual employees.
- For equipment purchases that are approved under the grant award, originals or copies of receipts for the equipment must be submitted along with the invoice.
- For any sub-contracted services allowable under the grant award, copies of invoices from the sub-contractors must be submitted along with the invoice. Sub-contracted services must be pre-approved by the Contract Monitor. Supportive documentation proving the costs and expenses of the sub-contractor will also need to be provided.
- For any supplies, utility costs, fuel purchases, or other expenses allowable for reimbursement under the grant award, copies of receipts or invoices must be submitted along with the invoice.

Onsite Visit/Audit

For service contracts, the Washington County Health Department, will perform one or more onsite visits to ensure that services provided by the contractor are consistent with this contract and any applicable conditions of award. This site visit may include a financial review to audit the accuracy of invoices and billed expenses. If a visit is made to ensure that a service is being performed at a specific time, it may be

unannounced.

4. **Procurement Officer.** The Department designates Brenda Cole, Procurement Officer to serve as Procurement Officer for this Contract. All contact between the Department and the Contractor regarding all matters relative to this Contract shall be coordinated through the Procurement Officer.
5. **Disputes.** Disputes arising under this Contract shall be governed by State Finance and Procurement Article, Title 15, Subtitle 2, Part III, Annotated Code of Maryland, and by COMAR 21.10 Administrative and Civil Remedies. Pending resolution of a dispute, the Contractor shall continue to perform this Contract, as directed by the Procurement Officer.
6. **Termination for Convenience.** The State may terminate this Contract, in whole or in part, without showing cause upon prior written notification to the Contractor specifying the extent and the effective date of the termination. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with termination of the Contract. However, the Contractor may not be reimbursed for any anticipatory profits which have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12(A)(2).
7. **Termination for Default.** If the Contractor does not fulfill obligations under this Contract or violates any provision of this Contract, the Department may terminate the Contract by giving the Contractor written notice of termination. Termination under this paragraph does not relieve the Contractor from liability for any damages caused to the State. Termination hereunder, including the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.
8. **Termination for Nonappropriation.** If funds are not appropriated or otherwise made available to support continuation in any fiscal year succeeding the first fiscal year, this Contract shall be terminated automatically as of the beginning of the fiscal year for which funds are not available. The Contractor may not recover anticipatory profits or costs incurred after termination.
9. **Non-Discrimination in Employment.** The Contractor shall comply with the nondiscrimination provisions of federal and Maryland law, including, but not limited to, the employment provisions of §13-219 of the State Finance and Procurement Article, Maryland Code and Code of Maryland Regulations 21.07.01.08, and the commercial nondiscrimination provisions of Title 19, Subtitle 1, State Finance and Procurement Article, Maryland Code.
10. **Maryland Law Prevails.** The laws of Maryland shall govern the interpretation and enforcement of this Contract. The Maryland Uniform Computer Information Transactions Act (Commercial Law Article, Title 22 of the Annotated Code of Maryland) does not apply to this Contract or any software license acquired hereunder.
11. **Anti-Bribery.** The Contractor certifies that, to the Contractor's best knowledge, neither the Contractor; nor (if the Contractor is a corporation or partnership) any of its officers, directors, partners, or controlling stockholders; nor any employee of the Contractor who is directly involved in the business's contracting activities, has been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state or of the United States.

IN WITNESS THEREOF, the parties have executed this Contract as of the date hereinabove set forth.

CONTRACTOR

**STATE OF MARYLAND
MARYLAND DEPARTMENT OF HEALTH
WASHINGTON COUNTY HEALTH DEPARTMENT**

By: _____ (Seal)

(Printed Name and Title)

Date

By: _____

Earl Stoner, Health Officer
(Printed Name and Title)

Date



Agenda Report Form

Open Session Item

SUBJECT: Convene as *Board of Health: Authorize an Interagency Agreement Between The Board Of County Commissioners And The Washington County Health Department For The Cares Act 2020 Reimbursement For Covid-19*

PRESENTATION DATE: July 21, 2020

PRESENTATION BY: Earl Stoner, Health Officer, and Daniel Triplett, Administrator

RECOMMENDED MOTION: To authorize an Interagency Agreement between the Washington County Commissioners and the Washington County Health Department to enable the health department to reimburse the County for expenses related to COVID-19 Public Health response under the federal CARES ACT (2020).

REPORT-IN-BRIEF: The Washington County Health Department has been provided funding through the federal CARES Act (2020) via the Maryland Department of Health to support the Public Health Response to COVID-19 in Washington County. These funds enable the health department, among other response activities, to provide reimbursement to related agencies that have been and are affected by providing public health support in fighting the spread of COVID-19. The total reimbursement to the Washington County Commissioners is unknown and subject to change in order to allow flexibility to effectively address the public health response to the current pandemic. The Washington County Health Department Health Officer is empowered to approve purchases and/or projects as necessary to address the county response.

DISCUSSION: N/A

FISCAL IMPACT: No money is being requested. 100% of the funds used for reimbursement are federal funds through the CARES ACT (2020).

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: Interagency Agreement

**Maryland Department of Health
Standard Interagency Agreement (IA)
CARES ACT 2020 – COVID 19 Response – F903C**

Section I: Parties, Terms and Cost

A. Parties

This Interagency Agreement, dated _____, and entitled

CARES ACT 2020 – COVID 19 Response Reimbursement (F903C)

is hereby entered into by and between

_____ The Washington County Health Department _____,
a Unit of the Maryland Department of Health (MDH), hereinafter known as "the
WCHD" and

_____ Board of County Commissioners of Washington County, Maryland _____,
a governmental entity of the State of Maryland, including public universities, the
Federal Government, another State government, a municipal or local
government, or a core service agency, local behavioral health authority, or local
addictions authority, hereinafter known as "the Board".

B. Term and Cost

1. The services which are the subject of this IA are to commence on or about
_____ March 19, 2020 _____, and terminate _____ December 30, 2020 _____.
2. The total cost to the WCHD for the provision of the described services
shall not exceed \$ **** unspecified **** _____ for this period of time.

**** The Washington County Health Department will be reimbursing the Board, or related agencies thereof, for purchases directly affecting the public health response to the COVID-19 pandemic throughout Washington County. The total amount of reimbursement is unknown and subject to change in order to allow flexibility to effectively address the public health response to the current pandemic. The Washington County Health Officer is empowered to approve purchases and/or projects as necessary to address the county response.**

C. Term and Cost of Renewal Option(s)

1. This IA may be further renewed for the following period(s):

None

_____. (If none, write "none".)

2. The total cost to the WCHD for the provision of the described service shall not exceed \$ _____ N/A _____ for the option period(s).

D. *Maximum Total Cost of Base Term and Renewal Option(s)* (Sum of I B 2 and I C 2 amounts): **** unspecified **** _____.

Section II: Statement of Work

The Washington County Health Department has received monies under the federal CARES Act (2020) for Public Health Response activities of Washington County, MD in regards to the COVID-19 Pandemic. The purpose of this Interagency Agreement is to provide a means for the Washington County Health Department to reimburse the Board, or any agency thereof, to submit qualified invoices for reimbursement from the Washington County Health Department.

Section III: Budget and Billing

A. Detailed Budget

To qualify for reimbursement, a purchase must be approved by the Washington County Health Officer as necessary for the public health response within Washington County in regards to the COVID-19 pandemic.

All such purchases must be approved by the Washington County Health Officer prior to invoicing the Washington County Health Department for reimbursement

B. Availability of Funding

1. The amount stated in Sec. I D above for this IA is based on State General or Special Funding levels and any applicable Federal Funds (see Section IV F) available as of the approval date of the IA. If applicable State, Special or Federal funding is reduced, this IA may be reduced in scope so that available funding is not exceeded, or terminated under either Section III B 2 or IV L. 2.

2. If the General Assembly fails to appropriate funds, or if funds are not otherwise made available for continued performance for any fiscal period of this IA succeeding the first fiscal period, this IA shall be canceled automatically as of the

beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the WCHD's rights or the Board's rights under any termination clause in this IA. The effect of termination of the IA hereunder will be to discharge both the Board and the WCHD from future performance of the IA, but not from their rights and obligations existing at the time of termination. The Board shall be reimbursed for the reasonable value of any non-recurring cost incurred but not amortized in the price of the IA. The WCHD shall notify the Board as soon as it has knowledge that funds may not be available for the continuation of this IA for each succeeding fiscal period beyond the first.

C. Content of Invoices

As a condition of payment, the Board shall submit to the WCHD Agreement Monitor itemized invoices which state at least the following information:

1. The Board's, or the agency's thereof, name and remittance address;
2. Amount of invoice, including itemized amounts for costs for which payment is requested;
3. Reasonable backup documentation to support the invoice to include copies of invoices for supplies and/or services being sought for reimbursement.
4. Dates or period covered by the invoice for costs incurred or services rendered;
5. Title of project or description of services rendered*; and
6. Federal Tax Identification Number.

* Each time the Board submits an invoice to the WCHD Agreement Monitor it must be supported by adequate supporting documentation unless the invoice itself contains sufficient detail to permit the WCHD Agreement Monitor to conclude that the invoiced amount is appropriate and payment in that amount has been earned under the terms of the IA.

D. Invoices: Payment Frequency and Required Supporting Documentation

1. Payment shall be made at the payment frequency as set forth below:
 - a. Single lump-sum payment upon the WCHD Agreement Monitor's
☐ acceptance of completion of performance as defined in the Scope of Work.

- ☒ b.If payment will be made other than as a single lump-sum payment, the payments will be made at the following frequency:

- ☐ Monthly
- ☐ Quarterly
- ☒ Other, described as follows:

As necessary for reimbursement to the Board

2. All payments will be made by the WCHD upon acceptance by the WCHD Agreement Monitor of a proper Board invoice and adequate supporting documentation, in electronic or hard copy fashion. Supporting documentation shall be adequate, as determined by the WCHD Agreement Monitor, to enable verification of amounts billed by the Board. Supporting documentation consists of the following:

a. Documentation of Expenditures Incurred During the Billing Period

1. *Actual salary and fringe benefits costs:* A payroll expenditure report that provides a detailed breakout of actual total salary and fringe benefit costs paid or incurred during the billing period, itemized by individual name and, if feasible, individual's title. Such a payroll expenditure report shall be either certified or attested to by an appropriate Board representative as an accurate and true representation of salary and benefits, as related to each individual, paid during the billing period and charged on invoices submitted to the WCHD.

2. If applicable, in addition to the foregoing, the Board shall provide documentation as set forth in either (A) or (B) below:

A. For Salary/Benefits billed based on actual effort performed during billing period: Documentation of actual hours worked or actual percentage of total effort spent, during the billing period and related to this IA. Such documentation shall be either certified or attested to by a Board representative as an accurate and true representation of each individual's actual hours worked or actual percentage of total effort expended, as related to this IA, incurred during the billing period and charged on invoices submitted to the WCHD.

B. For Salary/Benefits billed as Fixed Percentage of actuals: Certified effort reports shall be provided that attest to the level of effort expended on services provided as a part of this IA, for each individual

billed under this IA. Such reports shall be provided semi-annually or more frequently if applicable, for each individual billed.

3. *Consultant/Subcontractor Costs*: Paid consultant/subcontractor invoices for which reimbursement is being requested.

4. *Other Direct Costs*: Itemized detail of travel expenses incurred by individuals or other direct costs (e.g., supplies) billed by the Board and related to this IA. The itemized detail of such expenditures may be provided in a report from the Board's general ledger or accounts payable system. If provided in such a manner, such documentation shall be either certified or attested to by an appropriate Board representative as a report from the Board's general ledger or accounts payable system that represents actual expenditures paid, as related to this IA, incurred during the billing period and charged on invoices submitted to the WCHD. If such a report is not submitted to fulfill this requirement, the Board must submit individuals' expense vouchers, copies of related invoices paid or other receipts for any individual costs exceeding \$500.

5. *Additional Requested Documentation*: If the WCHD has concerns regarding an amount billed on an invoice, the WCHD Agreement Monitor may request additional support documentation from the Board such as invoices, travel expense vouchers, or other receipts.

b. Documentation of Deliverables and Services Provided During the Billing Period

1.) All deliverables due during the period billed shall be presented to the WCHD Agreement Monitor upon submission of the invoice, if not previously provided. This includes deliverables due from the Board or its subcontractors for services provided under the IA, as any acceptance criteria may be identified in the Scope of Work.

2.) If for certain tasks, or in general, there are no deliverables due, the WCHD Agreement Monitor may request additional documentation to confirm delivery of services provided during the billing period.

3. The WCHD may withhold payment of an invoice until the WCHD receives and approves all supporting documentation, including any additional documentation requested.

E. *Billing Addresses*

Invoices are to be sent to the WCHD Agreement Monitor identified in Sec. V.

If identified below, a copy (which shall be marked 'copy') shall also be sent to:

Dan Triplett, Administrator
(Individual Name and Title)

1302 Pennsylvania Avenue
(Street and Room Address)

Hagerstown, MD 21742
(City, State and Zip Code)

daniel.triplett@maryland.gov
(e-mail)

Section IV: Mandatory Provisions

A. Nondiscrimination in Employment

The Board agrees:

1. Not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, gender identification, marital status, national origin, ancestry, genetic information, or any otherwise unlawful use of characteristics, or disability of a qualified individual with a disability unrelated in nature and extent so as reasonably to preclude the performance of the employment, or the individual's refusal to submit to a genetic test or make available the results of a genetic test;
2. To include a provision similar to that contained in Subsection 1 above in any underlying subcontract except a subcontract for supplies or raw materials; and
3. To post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

B. *Equal Access*

The Board shall provide equal access to public services to individuals with limited English proficiency in compliance with MD. Code Ann., State Government Article, §10-1101 *et seq.*, and Policy Guidance issued by the Office of Civil Rights, Department of Health and Human Services, and MDH Policy 02.06.07.

C. *Subcontracting*

1. Unless otherwise provided in Attachment B (the Budget), the Board may not during the term of this IA or any renewals or extensions of this IA, assign or subcontract all or any part of this IA without the prior written consent of the WCHD Agreement Monitor.

2. The Board shall itself perform work at a value of not less than fifty percent (50%) of the total amount agreed upon to be paid by the WCHD to the Board under the terms of this IA, including the cost of commodity acquisition. The Board shall assure that all subcontractors shall be bound by the provisions contained in this IA between the parties.

D. *Data – Ownership and Use*

1. The WCHD retains all ownership rights associated with data that the WCHD may provide to the Board. The Board shall not use, sell, sub-lease, assign, give, or otherwise transfer to any third party such data, except that the Board may provide such data to its officers, employees and subcontractors required to have such data for fulfillment of the Board's obligations under this IA. The Board's officers, employees and subcontractors receiving such data shall be advised by the Board of the WCHD's ownership rights and be bound by the WCHD's ownership rights.

2. The Board retains all ownership rights associated with data that it created prior to or outside of this IA.

3. All data created or generated by the Board in the performance of this IA shall be the sole property of the WCHD and shall be available to the WCHD at any time for the WCHD's use without restriction and without compensation to the Board other than the compensation specifically provided by this IA.

4. The WCHD shall have the exclusive right to use, duplicate, disclose and publish any data that may be created or generated by the Board in connection with this IA. The WCHD hereby grants to the Board the right to use or duplicate

data created or generated by the Board in support of internal, non-commercial analysis and academic or other educational purposes subject to the terms and conditions of Section IV(E)(4).

E. Research Results – Ownership, Licenses to Use, Publication and Commercialization

1. Research Results means all inventions, discoveries, copyrightable works, software, policy recommendations, tangible materials and information that are conceived of, first reduced to practice, collected or created in the performance of this IA.
2. Ownership – The WCHD will own all rights, title to and interests in any and all Research Results that are created, conceived of, reduced to practice or authored solely by WCHD employees. Subject to the ownership of the U.S. Government, if applicable, the Board will own all rights, title to and interests in any and all Research Results that are created, conceived of, reduced to practice or authored solely by the Board's employees. The WCHD and the Board will jointly own all rights, title to and interests in any and all Research Results that are created, conceived of, reduced to practice or authored jointly by WCHD and the Board's employees.
3. License to use - Each Party agrees to grant and hereby grants to the other Party a nonexclusive, nontransferable, nonassignable, royalty-free right and license to use Research Results in support of internal, non-commercial analysis and academic or other educational purposes.
4. Disclosure or publication - The WCHD and the Board recognize that Research Results may have merit worthy of disclosure or publication. At the same time, the Parties recognize that they may have competing interests in the publication of proprietary, sensitive or confidential Research Results. The Parties agree that either party may be permitted to propose the disclosure or publication of de-identified Research Results in discussions at public symposia or professional meetings, and to publish same in journals, theses, dissertations or other publications or presentations. The Parties further agree that the Party proposing the disclosure or publication will provide the other Party a copy of any proposed publication or presentation 60 days in advance for review and comment. In the event the Parties are unable to agree to the proposed disclosure or publication, the matter shall be referred to the signatories to this IA, or their successors or superiors, for resolution.
5. Commercialization - In the case where there is a prospective publicly beneficial commercial use(s) of jointly developed Research Results and a Party or the

Parties desires to develop this commercial use, then in such case, WCHD and the Board shall negotiate in good faith reasonable terms and conditions agreeable to both WCHD and the Board to allow the Parties to enter into a commercial licensing agreement.

F. Federal Funding Acknowledgment

1. This IA **does** ☒ or **does not** ☐ contain federal funds.

2. If contained, the source of these federal funds is:

100% - federal CARES Act (2020) – Public Health Response to COVID-19

_____.

The amount of federal funds allocated for this IA, is \$ ** unspecified **
which represents 100 % of all funds budgeted for this IA as identified in
Section I D.

The Catalog of Federal Domestic Assistance (CFDA) number is
 CDC - 209173 .

The Federal Award Identification Number (FAIN) is _____.

The Data Universal Numbering System (DUNS) Number is _____.

3. There **are** ☐ or **are not** ☒ programmatic conditions that also apply to this IA, regardless of the type of funding. If applied, these conditions are also identified in Section VI and provided as attachments.

G. Debarment Affirmation

1. If Federal funds support the activities of this IA (see paragraph F herein), the Board acknowledges, per the United States Office of Management & Budget's Uniform Guidance section 2 CFR 200.213, Suspension and Debarment, the following obligations of Federal granting agencies regarding debarment and suspension:

"Non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive order 1259 and 12689, 2 CFR part 180. These regulations restrict awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Agencies shall also establish procedures to provide for effective use and/or dissemination of the list to assure that their grantees and sub-grantees (including contractors) at any tier do not make awards in violation of the non-procurement debarment and suspension common rule.”

2. The Board also acknowledges and agrees to comply with the requirements of Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland.

H. Document Retention and Inspection

The Board shall retain all records and documents relating to this IA for a period in accordance with any applicable statute of limitations or federal retention requirements. At a minimum, all records and documents related to this IA shall be retained for a period of five years after the final payment by the WCHD or expiration of the term of any federal grant identified in Section IV, whichever is longer, and shall make them available for inspection and audit until any audit is completed by authorized representatives of the WCHD. All records related in any way to the IA are to be retained for the entire time period. In addition, in the event of an audit, the Board shall provide assistance to the WCHD, without additional compensation, to identify, investigate and reconcile any audit discrepancies or variances. This provision shall survive expiration or termination of the IA.

I. Maryland Law

This IA shall be construed, interpreted and enforced according to the laws of the State of Maryland.

J. Compliance with Laws

The Board represents and warrants that it shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this IA.

K. Information Technology

The Board agrees to abide by all applicable federal, State and local laws concerning information security and comply with current State and Department of Information Technology information security policy currently found at <http://doit.maryland.gov/Publications/DolTSecurityPolicy.pdf> unless the Board is a

part of the University System of Maryland (USM), in which case the Board agrees to comply with USM security policy. The Board agrees to notify the WCHD's Agreement Monitor within twenty-four hours of the discovery of any unauthorized access of any the Board's system that accesses, processes or stores WCHD data or works created as a deliverable under this IA.

L. Termination

1. Termination for Cause

If the Board fails to fulfill its obligations under this IA properly and on time, or otherwise violates any provision of the IA, the WCHD may terminate the IA by written notice to the Board. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Board shall, at the WCHD's option, become the WCHD's property, however, nothing in this section will alter the ownership rights of each party as provided in Section IV(D)&(E). The WCHD shall pay the Board fair and equitable compensation for satisfactory performance prior to receipt of notice of termination for cause, less the amount of damages caused by the Board's breach. If the damages are more than the compensation payable to the Board, the Board will remain liable after termination and the WCHD can affirmatively collect damages. This provision may be subject to the limitations set forth by law in the Maryland Tort Claims Act, Maryland Code, State Government Article, Title 12.

2. Termination for Convenience

The performance of work under this IA may be terminated by the WCHD in accordance with this clause in whole, or from time to time in part, whenever the WCHD shall determine that such termination is in the best interest of the WCHD. The WCHD will pay all reasonable costs associated with this IA that the Board has incurred up to the date of termination, and all reasonable costs associated with termination of the IA. In the event of a Termination for Convenience, the Board shall receive sixty (60) days' advance notice of the termination.

M. Ownership of Property Acquired

The Board shall obtain prior written approval of the WCHD Agreement Monitor for any purchase of assets with funds paid under this IA, excluding ordinary office supplies, unless such purchase is described in the Board's Budget. Title to equipment purchased with funds available under this IA

having an acquisition cost of \$500 or more per unit and a useful life of more than one year ("Capital Equipment") shall vest in the WCHD upon acquisition.

All Capital Equipment purchased with funds from this IA shall be used primarily for work under this IA. Prior written approval of the WCHD Agreement Monitor shall be required for use of the equipment, on a non-interference basis, for other work of the Board. The Board shall use all reasonable effort to care for and maintain the equipment. Upon termination of this IA, the WCHD Agreement Monitor shall determine what disposition shall be made of the equipment and shall so notify the Board within thirty (30) days. The Board's Agreement Monitor shall report its acquisition of Capital Equipment covered by this IA to the WCHD Agreement Monitor annually for IAs that last three or more years and upon completion of the IA or the last renewal of this IA.

N. Modifications to this IA

Modifications to this IA must be made only in writing and be signed by the authorized representative of each Party.

Section V: Representatives

The WCHD Agreement Monitor is the primary point of contact within the WCHD for matters relating to this IA. The WCHD Agreement Monitor shall contact the Board's Agreement Monitor immediately if the WCHD is unable to fulfill any of the requirements of, or has any questions regarding the provisions of the IA. The WCHD Agreement Monitor shall be:

Name

Title

Business Address

Business Telephone Number & Email Address

The Board Agreement Monitor is the Board's primary point of contact for matters relating to this IA. The Board's Agreement Monitor shall contact the WCHD Agreement

Monitor immediately if the Board is unable to fulfill any of the requirements of, or has any questions regarding the provisions of the IA. The Board's Agreement Monitor shall be:

Name

Title

Business Address

Business Telephone Number & Email Address

Section VI: Schedule of Attachments Incorporated by Reference

Both parties hereby agree that the documents described below are attached to this IA and hereby incorporated into and made an integral part of this IA:

Title of Document(s)

Additional Attachments (*optional*):

Section VII: Signatures

In acknowledgment of the foregoing description of the services and requirements of this IA, these authorized signatories of the WCHD and the Board do hereby attest to their acceptance of the terms and conditions of this IA, entitled

CARES ACT 2020 – COVID 19 Response Reimbursement (F903C)

For the Board

For the WCHD

BY: _____
Secretary, Maryland Department of Health

Or

BY: _____ BY: _____
Jeffrey A. Cline Earl Stoner

President
Title (Type or Print)

Health Officer
Title (Type or Print)

Date of Signing

Date of Signing

eMM Vendor No. _____

IAAR No. _____ *(internal OPASS use only)*

OPASS No. _____

BPO No. _____

FEIN No. _____



Agenda Report Form

Open Session Item

SUBJECT: FY22 Family Law Fund – Approval to Submit Application and Accept Awarded Funding

PRESENTATION DATE: July 21, 2020

PRESENTATION BY: Kristin Grossnickle, Court Administrator, Circuit Court for Washington County and Allison Hartshorn, Grant Manager, Office of Grant Management

RECOMMENDED MOTION: Move to approve the submission of the FY22 Family Law Fund application in the amount of \$319,756 and accept awarded funding.

REPORT-IN-BRIEF: This grant program provides funds from the Department of Juvenile and Family Service's Grant program of the Maryland Judiciary (DJFS), each year to Washington County Circuit Court to deliver appropriate services available for low income families who appear before the court to resolve family legal matters. Each court within the State of Maryland is required by Maryland Rules 16-204, to have a family support services division to implement the goals and objectives as set forth by the DJFS.

DISCUSSION: Through the Department of Family Service Grant program the following services are funded in the Washington County Circuit Court: salary and fringe benefits of the Family Support Services Coordinator and Permanency Planning Liaison, Family Law Advice Clinic, and as funding allows, Family Services Programs such as parent education classes, custody evaluations, children's attorney, mental health/substance abuse evaluations, parenting coordinators, Alternative Dispute Resolution (ADR)/Mediation, and supervised visitation. The Office of Grant Management has reviewed the grant funding guidelines. This grant is annually recurring. The funder caps pay increases at 3.5%, if there are any pay increases in FY22 in excess of 3.5% the Circuit Court would need to allocate funds within its approved budget for this expense.

FISCAL IMPACT: Provides \$319,756 for the Washington County Circuit Court's Family Court Program.

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: Budget Adjustment – Cascade Town Centre

PRESENTATION DATE: July 21, 2020

PRESENTATION BY: Sara Greaves, CFO; Andrew Eshleman, Director of Public Works

RECOMMENDED MOTION: Move to approve a budget adjustment for the Cascade Town Centre for FY21

REPORT-IN-BRIEF: The adopted FY2021 budget for Cascade Town Centre was developed under the premise that the property would be sold as of July 1, 2020. Due to the delay, the County must revise the budget.

DISCUSSION: Current legal matters must be resolved prior to the sale of Cascade Town Centre. The County has reviewed the budget and accounted for six months of additional operating costs. The original budget for FY21 was \$183,650. The revised budget is \$481,230. For FY21, \$88,350 will be transferred from the General Fund into the Cascade Town Centre fund. The remaining costs will be covered by FY20 fund balance for Cascade Town Centre.

FISCAL IMPACT: \$297,580

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: Budget Adjustment Form

AUDIO/VISUAL TO BE USED: N/A



Washington County, Maryland Budget Adjustment Form

Print Form

- ☐ Budget Amendment - Increases or decrease the total spending authority of an accounting fund or department
- ☒ Budget Transfer - Moves revenues or expenditures from one account to another or between budgets or funds.

Transaction/Post -Finance	<input type="text"/>
Deputy Director - Finance	<input type="text"/>
Preparer, if applicable	<input type="text"/>

Department Head Authorization	<input type="text"/>
Division Director / Elected Official Authorization	<div>Andrew Eshleman <small>Digitally signed by Andrew Eshleman Date: 2020.07.09 14:19:15 -04'00'</small></div>
Budget & Finance Director Approval	<div>Kimberly K Edlund <small>Digitally signed by Kimberly K Edlund Date: 2020.07.09 12:09:56 -04'00'</small></div>
County Administrator Approval	<input type="text"/>
County Commissioners Approval	<input type="text"/>

Required approval with date	<input type="text"/>
If applicable with date	<input type="text"/>
Required approval with date	Jul 9, 2020
Required approval with date	<input type="text"/>
Required > \$ 25,000 with date	<input type="text"/>

Expenditure / Account Number	Fund Number	Department Number	Project Number	Grant Number	Activity Code	Department and Account Description	Increase (Decrease) + / -
490060	22	00000				Cascade - Contributions from Residents	-12,500
490090	22	00000				Cascade - Fund Balance Reserve	221,730
500000	22	22020				Cascade - Full time wages	41,280
500100	22	22020				Cascade - FICA	4,150
500120	22	22020				Cascade - Health insurance	4,450
500125	22	22020				Cascade - Other insurance	500
500130	22	22020				Cascade - Pension	10,370
500140	22	22020				Cascade - Workers Comp	2,660
500170	22	22020				Cascade - Personal Development	120

Explain Budget Adjustment	The sale of Cascade has been delayed and a budget adjustment is needed to fund the cost of one employee for 6 months along with operating costs.
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Required Action by County Commissioners	<input type="radio"/> No Approval Required	<input checked="" type="radio"/> Approval Required	Approval Date if Known	<input type="text"/>
--	--	--	---------------------------	----------------------

Expenditure / Account Number	Fund Number	Department Number	Project Number	Grant Number	Activity Code	Account Description	Increase (Decrease) + / -
500171	22	22020				Cascade - Employee Recognition	90
500172	22	22020				Cascade - Team Building	30
500140	22	22020				Cascade - Office Supplies	380
505160	22	22020				Cascade - Personal Mileage	50
505200	22	22020				Cascade - Safety Equipment	100
505240	22	22020				Cascade - Entertainment /Business Exp	500
510010	22	22020				Cascade - Fleet Insurance	2,500
510020	22	22020				Cascade - Property & Casualty Insurance	7,000
515270	22	22020				Cascade - Maintenance Contract Services	75,000
515315	22	22020				Cascade - Security Services	1,750
525020	22	22020				Cascade - Janitorial Supplies	250
525040	22	22020				Cascade - Small Tools and Equipment	250
526020	22	22020				Cascade - Building Maintenance	5,000
526040	22	22020				Cascade - Equipment Maintenance	10,000
526110	22	22020				Cascade - Snow Removal Materials	500
527030	22	22020				Cascade - Diesel Fuel	500
527040	22	22020				Cascade - Diesel Fuel Tax	50
527050	22	22020				Cascade - Auto Fluids	250
527060	22	22020				Cascade - Auto Gasoline	2,000
527090	22	22020				Cascade - Auto Repairs	1,000
527100	22	22020				Cascade - Auto Tires	300



Washington County, Maryland Budget Adjustment Form

Print Form

- ☐ Budget Amendment - Increases or decrease the total spending authority of an accounting fund or department
- ☒ Budget Transfer - Moves revenues or expenditures from one account to another or between budgets or funds.

Transaction/Post -Finance	<input type="text"/>
Deputy Director - Finance	<input type="text"/>
Preparer, if applicable	<input type="text"/>

Department Head Authorization	<input type="text"/>
Division Director / Elected Official Authorization	<div>Andrew Eshleman <small>Digitally signed by Andrew Eshleman Date: 2020.07.09 14:20:05 -04'00'</small></div>
Budget & Finance Director Approval	<div>Kimberly K Edlund <small>Digitally signed by Kimberly K Edlund Date: 2020.07.09 12:10:54 -04'00'</small></div>
County Administrator Approval	<input type="text"/>
County Commissioners Approval	<input type="text"/>

Required approval with date	<input type="text"/>
If applicable with date	<input type="text"/>
Required approval with date	Jul 9, 2020
Required approval with date	<input type="text"/>
Required > \$ 25,000 with date	<input type="text"/>

Expenditure / Account Number	Fund Number	Department Number	Project Number	Grant Number	Activity Code	Department and Account Description	Increase (Decrease) + / -
535010	22	00000				Cascade - Copy Machine Rental	750
535060	22	00000				Cascade - Uniforms	500
540010	22	22020				Cascade - Wireless Communication	600
545010	22	22020				Cascade - Electric	32,500
545015	22	22020				Cascade - Heating Oil	5,000
545030	22	22020				Cascade - Propane Gas	10,000
545040	22	22020				Cascade - Sewer	75,000
545050	22	22020				Cascade - Waste/Trash Disposal	1,000
545060	22	22020				Cascade - Water	1,000

Explain Budget Adjustment	<input type="text"/>
------------------------------	----------------------

Required Action by County Commissioners	<input type="radio"/> No Approval Required	<input checked="" type="radio"/> Approval Required	Approval Date if Known	<input type="text"/>
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[illegible]



Agenda Report Form

Open Session Item

SUBJECT: Audit and Agreed-Upon Procedures Presentation

PRESENTATION DATE: July 21, 2020

PRESENTATION BY: Chris Lehman, Engagement Partner

RECOMMENDATION: For informational purposes only.

REPORT-IN-BRIEF: The external independent auditors will review the scope of services, the audit and AUP process, and any required communications.

DISCUSSION: On October 29, 2019, the BOCC awarded the contract for Emergency Services Special Procedures and Auditing Services to SB & Company (SBC). SBC performed a set of special procedures and an audit of the financial statements of eight (8) independent emergency services companies and the Washington County Volunteer Fire & Rescue Association.

Washington County Volunteer Fire & Rescue Association
Williamsport Volunteer Fire and EMS Company
Sharpsburg EMS Company
Volunteer Fire & EMS of Halfway
Clear Spring Ambulance Club
Hancock Rescue Squad
Boonsboro Ambulance and Rescue Company
Community Rescue Service Company
Smithsburg Emergency Medical Services

The work performed was in relation to the companies' 2018 financial statements, the most recently completed year for all companies as of the time of procurement.

FISCAL IMPACT: N/A

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: Power point

AUDIO/VISUAL NEEDS: None



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Presentation to the Board of County Commissioners

July 21, 2020



SCOPE OF PROCEDURES

Audit and agreed-upon procedures for the following EMS companies:

Company	Year End
WC Volunteer Fire & Rescue Association	6/30/2018
Williamsport Volunteer Fire & EMS Company	6/30/2018
Sharpsburg EMS Company	6/30/2018
Volunteer Fire & EMS of Halfway	6/30/2018
Clear Spring Ambulance Club	12/31/2018
Hancock Rescue Squad	12/31/2018
Boonsboro Ambulance and Rescue Company	6/30/2018
Community Rescue Service Company	6/30/2018
Smithsburg Emergency Medical Services	6/30/2018

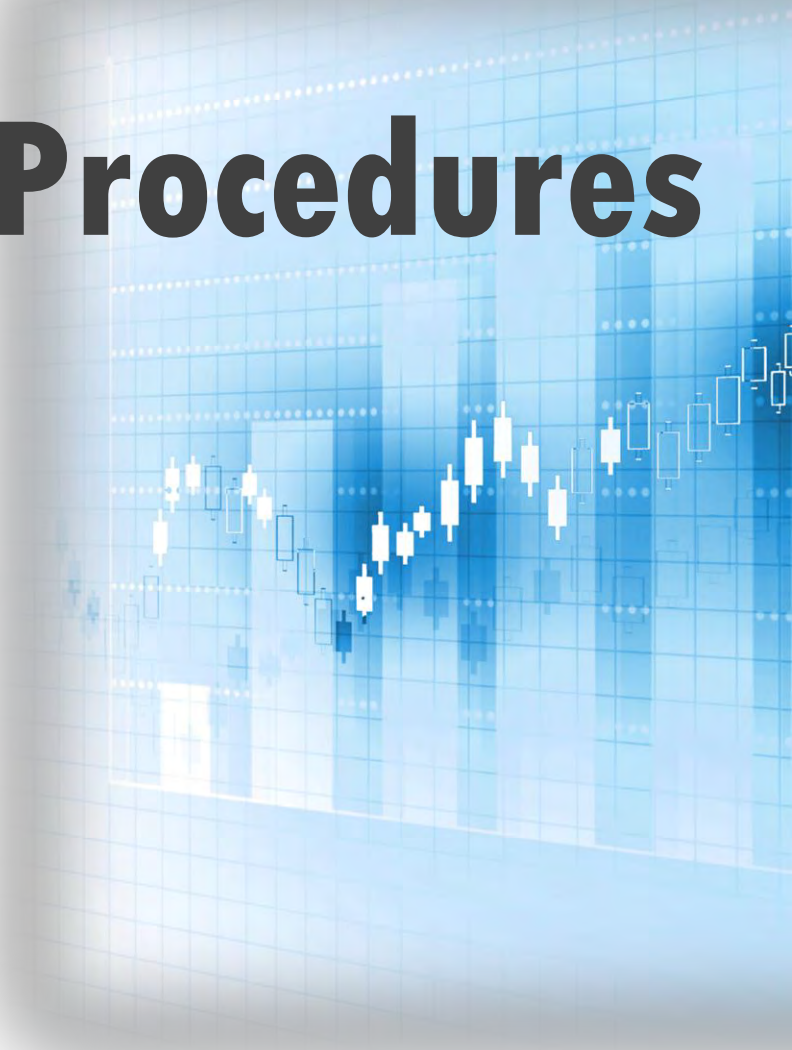


Knowledge

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Agreed Upon Procedures





AGREED-UPON PROCEDURES SUMMARY

Step	Summary of Objective	Summary of Procedure
A	Identify employee benefit programs and policy	Discussed with management/obtained and read policies
Bi	Timely 401k deferrals and remittance	Recalculated for two pay periods and inspected deposit dates
Bii	Employer 401k contribution calculation and remittance	Recalculated for two pay periods and inspected deposit dates
Biii	Availability of Summary Plan Description, Summary Annual Report, 5500	Obtained and read documents
Ci	Review W2's and 1099's for appropriate reporting of either employee or contractor	Obtained and read W2's and 1099's
Cii	Overtime and compensatory accruals are calculated in accordance with DOL standards	Recalculated overtime and compensatory time for two pay periods
Ciii	Test 100% of employees for year-end compensatory time carryover/loss according to policy	Recalculated compensatory time as of year end
Di	Report whether payroll is processed internally or outsourced	Observation, inquires and walkthroughs
Dii	Report any material weakness in internal control	Performed financial statement audit procedures
Ei	Determine if Board members are independent	Observation, inquires and walkthroughs
Eii	Determine if Board members are required to approve certain transactions	Observation, inquires and walkthroughs
Eiii	Determine if Board members are required to sign checks	Observation, inquires and walkthroughs
Eiv	Determine level of reporting to the Board	Observation, inquires and walkthroughs
Ev	Determine activities routinely reported to the Board	Observation, inquires and walkthroughs
F	Review and report on budget process	Observation, inquires and walkthroughs



AGREED-UPON PROCEDURES SUMMARY

Step	Summary of Objective	Summary of Procedure
G	Review and report on payable process	Observation, inquires and walkthroughs
H	Conduct a review using a sample of 10% of expenditures over \$1,000	Obtained invoices and check copies
I	Conduct a review using a sample of 5% of the population under \$1,000	Obtained invoices and check copies
J	Conduct a review of 100% of overnight and out of county travel expenditures	Inquiries, review of general ledger, obtained invoices and check copies
K	Report on related party transactions	Review vendors/names on vendor listing and 990 compared to general ledger
Li	Report on controls and procedures for cash deposits including timelines of deposits	Performed financial statement audit procedures
Lii	Report on membership drive revenue recorded in ledger and compare to donation list	Reconciliation
Liii	Review and report on bank reconciliation procedures	Obtained bank reconciliations for year end, aged balances to ledger/statements
Mi	Determine and report upon the run sheet reconciliation process	Observation, inquires and walkthroughs
Mii	Determine and report upon daily, weekly, or monthly call review	Reconciliation
Miii	Determine and report how patient care reports are processed	Observation, inquires and walkthroughs
N	Report on any volunteer pay found for time spent on fundraising activities	Observation, inquires and walkthroughs
O	Review and report on the 990	Obtained and read the 990



AGREED-UPON PROCEDURES RESULTS

Company	Agreed Upon Procedure Step													
	A	Bi	Bii	Biii	Ci	Cii	Ciii	Di	Dii	Ei	Eii	Eiii	Eiv	Ev
WC Volunteer Fire & Rescue Association														
Williamsport Volunteer Fire & EMS Company														
Sharpsburg EMS Company														
Volunteer Fire & EMS of Halfway														
Clear Spring Ambulance Club														
Hancock Rescue Squad														
Boonsboro Ambulance and Rescue Company														
Community Rescue Service Company														
Smithsburg Emergency Medical Services														

Key	
	Finding noted
	No finding noted
	Procedure did not apply to company



AGREED-UPON PROCEDURES RESULTS

Company	Agreed Upon Procedure Step													
	F	G	H	I	J	K	Li	Lii	Liii	Mi	Mii	Miii	N	O
WC Volunteer Fire & Rescue Association														
Williamsport Volunteer Fire & EMS Company														
Sharpsburg EMS Company														
Volunteer Fire & EMS of Halfway														
Clear Spring Ambulance Club														
Hancock Rescue Squad														
Boonsboro Ambulance and Rescue Company														
Community Rescue Service Company														
Smithsburg Emergency Medical Services														

Key	
	Finding noted
	No finding noted
	Procedure did not apply to company





FINDINGS BY CATEGORY

Company	Material Weaknesses Identified	Bank reconciliations	Journal entries needed - Significant deficiency	Retirement plan calculations	Benefits Policy/ Documentation	Membership drive reconciliation	W2/ 1099 Reporting and Documentation	Improper Related Party Transactions
WC Volunteer Fire & Rescue Association								
Williamsport Volunteer Fire & EMS Company								
Sharpsburg EMS Company								
Volunteer Fire & EMS of Halfway								
Clear Spring Ambulance Club								
Hancock Rescue Squad								
Boonsboro Ambulance and Rescue Company								
Community Rescue Service Company								
Smithsburg Emergency Medical Services								

Key	
	Finding noted
	No finding noted





Knowledge

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Quality

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Client Service

Financial Statement Audits





FORCAM Audit Approach

Focus on Risk, Controls, and Account Misstatement

Agree on Expectations and Deliverables



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SIGNIFICANT RISKS AND AUDIT AREAS

- Cash and cash reconciliations
- Investment valuation
- Collectability of accounts receivable
- Fixed asset accounting
- Completeness of liabilities
- Debt accounting
- Recording of revenue and expenses



FINANCIAL STATEMENT RESULTS

Company	Opinion	Proposed Entries	Material weaknesses identified?	Significant deficiencies identified?
WC Volunteer Fire & Rescue Association	Unmodified	Cash	No	No
Williamsport Volunteer Fire & EMS Company	Unmodified	Year end payables and payroll accruals	No	Yes
Sharpsburg EMS Company	Unmodified	Year end receivable, payables and payroll accruals	No	Yes
Volunteer Fire & EMS of Halfway	Unmodified	Year end receivable, payables and payroll accruals	No	Yes
Clear Spring Ambulance Club	Unmodified	Year end payroll accruals	No	Yes
Hancock Rescue Squad	Unmodified	Year end payables and payroll accruals	Yes	Yes
Boonsboro Ambulance and Rescue Company	Unmodified	Year end receivable, payables and payroll accruals	No	Yes
Community Rescue Service Company	Unmodified	None	No	No
Smithsburg Emergency Medical Services	Unmodified	Cash, prepaid expenses, payables and payroll accruals	Yes	Yes





FINANCIAL STATEMENT HIGHLIGHTS

Company	Assets	Liabilities	Net Assets
WC Volunteer Fire & Rescue Association	\$ 326,906	\$ 68,225	\$ 258,681
Williamsport Volunteer Fire & EMS Company	3,271,829	1,164,137	2,107,692
Sharpsburg EMS Company	1,718,896	825,904	892,992
Volunteer Fire & EMS of Halfway	2,325,028	1,207,729	1,117,299
Clear Spring Ambulance Club	1,263,182	44,756	1,218,426
Hancock Rescue Squad	1,566,078	587,474	978,604
Boonsboro Ambulance and Rescue Company	796,285	42,040	754,245
Community Rescue Service Company	5,229,442	576,726	4,652,716
Smithsburg Emergency Medical Services	583,817	105,768	478,049

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FINANCIAL STATEMENT HIGHLIGHTS

Company	Revenue	Expenses	Change in Net Assets	Depreciation	Debt Service (Principal and interest)
WC Volunteer Fire & Rescue Association	\$ 1,089,744	\$ 1,120,534	\$ (30,790)	\$ 6,788	\$ -
Williamsport Volunteer Fire & EMS Company	1,586,453	1,714,779	(128,326)	240,593	161,859
Sharpsburg EMS Company	713,081	793,056	(79,975)	66,558	56,227
Volunteer Fire & EMS of Halfway	3,628,588	3,609,452	19,136	210,246	211,535
Clear Spring Ambulance Club	510,440	622,137	(111,697)	75,422	-
Hancock Rescue Squad	729,059	755,633	(26,574)	120,897	75,971
Boonsboro Ambulance and Rescue Company	763,672	817,278	(53,606)	23,951	-
Community Rescue Service Company	4,269,924	4,355,589	(85,665)	281,521	75,773
Smithsburg Emergency Medical Services	902,161	1,261,875	(359,714)	113,297	34,156

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MATERIAL WEAKNESSES

- Definition- A deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.
 - Smithsburg Emergency Medical Services
 - Bank reconciliations not completed (fraud risk)
 - Lack of controls and monitoring around payroll process
 - Payroll related accruals not recorded at year end
 - Hancock Rescue Squad
 - All bank reconciliations not completed on monthly basis (fraud risk)
 - Single general ledger not maintained during fiscal year
 - Significant year end adjustments
 - Payroll related accruals not recorded at year end





SIGNIFICANT DEFICIENCIES

- Definition-A deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
 - Williamsport Volunteer Fire & EMS Company
 - Year end payables and payroll related accruals
 - Sharpsburg EMS Company
 - Year end receivable, payables and payroll related accruals
 - Volunteer Fire & EMS of Halfway
 - Year end receivable, payables and payroll related accruals
 - Clear Spring Ambulance Club
 - Year end payroll accruals



SIGNIFICANT DEFICIENCIES

- Hancock Rescue Squad
 - Year end payables
- Boonsboro Ambulance and Rescue Company
 - Year end receivable, payables and payroll related accruals
- Smithsburg Emergency Medical Services
 - Year end payables and payroll related accruals
 - Write-off of prepaid assets



ENGAGEMENT TEAM

CONTACT INFORMATION



Chris Lehman
Engagement Partner

Office: (410) 584-2201
Mobile: (301) 785-7408
clehman@sbandcompany.com

Executive Assistant:
Susan Teneza
Office: (410) 584-9303
Email: steneza@sbandcompany.com

SB & COMPANY, LLC



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410.584.0060

Washington, DC Office:

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Suite 821
Washington, DC 20005
202.803.2335

Philadelphia Office:

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Suite 1200
Philadelphia, PA 19102
215.665.5749

Richmond Office:

6802 Paragon Place
Suite 410
Richmond, VA 23230
804.441.6206

South Florida Office:

4000 Hollywood
Suite 555-S
Hollywood, FL 33021
954.843.3477



Agenda Report Form

Open Session Item

SUBJECT: Bonnard J. & Peggy R. Morgan Rural Legacy Program (RLP) Easement

PRESENTATION DATE: July 21, 2020

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

RECOMMENDED MOTION: Move to approve the Bonnard J. & Peggy R. Morgan RLP Easement project, in the amount of \$28,066.64 for 10.47 easement acres, paid for 100% by the Maryland Department of Natural Resources, and to adopt an ordinance approving the easement purchase and to authorize the execution of the necessary documentation to finalize the easement purchase.

REPORT-IN-BRIEF: The Morgan property is located on Snyders Landing Rd., Sharpsburg, and the easement will serve to permanently preserve a valuable scenic, environmental and historic property in the County. The parcel is made up of woodland and will aid in buffering the Potomac River. It lies in a part of Washington County that was heavily trafficked during the Civil War and the Battle of Antietam.

The property is in an area of the County contiguous to thousands of acres of preserved farmland near Antietam Battlefield and will aid in expanding the current block of protected lands. Two (2) development rights will be extinguished with this easement. There are no dwellings on the property.

DISCUSSION: Since 1998, Washington County has been awarded more than \$23 million to purchase Rural Legacy easements on more than 7,000 acres near Antietam Battlefield in the Rural Legacy Area. RLP is a sister program to the Maryland Agricultural Land Preservation Program (MALPP) and includes the protection of environmental and historic features in addition to agricultural parameters. RLP uses an easement valuation system (points) to establish easement value rather than appraisals used by MALPP. For FY 2020, Washington County was awarded RLP grants totaling \$1,502,982. The Morgan RLP Easement will use part those funds. Easement applicants were previously ranked based on four main categories: the number of development rights available, the quality of the land/land management (agricultural component), natural resources (environmental), and the historic value.

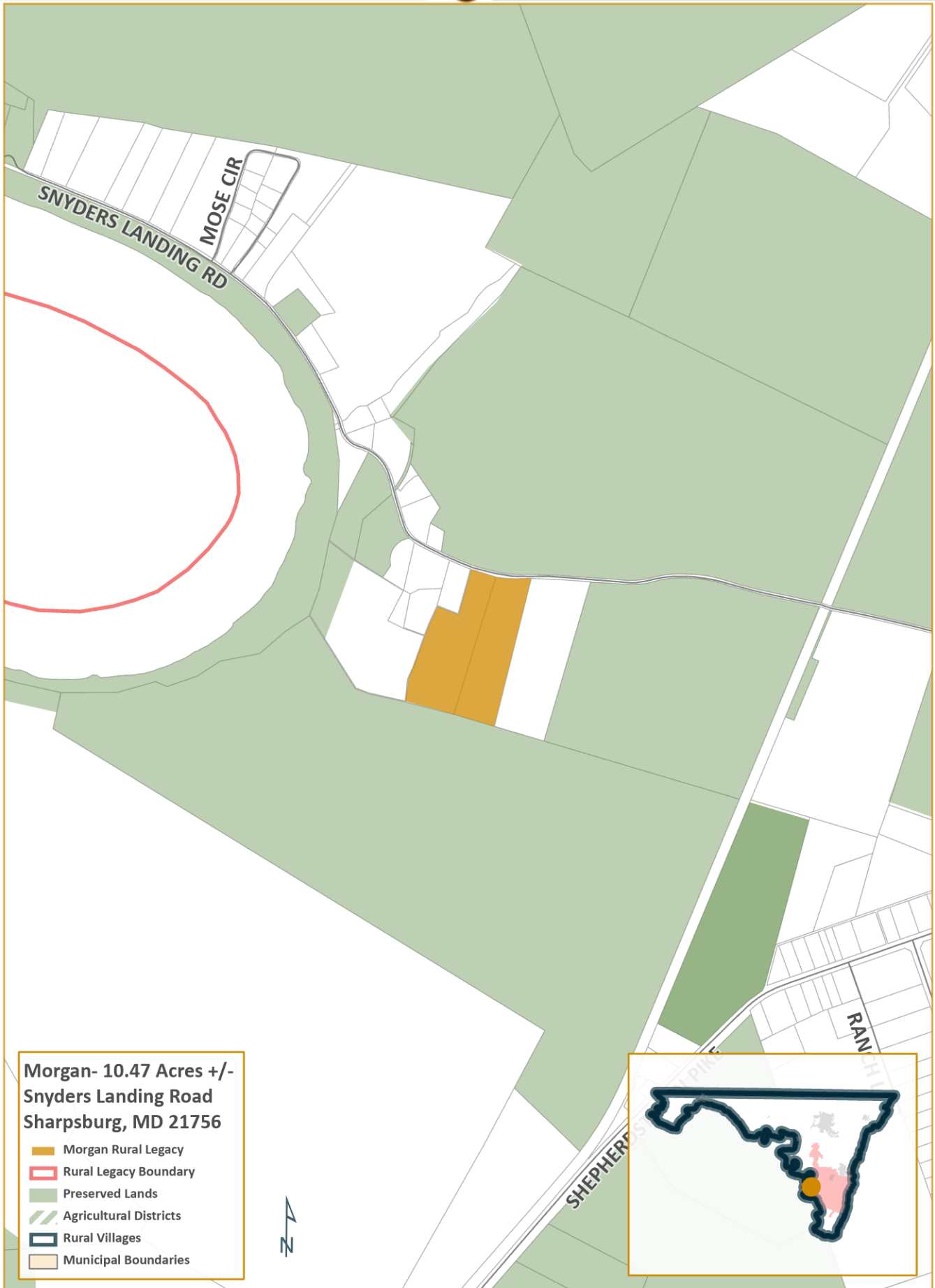
FISCAL IMPACT: RLP funds are 100% State dollars, mainly from DNR Open Space funds. In addition to the easement funds, we receive up to 3% of the easement value for administrative costs, a mandatory 1.5% for compliance/monitoring costs, and funds to cover all of our legal/settlement costs.

CONCURRENCES: Both the State RLP Board and the State Department of Natural Resources (DNR) staff have approved and support our program. A final money allocation will be approved by the State Board of Public Works.

ALTERNATIVES: If Washington County rejects State funds for RLP, the funds will be allocated to other counties in Maryland.

ATTACHMENTS: Aerial Map, Location Map, Ordinance

AUDIO/VISUAL NEEDS: N/A





**AN ORDINANCE TO APPROVE THE PURCHASE OF A CONSERVATION
EASEMENT UNDER THE MARYLAND RURAL LEGACY PROGRAM
(Re: *Morgan RLP Easement*)**

RECITALS

1. The Maryland Rural Legacy Program (“RLP”) provides the funding necessary to protect large, contiguous tracts of land and other strategic areas from sprawl development and to enhance natural resource, agricultural, forestry and environmental protection through cooperative efforts among State and local governments.

2. Protection is provided through the acquisition of easements and fee estates from willing landowners and the supporting activities of Rural Legacy Sponsors and local, State, and federal governments.

3. For FY 2020, Washington County (the "County") was awarded a RLP grant totaling \$1,502,982.00 (the "RLP Funds").

4. Bonnard J. and Peggy R. Morgan are the fee simple owners of real property consisting of 10.47 acres, more or less, (the “Property”) in Washington County, Maryland. The Property is more particularly described on Exhibit A attached hereto.

5 The County has agreed to pay the sum of approximately Twenty-Eight Thousand Sixty-Six Dollars and Sixty-Four Cents (\$28,066.64), which is a portion of the RLP Funds, to the Property Owner for a Deed of Conservation Easement on the Property (the “Morgan RLP Easement”).

THEREFORE, BE IT ORDAINED by the Board of County Commissioners of Washington County, Maryland, that the purchase of a conservation easement on the Property be approved and that the President of the Board and the County Clerk be and are hereby authorized and directed to execute and attest, respectively, all such documents for and on behalf of the County relating to the purchase of the Morgan RLP Easement.

ADOPTED this ____ day of _____, 2020.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND

Krista L. Hart, Clerk

BY: _____
Jeffrey A. Cline, President

Approved as to legal sufficiency:

B. Andrew Bright
Assistant County Attorney

Mail to:

Office of the County Attorney
100 W. Washington St., Suite 1101
Hagerstown, MD 21740

EXHIBIT A
DESCRIPTION OF EASEMENT PROPERTY

All those tracts, lots or parcel of land, and all the rights, ways, privileges and appurtenances thereunto belonging or in anywise appertaining, situate in Election District No. 1, Washington County, Maryland, being more particularly described as follows;

PARCEL NO. 1, Tax Account No. 01-009222: All that parcel of land fronting approximately 204 feet on the South side of the road leaving from Sharpsburg to Snyder's Landing in Election District No. 1, Washington County, Maryland, and more particularly described as follows, according to a survey prepared by Fox & Associates, dated September 5, 1968, and as shown on Fox Drawing No. A-167, entitled "Parcel B, Chapline Estates", BEGINNING at an iron pin set in the first line of Parcel No. 2 in a Deed from Clara F. Line to Victorine M. Morgan dated May 31, 1958, and recorded in Liber 336, folio 70 among the Land Records of Washington County, Maryland, said iron pin also marking the Southeast corner of a tract of land known as Parcel A, Chapline Estates, and running thence with the Eastern boundary of "Parcel A" North 27 degrees 02 minutes East 789.28 feet to a point; thence North 27 degrees 02 minutes East 101.84 feet to a nail in the middle of the Sharpsburg-Snyder's Landing Road; thence with the road South 77 degrees 54 minutes East 110.43 feet; South 77 degrees 54 minutes East 93.67 feet to a point; thence with "Parcel C", Chapline Estates, South 21 degrees 51 minutes West 880.28 feet to a stake; South 18 degrees 55 minutes West 54.41 feet to a post in the aforementioned first line of the Victorine M. Morgan Deed; and with a portion of said first line North 65 degrees 37 minutes West 284.67 feet to a point of beginning; containing 5.0 acres of land, more or less.

The above described property is subject to an easement reserved by the said Victorine M. Morgan and Leon K. Morgan, her husband, their heirs, successors and assigns, 50 feet in width, lying 25 feet on either side of a line commencing at the end of the first line of the above described parcel and running North 66 degrees 21 minutes East 168.40 feet to the middle of the Sharpsburg-Snyder's Landing Road.

PARCEL NO. 2, Tax Account No. 01-009230: All that tract or parcel of land situate on the Southwest side of Snyder's Landing Road, approximately 1800 feet West of the Norfolk and Western Railroad Company right of way near Sharpsburg, in Election District No. 1, Washington County, Maryland, and being more particularly described from a survey by Fox & Associates, Inc., as follows: BEGINNING at a point in or near the centerline of Snyder's Landing Road, said point being South 62 degrees 43 minutes 07 seconds East 4.97 feet from a railroad spike at the end of the 13th or North 26 degrees 39 minutes East 285.26 feet line of "Parcel A", Chapline Estates; said railroad spike being the Northeast corner of [now or formerly] the William H. Seidel property (Liber 490, folio 272), and also being the point of beginning shown on the Plat of

Parcels to by Conveyed by Bonnard J. Morgan on file as drawing #C-253 among the records of Fox & Associates, Inc., thence with and along said road South 62 degrees 43 minutes 08 seconds East 159.40 feet to an iron pipe on the South marginal line of said road; thence with the [now or formerly] Richard A. Nagelhout lands (Liber 530, folio 418), two courses: South 27 degrees 02 minutes 00 seconds West 101.84 feet to an iron pipe in the centerline of a fifty-foot wide common right of way; thence South 27 degrees 02 minutes 00 seconds West 790.66 feet to an iron pipe, a corner of [now or formerly] the Ruth E. Otto lands (Liber 98, folio 554); thence with the existing fence line along the Otto Tract North 65 degrees 37 minutes 00 seconds West 307.18 feet to an iron pipe; thence with the lines of division made along the East side of a five foot, more or less, wide strip of land retained by Bonnard J. Morgan (Liber 556, folio 728) North 16 degrees 08 minutes 04 seconds East 143.86 feet to an iron pipe; thence North 34 degrees 54 minutes 28 seconds East 80.18 feet to an iron pipe; thence North 29 degrees 41 minutes 05 seconds East 205.84 feet to an iron pipe in the fifty-foot wide common right of way near the North margin of the same; thence North 31 degrees 26 minutes 46 seconds East 79.50 feet to an iron pipe; thence North 34 degrees 38 minutes 00 seconds East 121.12 feet to an iron pipe; thence South 58 degrees 18 minutes 00 seconds East 139.90 feet to an iron pipe on the Northern margin of the fifty-foot right of way; thence North 25 degrees 34 minutes 54 seconds East 293.22 feet to the point of beginning; containing 5.47 acres of land, more or less.

The above described Parcel No. 2 being more fully shown on a Plat prepared by and on file among the records of Fox & Associates, Inc., as drawing #C-253; AND THE above described Parcel No. 2 is subject to a fifty-foot wide right of way for use in common with others.

PARCEL NOS. 1 AND 2 BEING all of the same property which was conveyed from Richard A. Nagelhout and Nancy N. Nagelhout, his wife, to Bonnard J. Morgan and Peggy R. Morgan, his wife, by Deed dated February 26, 1997, and recorded in Liber 1321, folio 814 among the Land Records of Washington County, Maryland.



Agenda Report Form

Open Session Item

SUBJECT: PUBLIC HEARING--Not to Exceed \$165,000,000 of Economic Development Revenue Bonds for the Benefit of Homewood at Williamsport MD, Inc. and Homewood at Frederick MD, Inc. and Proposed Resolution

PRESENTATION DATE: July 21, 2020

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

RECOMMENDED MOTION: Following the close of the public hearing, the County Commissioners may move to adopt the Resolution.

REPORT-IN-BRIEF: The public hearing is being conducted as required by the federal tax code with respect to a Resolution to be considered by the County Commissioners. The Resolution approves the sale and issuance from time to time by County Commissioners of Washington County (the "County") of one or more series of its economic development revenue bonds in an original aggregate principal amount not to exceed \$165,000,000 (the "Bonds"), and the lending of the proceeds thereof to Homewood at Williamsport MD, Inc. and Homewood at Frederick MD, Inc. (collectively, the "Maryland Obligated Group"), pursuant to the authority of the Maryland Economic Development Revenue Bond Act (the "Act") for the purpose of refinancing and financing costs of the Facilities identified below and financing other costs and expenses permitted by the Act.

DISCUSSION: Pursuant to the provisions of the Act and a resolution adopted by the Board of County Commissioners of Washington County (the "Board"), the County issued its Washington County, Maryland Variable Rate Demand Revenue Bonds (Homewood at Williamsport Facility) Series 2007 in the original aggregate principal amount of \$12,000,000 (the "2007 Bonds"). Proceeds of the 2007 Bonds were loaned by the County to Homewood at Williamsport MD, Inc. ("Homewood Williamsport"), Homewood Retirement Centers of the United Church of Christ, Inc. (now known as Homewood Retirement Centers, Inc. and, hereinafter, "HRC") and Homewood Foundation, Inc. (the "Foundation" and, collectively with Homewood Williamsport and HRC, the "Prior Williamsport Borrower") and were applied to finance, reimburse or refinance (1) the demolition of a portion of the existing nursing home located on the approximately 29 acre parcel of land on the Williamsport Campus identified below and site work; (2) the acquisition and construction of an approximately 72,000 square foot building located on the Williamsport Campus and other campus improvements; (3) the acquisition and installation of necessary and useful equipment, machinery, furnishings and fixtures in connection with the

foregoing; (4) the acquisition of other improvements or interests in land as were necessary or useful for the foregoing; and (5) costs of issuance, capitalized interest and other costs permitted by the Act.

Pursuant to the provisions of the Act and a resolution adopted by the Board, the County issued its County Commissioners of Washington County Variable Rate Demand Revenue Bonds (Homewood at Williamsport Facility), Series 2011 in the original aggregate principal amount of \$9,425,000 (the “2011 Bonds”). Proceeds of the 2011 Bonds were loaned by the County to the Prior Williamsport Borrower and were applied to finance, reimburse or refinance (1) the renovation of the remaining portion of the previous nursing facility (health care center) located on the Williamsport Campus, including (without limitation) asbestos removal and gutting of the interior, to create approximately 35 new apartments containing approximately 67,960 aggregate square feet; (2) the remodeling of the exterior of the building; (3) the acquisition and installation of necessary and useful equipment, machinery, furnishings and fixtures in connection with the foregoing; and (4) costs of issuance, capitalized interest and other costs permitted by the Act.

Pursuant to the provisions of the Act and a resolution adopted by the Board of County Commissioners of Frederick County, County Commissioners of Frederick County (now known as Frederick County, Maryland and, hereinafter, “Frederick County”), issued its Frederick County, Maryland Variable Rate Demand/Fixed Rate Revenue Bonds (Homewood at Frederick MD, Inc. Facility) 1997 Issue in the original aggregate principal amount of \$20,450,000 (the “1997 Bonds”). Proceeds of the 1997 Bonds were loaned by Frederick County to Homewood at Frederick MD, Inc. (“Homewood Frederick”), HRC and the Foundation (collectively, the “Prior Frederick Borrower”) and were applied to finance, reimburse or refinance (1) the acquisition, construction and improvement of the retirement care community on the Frederick Campus identified below consisting of (a) a 120-bed skilled nursing facility containing approximately 63,300 square feet, (b) a 31-bed assisted living facility containing approximately 18,200 square feet, (c) 122 apartments containing approximately 141,600 square feet, and (d) related support elements; and (2) costs of issuance, capitalized interest and other costs permitted by the Act.

Pursuant to the provisions of the Act and a resolution adopted by the Board of County Commissioners of Frederick County, Frederick County issued its Frederick County, Maryland Retirement Facilities Mortgage Revenue Bond (Homewood at Willow Ponds Facility) 2014 Issue in the original principal amount of \$86,000,000 (the “2014 Bond” and, collectively with the 2007 Bonds, the 2011 Bonds and the 1997 Bonds, the “Prior Bonds”). Proceeds of the 2014 Bond were loaned by Frederick County to the Prior Frederick Borrower and were applied to finance, reimburse or refinance (1) the acquisition and improvement on the Frederick Campus of (a) infrastructure, grading, road and site improvements, (b) approximately 100 cottages, (c) an 85-unit apartment facility containing approximately 169,435 square feet, (d) a community center containing approximately 54,932 square feet, (e) an underground parking garage containing approximately 52,967 square feet, and (f) necessary and useful equipment, machinery, furnishings and fixtures in connection with the foregoing; (2) other improvements or interests in land necessary or useful for the foregoing; and (3) costs of issuance, capitalized interest and other costs permitted by the Act.

The Act does not require that bonds issued pursuant to the Act be applied to finance or refinance the acquisition and improvement of facilities located solely within the issuer's jurisdiction. In an effort to restructure the outstanding debt relating to the Facilities and remove itself and the Foundation as co-borrowers while enhancing its owner/operator affiliates' borrowing power, HRC desires to create an obligated group structure in the states where its affiliates operate, and has proposed that Homewood Williamsport and Homewood Frederick form the Maryland Obligated Group. HRC, the parent company of the Maryland Obligated Group members, is located in the County and provides management oversight for all Homewood subsidiaries (including those located in Pennsylvania), including centralized payroll, billing, purchasing, accounts payable, human resources, regulatory and accounting.

Because HRC is located in the County, the Maryland Obligated Group is requesting that the County issue the Bonds and loan the proceeds to the Maryland Obligated Group for purposes of (1) refunding in whole or in part the then-outstanding Prior Bonds; (2) refinancing a taxable loan from M&T Bank used to finance a portion of the construction and acquisition of approximately 18 independent living units on the Frederick Campus; (3) financing (a) the remaining portion of the construction and acquisition of approximately 49 independent living units on the Frederick Campus, (b) certain additional improvements and renovations to the continuing care retirement community on the Frederick Campus, (c) certain improvements and renovations to the continuing care retirement community on the Williamsport Campus, (d) necessary and useful equipment, machinery, furnishings and fixtures in connection with the foregoing, and (e) any other improvements or interests in land as may be necessary or useful for the foregoing; (4) funding any necessary reserves for the Bonds; and (5) financing or reimbursing the costs of issuance of the Bonds and any other costs related to the transaction that are permitted by Section 12-110(b) of the Act (the undertakings referred to in clauses (1)-(5) being referred to collectively as the "Project"). By undertaking the Project, the Maryland Obligated Group will be effecting the refinancing and financing of the acquisition and improvement of the Facilities and the financing of other costs permitted by the Act.

The Facilities consist of and include (1) the facilities and improvements the costs of which were financed, reimbursed or refinanced from proceeds of the 2007 Bonds and the 2011 Bonds, which are part of a continuing care retirement community known as Homewood at Williamsport that is located at 16505 Virginia Avenue, Williamsport, Maryland 21795 (the "Williamsport Campus"), (2) the improvements and renovations to be undertaken with respect to the continuing care retirement community on the Williamsport Campus using proceeds of the Bonds, together with any other improvements or interests in land as may be necessary or useful in connection therewith to be funded from proceeds of the Bonds (the foregoing identified in clause (1) and this clause (2) being collectively referred to as the "Williamsport Facilities"), (3) the facilities and improvements the costs of which were financed, reimbursed or refinanced from proceeds of the 1997 Bonds and the 2014 Bond, which are part of a continuing care retirement community known as Homewood at Frederick that is located at 7407 Willow Road, Frederick, Maryland 21702 (the "Frederick

Campus”), (4) the approximately 67 independent living units to be financed and refinanced from proceeds of the Bonds, and (5) the additional improvements and renovations to be undertaken with respect to the continuing care retirement community on the Frederick Campus using proceeds of the Bonds, together with any other improvements or interests in land as may be necessary or useful in connection therewith to be funded from proceeds of the Bonds (the foregoing identified in clauses (3) and (4) and this clause (5) being referred to together with the Williamsport Facilities as the “Facilities”).

In the Letter of Intent attached as Exhibit A to the Resolution the Maryland Obligated Group has indicated that the proposed transaction will achieve interest rate savings from any refunding of the Prior Bonds, will fix the debt service component of annual operating costs because the Bonds are expected to be issued as fixed rate bonds, which will eliminate budgetary uncertainty (certain of the Prior Bonds were issued as variable rate bonds), and, with respect to the acquisition and improvement of new facilities and improvements, will finance such costs at interest rates more favorable than those obtainable from conventional financing.

FISCAL IMPACT: The Maryland Obligated Group has agreed to pay a one-time issuer’s fee to the County, which will provide unanticipated revenue; no other fiscal impact is anticipated. The County will be a conduit issuer of the contemplated Bonds, the proceeds of which will be loaned to the Maryland Obligated Group. The Bonds will be payable solely from payments made by the Maryland Obligated Group in accordance with the documents relating to the Bonds and any other security pledged by the Maryland Obligated Group for that purpose. Payment of debt service on the Bonds is the responsibility of the Maryland Obligated Group and not the County. The County will not pledge its faith and credit or its taxing power to payment of the Bonds. The issuance will have no impact on the County’s borrowing limits or financial position. The Maryland Obligated Group will be responsible for all costs of the proposed transaction, whether or not the Bonds are ever issued.

CONCURRENCES: Kirk C. Downey, County Attorney

ALTERNATIVES: If the Resolution is not approved, the Bonds may not be issued by the County, and the Maryland Obligated Group will have to seek tax-exempt financing from another qualifying issuer or commercial financing.

ATTACHMENTS: Proposed Resolution, with a copy of the Letter of Intent of the Maryland Obligated Group required by the Act attached thereto as Exhibit A. If the Resolution is adopted, the original Letter of Intent shall be countersigned by the President of the Board of County Commissioners.

AUDIO/VISUAL NEEDS: N/A

RESOLUTION NO. RS-2020-

A RESOLUTION AUTHORIZING AND EMPOWERING COUNTY COMMISSIONERS OF WASHINGTON COUNTY (THE "COUNTY"), PURSUANT TO AND IN ACCORDANCE WITH THE MARYLAND ECONOMIC DEVELOPMENT REVENUE BOND ACT (THE "ACT"), TO ISSUE AND SELL, AT ONE TIME OR FROM TIME TO TIME, AS LIMITED OBLIGATIONS AND NOT UPON ITS FAITH AND CREDIT OR PLEDGE OF ITS TAXING POWER, ITS ECONOMIC DEVELOPMENT REVENUE BONDS IN ONE OR MORE SERIES IN AN ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$165,000,000, AND TO LOAN THE PROCEEDS FROM THE SALE OF SUCH BONDS TO HOMEWOOD AT WILLIAMSPORT MD, INC. AND HOMEWOOD AT FREDERICK MD, INC. (COLLECTIVELY, THE "MARYLAND OBLIGATED GROUP") TO BE USED FOR THE PUBLIC PURPOSE OF REFINANCING AND FINANCING COSTS OF THE ACQUISITION AND IMPROVEMENT OF CERTAIN FACILITIES (WITHIN THE MEANING OF THE ACT) LOCATED IN THE COUNTY AND IN FREDERICK COUNTY, MARYLAND AND USED BY THE MARYLAND OBLIGATED GROUP AS CONTINUING CARE RETIREMENT COMMUNITIES TOGETHER WITH OTHER COSTS PERMITTED BY THE ACT; SPECIFYING AND DESCRIBING THE FACILITIES TO BE REFINANCED AND FINANCED; GENERALLY DESCRIBING THE PUBLIC PURPOSES TO BE SERVED AND THE TRANSACTION TO BE ACCOMPLISHED; AUTHORIZING THE PRESIDENT OF THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY, BY EXECUTIVE ORDER OR OTHERWISE, TO SPECIFY, PRESCRIBE, DETERMINE, PROVIDE FOR, OR APPROVE, CERTAIN MATTERS, DETAILS, FORMS, DOCUMENTS OR PROCEDURES NECESSARY OR DESIRABLE TO EFFECTUATE THE AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY AND PAYMENT OF AND FOR SUCH BONDS AND THE LENDING OF THE PROCEEDS THEREOF TO THE MARYLAND OBLIGATED GROUP; RESERVING CERTAIN RIGHTS IN THE COUNTY; AUTHORIZING CERTAIN OFFICIALS OF THE COUNTY TO MAKE CERTAIN ADDITIONAL DETERMINATIONS OR UNDERTAKE CERTAIN ACTIONS PRIOR TO OR SUBSEQUENT TO THE ISSUANCE OF THE BONDS; AUTHORIZING THE ACCEPTANCE OF THAT CERTAIN LETTER OF INTENT DELIVERED BY THE MARYLAND OBLIGATED GROUP TO THE COUNTY AS REQUIRED BY THE ACT; PROVIDING FOR THE DATE BY WHICH ANY BONDS MUST BE ISSUED UNDER AUTHORITY OF THIS RESOLUTION; PROVIDING THAT THE PROVISIONS OF THIS RESOLUTION SHALL BE LIBERALLY CONSTRUED; AND GENERALLY PROVIDING FOR AND DETERMINING VARIOUS MATTERS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS AND THE LENDING OF THE PROCEEDS THEREOF TO THE MARYLAND OBLIGATED GROUP, AS REQUIRED OR PERMITTED BY THE ACT.

RECITALS

1. Sections 12-101 to 12-118, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as replaced, supplemented or amended, being the Maryland Economic Development Revenue Bond Act (the "Act"), empower any "public body" (as defined in the Act), at the request of a "facility applicant" (as defined in the Act), to issue and sell "bonds"

(as defined in the Act), as its limited obligations and not upon its faith and credit or pledge of its taxing power, at any time and from time to time, and to loan or otherwise provide the proceeds of the sale of such bonds to a "facility user" (as defined in the Act) in order to "finance" (as defined in the Act, which includes "refinance") the costs of the acquisition or "improvement" (as defined in the Act) of a "facility" (as defined in the Act) for a facility user, including working capital, to refund outstanding bonds, to pay the costs of preparing, printing, selling, and issuing those bonds, to fund reserves, and to pay interest on such bonds in the amount and for the period the public body deems reasonable.

2. The Act states that its declared legislative purposes are to (1) relieve conditions of unemployment in the State of Maryland (the "State"); (2) encourage the increase of industry and commerce and a balanced economy in the State; (3) assist in the retention of existing industry and commerce in, and the attraction of new industry and commerce to, the State through, among other things, the development of ports, the control or abatement of environmental pollution and the use and disposal of waste; (4) promote economic development; (5) protect natural resources and encourage resource recovery; and (6) promote the health, welfare and safety of the residents of the State.

3. The Act provides that a public body may acquire or improve a facility with bond proceeds: (i) by leasing the facility to a facility user; (ii) by selling the facility to a facility user under an installment sale agreement; (iii) by lending bond proceeds to a facility user to be used to finance a facility; or (iv) in any other manner that the public body considers appropriate to accomplish the legislative purposes of the Act.

4. The Act provides that to implement the authority conferred upon it by the Act to issue bonds, the legislative body of a county or municipal corporation shall adopt a resolution that (i) specifies and describes the facility; (ii) generally describes the public purpose to be served and the financing transaction; (iii) specifies the maximum principal amount of the bonds that may be issued; and (iv) imposes terms or conditions on the sale and issuance of the bonds that it deems appropriate.

5. The Act provides that the legislative body of a county or municipal corporation, by resolution, may itself, or may authorize (i) its "finance board" (as defined in the Act), (ii) the "chief executive" (as defined in the Act), who shall act by executive order or otherwise, or (iii) any other appropriate administrative officer, who shall act by order or otherwise with the approval of the chief executive, to specify, determine, prescribe and approve matters, documents and procedures that relate to the authorization, sale, security, issuance, delivery and payment of and for the bonds; create security for the bonds; provide for the administration of bond issues through trust or other agreements with a bank or trust company that cover a countersignature on a bond, the delivery of a bond, or the security for a bond; and take other action considered appropriate concerning the bonds.

6. Pursuant to the provisions of the Act and a resolution adopted by the Board of County Commissioners of Washington County (the "Board"), County Commissioners of Washington County, a body politic and corporate, a political subdivision of the State of Maryland and a "public body" within the meaning of the Act (the "County"), issued its Washington County, Maryland Variable Rate Demand Revenue Bonds (Homewood at Williamsport Facility) Series

2007 in the original aggregate principal amount of \$12,000,000 (the "2007 Bonds"). Proceeds of the 2007 Bonds were loaned by the County to Homewood at Williamsport MD, Inc. ("Homewood Williamsport"), Homewood Retirement Centers of the United Church of Christ, Inc. (now known as Homewood Retirement Centers, Inc. and, hereinafter, "HRC") and Homewood Foundation, Inc. (the "Foundation" and, collectively with Homewood Williamsport and HRC, the "Prior Williamsport Borrower") and were applied to finance, reimburse or refinance (1) the demolition of a portion of the existing nursing home located on the approximately 29 acre parcel of land on the Williamsport Campus identified below and site work; (2) the acquisition and construction of an approximately 72,000 square foot building located on the Williamsport Campus and other campus improvements; (3) the acquisition and installation of necessary and useful equipment, machinery, furnishings and fixtures in connection with the foregoing; (4) the acquisition of other improvements or interests in land as were necessary or useful for the foregoing; and (5) costs of issuance, capitalized interest and other costs permitted by the Act.

7. Pursuant to the provisions of the Act and a resolution adopted by the Board, the County issued its County Commissioners of Washington County Variable Rate Demand Revenue Bonds (Homewood at Williamsport Facility), Series 2011 in the original aggregate principal amount of \$9,425,000 (the "2011 Bonds"). Proceeds of the 2011 Bonds were loaned by the County to the Prior Williamsport Borrower and were applied to finance, reimburse or refinance (1) the renovation of the remaining portion of the previous nursing facility (health care center) located on the Williamsport Campus, including (without limitation) asbestos removal and gutting of the interior, to create approximately 35 new apartments containing approximately 67,960 aggregate square feet; (2) the remodeling of the exterior of the building; (3) the acquisition and installation of necessary and useful equipment, machinery, furnishings and fixtures in connection with the foregoing; and (4) costs of issuance, capitalized interest and other costs permitted by the Act.

8. Pursuant to the provisions of the Act and a resolution adopted by the Board of County Commissioners of Frederick County (the "Frederick Board"), County Commissioners of Frederick County (now known as Frederick County, Maryland and, hereinafter, "Frederick County"), issued its Frederick County, Maryland Variable Rate Demand/Fixed Rate Revenue Bonds (Homewood at Frederick MD, Inc. Facility) 1997 Issue in the original aggregate principal amount of \$20,450,000 (the "1997 Bonds"). Proceeds of the 1997 Bonds were loaned by Frederick County to Homewood at Frederick MD, Inc. ("Homewood Frederick"), HRC and the Foundation (collectively, the "Prior Frederick Borrower") and were applied to finance, reimburse or refinance (1) the acquisition, construction and improvement of the retirement care community on the Frederick Campus identified below consisting of (a) a 120-bed skilled nursing facility containing approximately 63,300 square feet, (b) a 31-bed assisted living facility containing approximately 18,200 square feet, (c) 122 apartments containing approximately 141,600 square feet, and (d) related support elements; and (2) costs of issuance, capitalized interest and other costs permitted by the Act.

9. Pursuant to the provisions of the Act and a resolution adopted by the Frederick Board, Frederick County issued its Frederick County, Maryland Retirement Facilities Mortgage Revenue Bond (Homewood at Willow Ponds Facility) 2014 Issue in the original principal amount of \$86,000,000 (the "2014 Bond" and, collectively with the 2007 Bonds, the 2011 Bonds and the 1997 Bonds, the "Prior Bonds"). Proceeds of the 2014 Bond were loaned by Frederick County to the Prior Frederick Borrower and were applied to finance, reimburse or refinance (1) the

acquisition and improvement on the Frederick Campus of (a) infrastructure, grading, road and site improvements, (b) approximately 100 cottages, (c) an 85-unit apartment facility containing approximately 169,435 square feet, (d) a community center containing approximately 54,932 square feet, (e) an underground parking garage containing approximately 52,967 square feet, and (f) necessary and useful equipment, machinery, furnishings and fixtures in connection with the foregoing; (2) other improvements or interests in land necessary or useful for the foregoing; and (3) costs of issuance, capitalized interest and other costs permitted by the Act.

10. The County has received a letter of intent from Homewood Williamsport and Homewood Frederick (collectively, the "Maryland Obligated Group"), a copy of which is attached hereto as Exhibit A and made a part hereof (the "Letter of Intent"), requesting that the County sell and issue its bonds pursuant to the authority of the Act in one or more series from time to time in an original aggregate principal amount not to exceed \$165,000,000 and loan the proceeds of the sale thereof to the Maryland Obligated Group, for the purpose of (1) refunding in whole or in part the then-outstanding Prior Bonds; (2) refinancing a taxable loan from M&T Bank used to finance a portion of the construction and acquisition of approximately 18 independent living units on the Frederick Campus; (3) financing (a) the remaining portion of the construction and acquisition of approximately 49 independent living units on the Frederick Campus, (b) certain additional improvements and renovations to the continuing care retirement community on the Frederick Campus, (c) certain improvements and renovations to the continuing care retirement community on the Williamsport Campus, (d) necessary and useful equipment, machinery, furnishings and fixtures in connection with the foregoing, and (e) any other improvements or interests in land as may be necessary or useful for the foregoing; (4) funding any necessary reserves for such bonds; and (5) financing or reimbursing costs of issuance of such bonds and any other costs that are permitted by Section 12-110(b) of the Act (the undertakings referred to in clauses (1)-(5) being referred to collectively as the "Project"). By undertaking the Project, the Maryland Obligated Group will be effecting the refinancing and financing of the acquisition and improvement of the Facilities identified in Recital 11 below and the financing of other costs permitted by the Act.

11. The Facilities consist of and include (1) the facilities and improvements the costs of which were financed, reimbursed or refinanced from proceeds of the 2007 Bonds and the 2011 Bonds, which are part of a continuing care retirement community known as Homewood at Williamsport that is located at 16505 Virginia Avenue, Williamsport, Maryland 21795 (the "Williamsport Campus"), (2) the improvements and renovations to be undertaken with respect to the continuing care retirement community on the Williamsport Campus using proceeds of the requested bonds, together with any other improvements or interests in land as may be necessary or useful in connection therewith to be funded from proceeds of the requested bonds (the foregoing identified in clause (1) and this clause (2) being collectively referred to as the "Williamsport Facilities"), (3) the facilities and improvements the costs of which were financed, reimbursed or refinanced from proceeds of the 1997 Bonds and the 2014 Bond, which are part of a continuing care retirement community known as Homewood at Frederick that is located at 7407 Willow Road, Frederick, Maryland 21702 (the "Frederick Campus"), (4) the approximately 67 independent living units to be financed and refinanced from proceeds of the requested bonds, and (5) the additional improvements and renovations to be undertaken with respect to the continuing care retirement community on the Frederick Campus using proceeds of the requested bonds, together with any other improvements or interests in land as may be necessary or useful in connection

therewith to be funded from proceeds of the requested bonds (the foregoing identified in clauses (3) and (4) and this clause (5) being collectively referred to as the "Frederick Facilities" and, together with the Williamsport Facilities, collectively as the "Facilities").

12. The Letter of Intent provides that the Facilities are and will be used by the members of the Maryland Obligated Group in their respective capacities as 501(c)(3) organizations, within the meaning of Section 150(a)(4) of the Internal Revenue Code of 1986, as amended (the "Code"), for tax-exempt purposes in their activities of owning and operating continuing care retirement communities and related amenities.

13. The Letter of Intent provides that it is expected that interest on any such bonds shall be excludable from gross income of the holders thereof for federal income tax purposes, and a public hearing concerning the issuance of such bonds and the location and nature of the Facilities has been held following reasonable public notice (within the meaning of Section 147(f) of the Code) as required by the Code.

14. The Maryland Obligated Group acknowledges in the Letter of Intent that the County reserves certain rights concerning the issuance of such bonds as provided in Section 14 of this Resolution.

15. The County, based upon the findings and determinations and subject to the reservation of rights set forth below, has determined to issue and sell, in addition to any bonds authorized to be issued by any other act of the County, its bonds (within the meaning of the Act), in one or more series at one time or from time to time, in an original aggregate principal amount not to exceed One Hundred Sixty-Five Million Dollars (\$165,000,000) (collectively, the "Bonds"), and to loan the proceeds of the Bonds (collectively, the "Loan") to the Maryland Obligated Group on the terms and conditions as hereinafter provided in order to refinance and finance costs of the Project.

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

Section 1. It is hereby found and determined as follows:

(a) The Recitals to this Resolution are incorporated by reference herein and deemed a substantive part of this Resolution. Capitalized terms used in this Resolution and not otherwise defined herein shall have the meanings given to such terms in the Recitals.

(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) As evidenced by the Letter of Intent, a "letter of intent" within the meaning of the Act, the issuance of the Bonds pursuant to the Act by the County, a "public body" and a county within the meaning of the Act, in order to loan the proceeds to the Maryland Obligated Group, a "facility applicant" and a "facility user" within the meaning of the Act, for the sole and exclusive purpose of financing the acquisition and "improvement" within the meaning of the Act of the Facilities, which are each a "facility" within the meaning of the Act, will facilitate the financing of costs of the Project by the Maryland Obligated Group. References in this Resolution to "acquire", "acquisition", "improve", "improvement", "finance" or any other term defined in the Act shall have the meanings given to such terms in the Act, as applicable. In addition, references in this Resolution to "finance" or "financing" or similar terms shall be deemed to include "refinance", "refinancing", "reimburse" or "reimbursing" or similar terms, as applicable.

(d) Based on representations of the Maryland Obligated Group set forth in the Letter of Intent, the sale and issuance of the Bonds by the County pursuant to the Act for the purpose of financing costs (to the fullest extent permitted by the Act) of the Project, will fix the debt service component of the Maryland Obligated Group's annual operating costs, which will (1) enhance the senior care provided by the Maryland Obligated Group to the residents of the Williamsport Campus and the Frederick Campus, (2) permit the Maryland Obligated Group to expand the resident census at the Frederick Campus, increase employment by the creation of a significant number of temporary (construction period) jobs and the addition of several permanent positions at the Frederick Campus, and sustain employment through a restructuring of the Maryland Obligated Group's overall debt and, accordingly, will generally promote the declared legislative purposes of the Act by (i) sustaining jobs and employment by the retention of a significant number of jobs, thus relieving conditions of unemployment in the County and the State; (ii) assisting in the retention of existing industry and commerce and in the attraction of new industry and commerce in the County and the State; (iii) promoting economic development in the County and the State; and (iv) generally promoting the health, welfare and safety of the residents of the County and the State. To the extent the Bonds are issued as fixed rate bonds as anticipated, budgetary uncertainty will be eliminated with respect to the debt service component of the Maryland Obligated Group's annual budget cycles.

(e) AS PROVIDED IN THE ACT, THE BONDS AND THE INTEREST ON THEM (I) ARE NOT DEBTS OR CHARGES AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR CHARTER PROVISION OR STATUTORY LIMITATION AND (II) MAY NOT GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COUNTY. THE BONDS ARE NOT A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY.

(f) AS PROVIDED IN THE ACT, THE BONDS AND THE INTEREST ON THEM SHALL BE LIMITED OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM THE REVENUES DERIVED FROM LOAN REPAYMENTS (BOTH PRINCIPAL AND INTEREST) MADE TO THE COUNTY (OR ITS ASSIGNEE) BY THE MARYLAND OBLIGATED

GROUP ON ACCOUNT OF THE LOAN OR OTHER MONEY MADE AVAILABLE TO THE COUNTY FOR SUCH PURPOSE.

(g) As security for the Bonds, the County may enter into one or more agreements with a trustee, a paying agent or an escrow agent for the benefit of the holder(s) of the Bonds or with the holder or holders of the Bonds if no trustee, paying agent or escrow agent is appointed for the purpose of assigning or pledging revenues or other security received in connection with the financing of costs of the Project. As further security for the Bonds, the County may assign to the trustee, the paying agent or the escrow agent for the holder(s) of the Bonds or to the holder or holders of the Bonds if no trustee, paying agent or escrow agent is appointed any interest in the Facilities or other real or personal property that is granted to the County by the Maryland Obligated Group or any member thereof pursuant to a deed of trust, mortgage or similar instrument. Except for certain rights of the County to indemnification and to payments with respect to its administrative expenses, the entire revenues derived from payments on the Loan shall be set apart and applied to the payment of the principal of, premium, if any, and interest on the Bonds.

(h) The proceeds of the Loan will be paid directly to, and will be disbursed by, the trustee, the paying agent or the escrow agent for the benefit of the holder(s) of the Bonds or by the holder or holders of the Bonds if no trustee, paying agent or escrow agent is appointed. No moneys will be commingled with the County's funds or will be subject to the absolute control of the County, but only to such limited supervision and checks as are deemed necessary or desirable to ensure that the proceeds of the sale of the Bonds are used to accomplish the public purposes of the Act and this Resolution. The transactions contemplated by this Resolution do not constitute the acquisition of any physical public betterment or improvement or the acquisition of property for public use or the purchase of equipment for public use, and do not constitute a capital project of the County within the meaning of any statutory or charter provision. The public purposes expressed in the Act are to be achieved by facilitating the financing of costs of the Project by the Maryland Obligated Group.

(i) The County will acquire and retain no interest in the Facilities, either on its own behalf or for the purpose of creating any security for the Bonds (other than such interest as may be held by parties secured by any security interest granted by the Maryland Obligated Group). Any such security interest in favor of the County shall be assigned to the trustee, the paying agent or the escrow agent for the benefit of the holder(s) of the Bonds or to the holder or holders of the Bonds if no trustee, paying agent or escrow agent is appointed.

(j) The President of the Board of County Commissioners of Washington County (the "President" and the "Board", respectively) is the "chief executive" of the County within the meaning of the Act and shall undertake on behalf of the County certain responsibilities described in the Act and hereinafter specified.

(k) The adoption of this Resolution shall not in any way indicate the approval of, or constitute any commitment for approval by, the County or any of its officials or employees of any subdivision plat, license, permit, application or any other request to the County, if any, with respect to the zoning, land use, design, construction, development or other matters relating to the Facilities or the operation of the Facilities.

(l) The County accepts (i) the designation of the firm of Miles & Stockbridge P.C. as (A) bond counsel to render customary approving and tax opinions relating to the Bonds and (B) counsel to the Maryland Obligated Group, and (ii) the designation of the firm of Funk & Bolton, P.A. as issuer's counsel. To the extent the Bonds are issued in separate series from time to time, the President may provide in accordance with Section 5(a) of this Resolution for a different designation of bond counsel and/or issuer's counsel with respect to any subsequent series of the Bonds issued at a later time after the first series of the Bonds, including if any such counsel serves as counsel to more than one party in the transaction.

Section 2. The County is hereby authorized to issue, sell and deliver the Bonds, at any time and from time to time, in one or more series, in an original aggregate principal amount not to exceed One Hundred Sixty-Five Million Dollars (\$165,000,000), whether taxable or tax-exempt for purposes of the Code, pursuant to the Act and this Resolution, and each series of the Bonds shall be identified by the year of issue or by some other or additional appropriate designation. Each series of the Bonds may be comprised of any form of obligation authorized by the Act. Any series of the Bonds may be issued as a single bond and, in such event, references in this Resolution to the Bonds shall be deemed to mean such single bond with respect to such series. Any bond may be issued in installment or draw-down form.

Section 3. It is hereby determined that the best interests of the County and the Maryland Obligated Group will be served by selling the Bonds of any series (i) by such method of sale as may be satisfactory to the President and the Maryland Obligated Group, including by negotiated underwriting, in a direct purchase transaction, by competitive sale or by other permissible means and (ii) for a price at, above or below par as determined in accordance with Section 5(a)(viii) hereof, as permitted by the Act.

Section 4. The proceeds of the sale of the Bonds will be loaned by the County to the Maryland Obligated Group and shall be used by the Maryland Obligated Group solely for the purpose of financing costs of the Project to the fullest extent permitted by the Act, including to the extent permitted by the holder or holders of the Bonds, payment of the costs of preparing, printing, selling and issuing the Bonds, funding reserves, or payment of any other costs permitted by the Act. The Maryland Obligated Group shall own, use or manage, or provide for the ownership, use or management of, the Facilities so as to remain a facility user within the meaning of the Act for as long as any of the Bonds remain outstanding and unpaid. The County has been advised that currently Homewood Williamsport owns, operates and manages the components of the Facilities located on the Williamsport Campus and Homewood Frederick owns, operates and manages the components of the Facilities located on the Frederick Campus.

Section 5. (a) Prior to the sale, issuance and delivery of the Bonds of any series, the President, by executive order or otherwise:

(i) shall prescribe the form, tenor, terms and conditions of and security for the Bonds of such series;

(ii) shall prescribe the designation, principal amounts, rate or rates of interest or method of determining the rate or rates of interest, denominations, date, maturity or maturities

(within the limits prescribed in the Act and to the extent applicable, the Code), and the time and place or places of payment of the Bonds of such series, and the terms and conditions and details under which the Bonds of such series may be called for redemption or prepayment prior to their stated maturities;

(iii) if necessary, may appoint or approve a trustee, a bond registrar, and/or a paying agent or agents for the Bonds of such series, an escrow agent and/or a verification consultant, and one or more underwriters or other purchasers of the Bonds of such series;

(iv) shall approve the form and contents of, and, subject to Section 6 hereof, execute and deliver (where applicable), a loan or loan agreements (which may be known by any name, including, without limitation, a "loan agreement", a "loan and financing agreement" or a "bond and financing agreement"), and such other documents, including (without limitation) master trust indentures, trust indentures, supplemental trust indentures, escrow agreements, assignments, mortgages, deeds of trust, guaranties and security instruments to which the County is a party and which may be necessary to effectuate the sale, issuance and delivery of the Bonds of such series (collectively, the "Documents");

(v) may prepare and distribute, in conjunction with representatives of the Maryland Obligated Group and any prospective underwriters for or purchasers of the Bonds of any series, both a preliminary and a final official statement, offering memorandum or similar disclosure document in connection with the sale of the Bonds of any series, if determined to be necessary or desirable for the sale of the Bonds of such series, provided, however, that any such preliminary official statement, offering memorandum or similar disclosure document shall be clearly marked to indicate that it is subject to completion and amendment;

(vi) may execute and deliver a contract or contracts for the purchase and sale of the Bonds of any series (or any portion thereof) in form and content satisfactory to the President;

(vii) shall determine the time of execution, sale, issuance and delivery of the Bonds of such series and prescribe any and all other details of the Bonds of such series;

(viii) shall determine the method and the price for the sale of the Bonds of such series, as contemplated in Section 3 of this Resolution, and shall approve the terms of the sale of the Bonds of such series;

(ix) shall provide for the direct payment by the Maryland Obligated Group of all costs, fees and expenses incurred by or on behalf of the County in connection with the sale, issuance and delivery of the Bonds of such series, including (without limitation) costs of printing (if any) and issuing the Bonds of such series, legal expenses (including the fees of bond counsel and issuer's counsel) and compensation to any person in connection with the issuance of the Bonds (other than full-time employees of the County);

(x) may provide for the funding of reserves for the Bonds of such series and for the payment of interest on the Bonds of such series in such amounts, or for such period, as the President deems reasonable, all within the limitations of the Act and this Resolution; and

(xi) may make any other determinations not in violation of the Act and may do any and all things necessary, proper or expedient in connection with the sale, issuance and delivery of the Bonds of such series and in order to accomplish the legislative purposes of the Act and the public purposes of this Resolution, subject to the limitations set forth in the Act and any limitations prescribed by this Resolution.

(b) The County hereby elects that any financing statement, amendment to financing statement, continuation statement, termination statement, correction statement or any other applicable or similar filing concerning the security for the Bonds be made by electronic filing, unless electronic filing of the applicable instrument is prohibited by applicable law at the relevant time.

Section 6. (a) The President or the Vice President of the Board (the "Vice President"), by his or her manual or facsimile signature, is hereby authorized and directed to execute the Bonds of any series in the name and on behalf of the County and to deliver the Bonds to the purchaser thereof. The corporate seal of the County shall be affixed on such Bonds and attested by the manual or facsimile signature of the County Clerk of the County (the "County Clerk") or other appropriate official. If any of the Bonds are required to be signed by a trustee, paying agent, registrar, fiscal agent or other agent or custodian, any other signature required or permitted to be placed upon the Bonds may be executed manually or by facsimile. Any such signature shall be made in accordance with the Act and other applicable Maryland law.

(b) The President or the Vice President is hereby authorized to execute, by his or her manual or facsimile signature, to deliver, in the name and on behalf of the County, and to cause the corporate seal of the County, attested by the manual or facsimile signature of the County Clerk or other appropriate official, to be affixed upon the Documents where required. Upon due execution, the Documents shall become binding upon the County in accordance with their respective terms, as authorized by the Act and this Resolution.

Section 7. The President, the Vice President, the County Administrator of the County (the "County Administrator"), the Chief Financial Officer of the County (the "Chief Financial Officer") and all other appropriate officials and employees of the County are hereby authorized and empowered to do any and all things, execute, acknowledge, seal and deliver such other and further instruments, supporting documents and certificates, and otherwise take any and all action, necessary, proper or expedient to consummate the transactions contemplated by this Resolution in accordance with the Act and this Resolution.

Section 8. (a) As described in the Letter of Intent, the County will not incur any liability, direct or indirect, or any cost, direct or indirect, in connection with the sale and issuance of the Bonds, the making of the Loan or the Project; accordingly, the Maryland Obligated Group shall negotiate and approve all financing arrangements in connection with the Project, and to the extent Bond proceeds are not available to pay the same, pay all costs incurred by or on behalf of the County in connection with the authorization, sale and issuance of the Bonds, the making of the Loan, including the administration thereof, and the financing of costs of the Project, including (without limitation) all costs incurred in connection with the development of the appropriate legal

documents necessary to effectuate the proposed transaction, including (without limitation) the fees and expenses of bond counsel and issuer's counsel, all costs incurred in connection with publication of notices of any public hearings to be held in connection therewith, and compensation to any other person (other than full-time employees of the County) performing services by or on behalf of the County in connection with the transactions contemplated by this Resolution, including, without limitation, any trustee, bond registrar or paying agent for the Bonds and any escrow agent or verification consultant, whether or not the proposed financing is consummated. The County shall have no liability or responsibility for the payment of any such fees and expenses.

(b) In order to implement Section 12-113 of the Act stating that the Bonds may not give rise to pecuniary liability of the County, the Bonds and the Documents may provide that no trustee, paying agent or escrow agent for the holder(s) of the Bonds or the holder(s) of the Bonds, as applicable, shall look to the County for damages suffered by such holder(s) of the Bonds as a result of a failure of the County to perform any covenant, undertaking or obligation under the Bonds or the Documents, nor as a result of the incorrectness of any representation made by the County in the Bonds or the Documents. Although this Resolution recognizes that the Bonds and the Documents shall not give rise to pecuniary liability of the County, nothing contained in this Resolution, the Bonds or the Documents shall be construed to preclude in any way any action or proceedings (other than that element in any action or proceeding involving a claim for monetary damages against the County or its officials, employees or agents) in any court or before any governmental body, agency or instrumentality, or otherwise against the County or any of its officials or employees to enforce the provisions of the Bonds or the Documents.

(c) Although the Documents may provide that the County shall have the right to seek remedies in the event of certain events of default as stated therein, it is contemplated that the County will assign such right to take action to the trustee, the paying agent or the escrow agent for the holder(s) of the Bonds or, if there is no such trustee, paying agent or escrow agent, the holder(s) of the Bonds (excluding with respect to any reserved rights of the County), in order to implement the purposes and intent of the Act, namely to facilitate the financing of costs of the acquisition and improvement of the Facilities by the Maryland Obligated Group without the County incurring any pecuniary liability or obligation. Accordingly, if a trustee, a paying agent or an escrow agent is appointed for such purpose, such trustee, paying agent or escrow agent shall have the duty to act, whether or not at the direction of the holder(s) of the bonds, in all instances in which the trustee, the paying agent or the escrow agent for holder(s) of the Bonds may act and determines that action is appropriate. In any case where action by any trustee, paying agent or escrow agent for the holder(s) of the Bonds or the holder(s) of the Bonds themselves requires simultaneous or subsequent action by the County, the County will cooperate with such trustee, paying agent or escrow agent or holder(s) of the Bonds and take any and all action necessary to effectuate the purposes and intent of this Resolution, the Bonds and the Documents. The Documents shall provide that the Maryland Obligated Group, the trustee, the paying agent or the escrow agent or the holder(s) of the Bonds, as applicable, shall pay those costs in order to avoid any direct or indirect pecuniary burden on the County.

Section 9. (a) It is the present intention of the County and the Maryland Obligated Group that any series of the Bonds shall be issued on a tax-exempt basis, unless prohibited by the Code. Reference in this Section 9 to the Bonds is intended to apply only to the Bonds of any series the interest on which is exempt from federal income taxation.

(b) Any one or more of the President, the Vice President and the Chief Financial Officer shall be the officer or officers of the County responsible for the issuance of the Bonds within the meaning of Section 1.148-2(b)(2) of the Arbitrage Regulations (as hereinafter defined) and shall also be the officers of the County responsible for the execution and delivery (on the date of issuance of the Bonds) of a certificate of the County (the "Issuer's Certificate as to Arbitrage") which, in the opinion of bond counsel whose opinions are generally accepted in the field of municipal finance, complies with the requirements of Section 148 of the Code ("Section 148") and the applicable regulations thereunder (the "Arbitrage Regulations"), and the President, the Vice President and the Chief Financial Officer, or any two or more of such officials acting in concert, are each hereby authorized and directed to execute the Issuer's Certificate as to Arbitrage and to deliver the same to bond counsel on the date of the issuance of the Bonds. The Issuer's Certificate as to Arbitrage may be part of a certificate executed and delivered by the Maryland Obligated Group and/or any other appropriate party pursuant to the Code and the Arbitrage Regulations.

(c) The County recognizes its obligation to set forth in the Issuer's Certificate as to Arbitrage its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the sale of the Bonds (which may be based on representations of the Maryland Obligated Group), or of any moneys, securities or other obligations on deposit to the credit of any funds created and established by the Documents which may be deemed to be proceeds of the sale of the Bonds pursuant to Section 148 or the Arbitrage Regulations (collectively, "Bond Proceeds"), in order that correct legal conclusions can be reached regarding the effect of such facts, estimates and circumstances. Accordingly, the County covenants that (i) the facts, estimates and circumstances set forth in the Issuer's Certificate as to Arbitrage will be based on the County's reasonable expectations on the date of issuance of the Bonds (to the extent applicable, based on representations of the Maryland Obligated Group) and will be, to the best of the certifying officer's or officers' knowledge, true and correct as of that date and (ii) the certifying officer or officers will certify that he, she or they are not aware of any facts or circumstances that would cause him, her or them to question the accuracy of the representations made by the Maryland Obligated Group.

(d) The County covenants that it will not make, or (to the extent it exercises control or direction) permit to be made, any use of the Bond Proceeds that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 and the Arbitrage Regulations. The County further covenants that it will comply with those provisions of Section 148 and the Arbitrage Regulations that are applicable to the Bonds on the date of issuance of any Bonds and that may subsequently lawfully be made applicable to the Bonds.

(e) Any one or more of the President, the Vice President and the Chief Financial Officer is hereby authorized and empowered to approve and execute such supporting documents, additional certificates or instruments or information returns as may be required or permitted under the Code and the Arbitrage Regulations and to make any designations, determinations or elections provided for under the Code or the Arbitrage Regulations on behalf of the County, which designations, determinations or elections may be reflected in the Issuer's Certificate as to Arbitrage or other appropriate documentation.

Section 10. The County may, from time to time and at any time, with such consent of the trustee, the paying agent or the escrow agent for the holder(s) of the Bonds or the holder(s) of

the Bonds, as applicable, as may be required pursuant to the Documents, adopt resolutions, as appropriate under the Act, supplemental to this Resolution for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Resolution, the Bonds or the Documents. Alternatively, before or after the issuance of the Bonds of any series, regardless of the date on which such Bonds are issued, the President is hereby authorized and empowered, by executive order or otherwise, to approve on behalf of the County any amendments, modifications or supplements to the Bonds or the Documents, or negotiate, approve, execute and deliver any additional documents, certificates or instruments deemed necessary or desirable to consummate or effect the transactions contemplated by this Resolution, the Bonds or the Documents or to provide for the same. In addition, if in the judgment of the President, the County Administrator or the Chief Financial Officer, the interests of the County shall not be adversely affected thereby, the President, the County Administrator or the Chief Financial Officer, on behalf of the County, from time to time or at any time following the initial issuance of any series of the Bonds, may give any consent or approval, take any action, make any determination, demand or request, or give any notice, direction or other communication provided for on the part of the County in the Bonds or the Documents. All of the foregoing shall be subject to any approval of the Board and/or the President as may be required pursuant to federal tax law.

Section 11. The Bonds may not give rise to any pecuniary liability of the County. No covenant or agreement contained in this Resolution, the Bonds, the Documents or any other document, instrument or certificate executed, sealed or delivered in connection with the consummation of the transactions contemplated by this Resolution shall be deemed to be a covenant or agreement of any official, agent or employee of the County in his or her individual capacity; and none of the President, the Vice President, the members of the Board, the County Administrator, the Chief Financial Officer, the County Clerk nor any official, agent or employee of the County executing the Bonds, the Documents or any of the aforesaid documents, instruments or certificates shall be subject to any personal liability or accountability by reason of the authorization, issuance, execution, sealing, acknowledgment or delivery of the same. Pursuant to the Act, the County will have no obligation under the Act, the Bonds or the Documents to use County funds to pay debt service on or to prepay or redeem the Bonds, or to pay any other costs incurred in connection with the enforcement of remedies, whether or not the Maryland Obligated Group is in default with respect to its obligations under the Bonds or the Documents.

Section 12. The President, the County Administrator and the Chief Financial Officer are each hereby designated to be an authorized representative of the County for any and all purposes required or permitted by the Act, this Resolution or the Documents.

Section 13. The President is hereby authorized, empowered and directed to accept the Letter of Intent, on behalf of the County, in order to further evidence the intention of the County to issue and sell the Bonds in accordance with the terms and provisions of the Act, this Resolution and the Letter of Intent.

Section 14. (a) This Resolution is intended to be, and shall constitute, evidence of the present intention of the County to issue and deliver the Bonds in accordance with the terms and provisions hereof, for the purpose of facilitating the financing by the Maryland Obligated Group of the costs of acquisition and improvement of the Facilities. Notwithstanding the

foregoing, nothing in this Resolution shall be deemed to constitute (i) an undertaking by the County to expend any of its funds (other than the proceeds from the sale of the Bonds, revenues derived from any Loan repayments made to the County on account of the Loan, and any other moneys made available to the County for such purpose) to effect the transactions described herein or (ii) an assurance by the County as to the availability of one or more ready, willing and able purchasers for the Bonds or as to the availability of one or more purchasers of the Bonds to whom the Bonds may lawfully be sold under, among others, applicable federal and state securities and legal investment laws. Notwithstanding any references in this Resolution to the Bonds being payable from loan repayments made to the County, it is intended that the Maryland Obligated Group will make debt service payments directly to the holders of the Bonds or to a trustee, a paying agent or an escrow agent acting on behalf of the holder(s) of the Bonds.

(b) The County and the Maryland Obligated Group contemplate that the Maryland Obligated Group may proceed with activities relating to the Project upon the adoption of this Resolution and prior to the sale, issuance and delivery of the Bonds; provided, however, that if the Maryland Obligated Group so proceeds prior to the determinations of the President as provided for in Section 5(a) of this Resolution, it does so at its own risk.

(c) The County hereby reserves the right, in its sole and absolute discretion, to take any actions deemed necessary by the County to ensure that the County (i) complies with present federal and State laws and any pending or future federal or State legislation, whether proposed or enacted, which may affect or restrict the issuance of its bonds and other obligations, and (ii) issues its bonds or other obligations within the limits imposed by such present laws or any such pending or future legislation or any future local laws, to finance or refinance the costs of those facilities which the County determines, in its sole and absolute discretion, will provide the greatest benefit to the residents of the County and the State. In particular, the County reserves the right to choose to issue its bonds or other obligations (within the meaning of the Act and any present or future State or local laws) for facilities other than the Facilities, and in such order of priority as it may determine in its sole and absolute discretion. Pursuant to the provisions of this Section 14, the County reserves the right in its sole and absolute discretion, to, among other things, (1) never issue any Bonds, (2) issue only a portion of the original aggregate principal amount of the Bonds requested by the Maryland Obligated Group, (3) restrict the use of the proceeds of the Bonds, (4) delay indefinitely the issuance of the Bonds, or (5) take any other actions deemed necessary by the County, in its sole discretion, to determine that the County (as a public body within the meaning of the Act) achieves the goals set forth in the Act and in this Resolution.

Section 15. Prior to the adoption of this Resolution, a public hearing on the proposed financing of the costs of acquisition and improvement of the Facilities and other costs permitted by Section 12-110(b) of the Act and the issuance of the Bonds in connection therewith was held before the Board in accordance with law and Section 147(f) of the Code. The Board hereby ratifies, approves and confirms the publication on behalf of the County of the notice of that public hearing that was given in accordance with law and Section 147(f) of the Code. As the "applicable elected representative" of the County within the meaning of Section 147(f) of the Code and the regulations promulgated thereunder, the Board, after giving due consideration to the sustainability of jobs, the potential for increased economic development activities and the health, safety and welfare of residents of the County and the State to be achieved through the issuance of the Bonds,

hereby approves the issuance of the Bonds and the use of the proceeds of the Bonds to finance costs of the Project for the purposes of Section 147(f) of the Code by adoption of this Resolution.

Section 16. Unless previously exercised, the authority to issue the Bonds contained in this Resolution shall expire on the date that is one (1) year from the effective date of this Resolution, unless such authority shall have been extended by a resolution supplemental hereto.

Section 17. The provisions of this Resolution shall be liberally construed in order to effectuate the transactions contemplated by this Resolution.

Section 18. The provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held or determined to be illegal, invalid, unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Resolution or their application to other persons or circumstances. It is hereby declared to be the intent of the County that this Resolution would have been adopted if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part had not been included herein, and if the person or circumstances to which this Resolution or any part hereof are inapplicable had been specifically exempted herefrom, provided however, notwithstanding anything contained in this Section, neither the faith and credit nor the taxing power of the County shall be deemed pledged hereby, and the County shall not hereby incur any indebtedness or charge against the general credit or taxing powers of the County, within the meaning of any constitutional or charter provision or statutory limitation, and the transactions authorized hereby shall not give rise to any pecuniary liability of the County.

Section 19. This Resolution shall take effect from the date of its adoption. Pursuant to Section 12-111(e) of the Act, this Resolution is administrative in nature, is not subject to procedures required for legislative acts and is not subject to referendum.

[CONTINUED ON FOLLOWING PAGE]

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

#216345;50052.043

EXHIBIT A

LETTER OF INTENT

[See Attached]

HOMWOOD AT WILLIAMSPORT
MD, INC.
16505 VIRGINIA AVENUE
WILLIAMSPORT, MARYLAND 21795

HOMWOOD AT FREDERICK MD, INC.
7407 WILLOW ROAD
FREDERICK, MARYLAND 21702

July 7, 2020

County Commissioners of Washington County
100 W. Washington Street, Suite 1101
Hagerstown, Maryland 21740
Through: Kirk C. Downey, Interim County Administrator

Re: Proposed Refunding and New Money Bonds for the Homewood at Williamsport
and Homewood at Frederick Continuing Care Retirement Communities

Ladies and Gentlemen:

Homewood at Williamsport MD, Inc. ("Homewood Williamsport") and Homewood at Frederick MD, Inc. ("Homewood Frederick" and, collectively with Homewood Williamsport, the "Maryland Obligated Group"), respectfully request that County Commissioners of Washington County, a body politic and corporate, a political subdivision of the State of Maryland (the "State"), and a "public body" within the meaning of the Act identified below (the "County"), participate in the refinancing and financing of the acquisition and "improvement" (within the meaning of the Act) by the Maryland Obligated Group of certain "facilities" (within the meaning of the Act) identified below, by authorizing, selling and issuing its economic development revenue bond or bonds in one or more series from time to time in an original aggregate principal amount not to exceed One Hundred Sixty-Five Million Dollars (\$165,000,000.00) (the "Bonds"). References to the Bonds in this letter of intent shall be construed to refer to the issuance of any bonds, notes or other evidences of obligation, in whatever form and by whatever name known, as permitted by the Act. The Bonds may be tax-exempt and/or taxable for federal income tax purposes. Any such series of the Bonds may consist of a single bond. Any bond may be issued in installment form and/or draw-down form. The Bonds will be issued pursuant to the provisions of the Maryland Economic Development Revenue Bond Act, Sections 12-101 to 12-118, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the "Act"), or such other statutory authority as may exist when the Bonds are issued. It is intended that this letter, if accepted by the County, shall constitute a "letter of intent" as contemplated by the Act.

The Act empowers, among other public bodies, all the counties and municipal corporations of the State of Maryland (the "State") to borrow money by issuing negotiable revenue "bonds" (as defined in the Act) and to loan the proceeds of the sale thereof to a "facility

user" (as defined in the Act) to "finance", among other activities, the acquisition and "improvement" of any "facility" (each as defined in the Act). The Maryland Obligated Group is a "facility applicant" and a "facility user" within the meaning of the Act. The Facilities identified herein each constitute a "facility" as defined in the Act. As defined in the Act, "finance" includes "refinance", and references in this letter of intent to "finance" and similar words shall be deemed to include references to "reimburse" or "refinance" and similar words. The Act provides that bonds may be issued pursuant to the provisions thereof to refund other bonds. Any terms which are used in this letter of intent and also defined in the Act are intended to have the meanings given to such terms in the Act, unless otherwise expressly provided herein.

The proposed undertaking consists of and includes (1) refunding in whole or in part the then-outstanding (a) Washington County, Maryland Variable Rate Demand Revenue Bonds (Homewood at Williamsport Facility) Series 2007 issued in the original aggregate principal amount of \$12,000,000 (the "2007 Bonds"), (b) County Commissioners of Washington County Variable Rate Demand Revenue Bonds (Homewood at Williamsport Facility), Series 2011 issued in the original aggregate principal amount of \$9,425,000 (the "2011 Bonds"), (c) Frederick County, Maryland Variable Rate Demand/Fixed Rate Revenue Bonds (Homewood at Frederick MD, Inc. Facility) 1997 Issue issued in the original aggregate principal amount of \$20,450,000 (the "1997 Bonds"), and (d) Frederick County, Maryland Retirement Facilities Mortgage Revenue Bond (Homewood at Willow Ponds Facility) 2014 Issue issued in the original principal amount of \$86,000,000 (the "2014 Bond" and, collectively with the 2007 Bonds, the 2011 Bonds and the 1997 Bonds, the "Prior Bonds"); (2) refinancing a taxable loan from M&T Bank used to finance a portion of the construction and acquisition of approximately 18 independent living units on the Frederick Campus identified below; (3) financing (a) the remaining portion of the construction and acquisition of approximately 49 independent living units on the Frederick Campus, (b) certain additional improvements and renovations to the continuing care retirement community on the Frederick Campus, (c) certain improvements and renovations to the continuing care retirement community on the Williamsport Campus identified below, (d) necessary and useful equipment, machinery, furnishings and fixtures in connection with the foregoing, and (e) any other improvements or interests in land as may be necessary or useful for the foregoing; (4) funding any necessary reserves for the Bonds; and (5) financing or reimbursing costs of issuance of the Bonds and any other costs related to the transaction that are permitted by Section 12-110(b) of the Act (the undertakings referred to in clauses (1)-(5) being referred to collectively as the "Project"). By undertaking the Project, the Maryland Obligated Group will be effecting the refinancing and financing of the acquisition and improvement of the Facilities identified below and the financing of other costs permitted by the Act.

Proceeds of the 2007 Bonds were applied to finance, reimburse or refinance (1) the demolition of a portion of the existing nursing home located on the approximately 29 acre parcel of land on the Williamsport Campus and site work; (2) the acquisition and construction of an approximately 72,000 square foot building located on the Williamsport Campus and other campus improvements; (3) the acquisition and installation of necessary and useful equipment, machinery, furnishings and fixtures in connection with the foregoing; (4) the acquisition of other improvements or interests in land as were necessary or useful for the foregoing; and (5) costs of issuance, capitalized interest and other costs permitted by the Act.

Proceeds of the 2011 Bonds were applied to finance, reimburse or refinance (1) the renovation of the remaining portion of the previous nursing facility (health care center) located on the Williamsport Campus, including (without limitation) asbestos removal and gutting of the interior, to create approximately 35 new apartments containing approximately 67,960 aggregate square feet; (2) the remodeling of the exterior of the building; (3) the acquisition and installation of necessary and useful equipment, machinery, furnishings and fixtures in connection with the foregoing; and (4) costs of issuance, capitalized interest and other costs permitted by the Act.

Proceeds of the 1997 Bonds were applied to finance, reimburse or refinance (1) the acquisition, construction and improvement of the retirement care community on the Frederick Campus consisting of (a) a 120-bed skilled nursing facility containing approximately 63,300 square feet, (b) a 31-bed assisted living facility containing approximately 18,200 square feet, (c) 122 apartments containing approximately 141,600 square feet, and (d) related support elements; and (2) costs of issuance, capitalized interest and other costs permitted by the Act.

Proceeds of the 2014 Bond were applied to finance, reimburse or refinance (1) the acquisition and improvement on the Frederick Campus of (a) infrastructure, grading, road and site improvements, (b) approximately 100 cottages, (c) an 85-unit apartment facility containing approximately 169,435 square feet, (d) a community center containing approximately 54,932 square feet, (e) an underground parking garage containing approximately 52,967 square feet, and (f) necessary and useful equipment, machinery, furnishings and fixtures in connection with the foregoing; (2) other improvements or interests in land necessary or useful for the foregoing; and (3) costs of issuance, capitalized interest and other costs permitted by the Act.

The Facilities consist of and include (1) the facilities and improvements the costs of which were financed, reimbursed or refinanced from proceeds of the 2007 Bonds and the 2011 Bonds, which are part of a continuing care retirement community known as Homewood at Williamsport that is located at 16505 Virginia Avenue, Williamsport, Maryland 21795 (the "Williamsport Campus"), (2) the improvements and renovations to be undertaken on the Williamsport Campus using proceeds of the Bonds, together with any other improvements or interests in land as may be necessary or useful in connection therewith to be funded from proceeds of the Bonds (the foregoing identified in clause (1) and this clause (2) being collectively referred to as the "Williamsport Facilities"), (3) the facilities and improvements the costs of which were financed, reimbursed or refinanced from proceeds of the 1997 Bonds and the 2014 Bond, which are part of a continuing care retirement community known as Homewood at Frederick that is located at 7407 Willow Road, Frederick, Maryland 21702 (the "Frederick Campus"), (4) the approximately 67 independent living units to be financed, reimbursed and refinanced from proceeds of the Bonds, and (5) the additional improvements and renovations to be undertaken on the Frederick Campus using proceeds of the Bonds, together with any other improvements or interests in land as may be necessary or useful in connection therewith to be funded from proceeds of the Bonds (the foregoing identified in clauses (3) and (4) and this clause (5) being collectively referred to as the "Frederick Facilities" and, together with the Williamsport Facilities, collectively as the "Facilities").

The Williamsport Facilities are and will be initially owned and operated by Homewood Williamsport and located within the corporate boundaries of the County. The Williamsport Facilities are and will be used by Homewood Williamsport in its capacity as a 501(c)(3)

organization, within the meaning of Section 150(a)(4) of the Internal Revenue Code of 1986, as amended (the "Code"), for tax-exempt purposes in its activities of owning and operating continuing care retirement communities and related amenities.

The Frederick Facilities are and will be initially owned and operated by Homewood Frederick and located within the corporate boundaries of Frederick County, Maryland ("Frederick County"). The Frederick Facilities are and will be used by Homewood Frederick in its capacity as a 501(c)(3) organization, within the meaning of Section 150(a)(4) of the Code, for tax-exempt purposes in its activities of owning and operating continuing care retirement communities and related amenities.

The Act does not require that bonds issued pursuant to the Act be applied to finance the acquisition and improvement of facilities located solely within the issuer's jurisdiction. Homewood Retirement Centers, Inc. (previously known as Homewood Retirement Centers of the United Church of Christ, Inc. and referred to herein as "HRC") was a co-borrower with certain related entities of proceeds of the Prior Bonds. In an effort to restructure the outstanding debt relating to the Facilities and remove itself and Homewood Foundation, Inc. as co-borrowers while enhancing its owner/operator affiliates' borrowing power, HRC desires to create an obligated group structure in the states where its affiliates operate, and has proposed that Homewood Williamsport and Homewood Frederick form the Maryland Obligated Group. HRC, the parent company of the Maryland Obligated Group members, is located in the County and provides management oversight for all Homewood subsidiaries (including those located in Pennsylvania), including centralized payroll, billing, purchasing, accounts payable, human resources, regulatory and accounting. Because HRC and the Williamsport Campus are located in the County, the Maryland Obligated Group is requesting that the County issue the Bonds for purposes of the Project.

The Maryland Obligated Group proposes that the County lend the proceeds of the sale of the Bonds (referred to herein as the "Loan") to the Maryland Obligated Group under one or more loan agreements (by whatever name known, including (without limitation) a loan and financing agreement or a similar agreement, referred to collectively herein as the "Loan Agreement"). The Loan Agreement will require the Maryland Obligated Group to (1) use the proceeds of the Loan for the sole and exclusive purpose of refinancing and financing costs of the Project, (2) make Loan payments (both principal and interest) sufficient to pay the principal of and interest and redemption or prepayment premium, if any, on the Bonds, as the same become due and payable, (3) pay all expenses incurred by the County in connection with the sale and issuance of the Bonds and the making and administration of the Loan, as the same become due and payable, and (4) indemnify the County for any liabilities of the County relating to the Bonds and the transactions contemplated by the Loan Agreement. The Loan Agreement and any corresponding master trust indenture, trust indenture, supplemental trust indenture or similar agreement and any other documents providing security for the Bonds, will contain such other provisions as may be required by law and as may be agreed to by the Maryland Obligated Group, the County, any trustee, bond registrar, paying agent or escrow agent for the Bonds and the purchaser(s) of the Bonds, as applicable, as permitted by law. One or more series of the Bonds are expected to be sold by negotiated sale in a negotiated underwriting and one or more series of the Bonds may be

sold in a direct purchase transaction, but the final determination of any such method of sale will occur at a later date.

The Bonds shall be limited obligations of the County, the principal of, premium, if any, and interest on which shall be payable solely from the revenue derived from Loan repayments (both principal and interest) payable by the Maryland Obligated Group pursuant to the terms and provisions of the Loan Agreement or other money made available to the County for such purpose. The Maryland Obligated Group understands that the Bonds and the interest thereon (1) shall be limited obligations of the County, (2) are not debts or charges against the general credit or taxing power of the County within the meaning of any constitutional or charter provision or statutory limitation, and (3) may not give rise to any pecuniary liability of the County. The Bonds are not a debt to which the faith and credit of the County or any other public body is pledged.

The purpose of the Project is to achieve interest rate savings, fix the debt service component of annual operating costs (certain of the Prior Bonds bear interest at a variable rate), and, with respect to the components of the Project that involve the acquisition and improvement of new facilities and improvements, to finance or refinance such costs at rates more favorable than those obtainable from conventional financing. If the Bonds are issued as fixed rate bonds as anticipated, budgetary uncertainty will be eliminated due to the locking-in of fixed interest rates.

The Maryland Obligated Group believes that the sale, issuance and delivery of the Bonds by the County, the attendant refinancing of costs of the acquisition and improvement of that portion of the costs of the Facilities previously financed or refinanced from proceeds of the Prior Bonds, and the refinancing, financing or reimbursement of costs of the acquisition and improvement of facilities and improvements currently underway or to be funded from proceeds of the Bonds at the Williamsport Campus and the Frederick Campus will (1) enhance the senior care provided by the Maryland Obligated Group to the residents of the Williamsport Campus and the Frederick Campus, (2) permit the Maryland Obligated Group to expand the resident census at the Frederick Campus, increase employment by the creation of a significant number of temporary (construction period) jobs and the addition of several permanent positions at the Frederick Campus, and sustain employment through a restructuring of the Maryland Obligated Group's overall debt and, accordingly, will generally promote the declared legislative purposes of the Act by (i) sustaining jobs and employment by the retention of a significant number of jobs, thus relieving conditions of unemployment in the County and the State; (ii) assisting in the retention of existing industry and commerce and in the attraction of new industry and commerce in the County and the State; (iii) promoting economic development in the County and the State; and (iv) generally promoting the health, welfare and safety of the residents of the County and the State.

Financial considerations have been a factor leading to the Maryland Obligated Group's intention to refinance and finance the costs of acquisition and improvement of the Facilities. The Maryland Obligated Group has investigated the availability and feasibility of conventional financing for the Project. The Maryland Obligated Group has received proposals for the sale of the Bonds through a negotiated underwriting and through a direct purchase transaction. Even if the Maryland Obligated Group does not close on a financing pursuant to any of the proposals

received to date, the Maryland Obligated Group has been advised by its financial advisor that it can receive terms more favorable than those available through conventional financing by pursuing a transaction in the nature of the proposed Bonds. The decision of the Maryland Obligated Group to refinance and finance costs of the acquisition and improvement of the Facilities has been materially influenced by the availability of economic development revenue bond financing from the County under the Act or other applicable law.

The Maryland Obligated Group intends that the interest payable on the Bonds shall be excludable from the gross income of the owners of the Bonds for purposes of federal income taxation pursuant to Section 103 of the Code. Notwithstanding such intention, the Maryland Obligated Group understands that the ability of the County to issue the Bonds on such a tax-exempt basis is subject to previous actions or inactions of the Maryland Obligated Group with respect to the Prior Bonds and the existing Facilities, the expectations of the Maryland Obligated Group with respect to the use of the proceeds of the Bonds and the enactment of federal legislation that may limit the ability of the County to issue the Bonds on such a tax-exempt basis.

It is further understood and agreed to by the Maryland Obligated Group that the proposal contained herein is subject to: (a) a public hearing to be held by the County following prior published notice in a newspaper of general circulation in Washington County; (b) the approval and appropriate action by the Board of County Commissioners of the County (the "Board") and the President of the Board of County Commissioners of the County (the "President"), as applicable; and (c) the approval of the detailed provisions of all documents pertaining to the Project as yet to be developed, including (without limitation) the Loan Agreement. The issuance of any Bonds for the components of the Project allocable to the Frederick Campus is further subject to (a) a public hearing held or to be held by the applicable elected representative of Frederick County (within the meaning of Section 1.147(f)-1 of the regulations promulgated under the Code), and (b) the approval and appropriate action by the applicable elected representative of Frederick County. The acceptance of this letter of intent by the County shall be evidence of the bona fide present intention, but not the commitment, of the County to authorize the sale, issuance and delivery of the Bonds and to authorize the Loan for the purposes described herein; provided, however, that the Maryland Obligated Group recognizes that:

1. The County cannot make any guarantee, promise or assurance that the terms and conditions of the Bonds (including, but not limited to, the principal amount of the Bonds to be issued, the rate or rates of interest the Bonds are to bear, the times and place or places that the Bonds are to be executed, issued and delivered, the redemption or prepayment provisions for the Bonds, the form, tenor and denominations of the Bonds and the times and place or places of payment of the Bonds and the amounts payable at such times), as actually authorized to be issued, will be acceptable to the Maryland Obligated Group;

2. The County can give no guarantee, promise or assurance as to the availability of ready, willing and able purchasers of the Bonds or as to the availability of one or more purchasers of the Bonds to whom the Bonds may lawfully be sold under, among others, applicable federal and state securities and legal investment laws;

3. The ability of the County to issue any Bonds as tax-exempt obligations depends in large measure upon prior and prospective compliance by the Maryland Obligated Group with applicable provisions of the Code and the regulations promulgated thereunder, and such provisions may be changed without the County's knowledge or consent and, therefore, the County can give no assurance and makes no representation that the Bonds, if issued, or the income therefrom, will be tax-exempt; and

4. The County makes no representation and offers no opinion on the appropriateness of having the Bonds issued to refinance and finance costs of the Project in lieu of other financing alternatives or as to any benefit to the Maryland Obligated Group resulting from the issuance of the Bonds.

Prior to the issuance of any of the Bonds, in accordance with the Act, the Board must adopt a resolution specifying and determining, or authorizing the appropriate County official to specify or determine, the proposed undertaking, the amount of the Bonds to be issued, the rate or rates of interest the Bonds are to bear (or the method of determining such rate or rates), and such other provisions not inconsistent with the Act as shall be determined to be necessary or desirable to effect the refinancing and financing of costs of the Project, including (without limitation) the time that the Bonds are to be executed, issued and delivered, the principal amount of the Bonds to be issued, the form, tenor and denominations of the Bonds, the times and place or places of payment of the principal of and interest on the Bonds and the amounts payable at such times. References to the Bonds in this paragraph shall be construed to mean any series of the Bonds.

The Board's adoption of any such bond authorizing resolution providing for the sale and issuance of the Bonds and its acceptance of this letter of intent are intended solely to implement the Project contemplated hereby. The acceptance of this letter of intent, the adoption by the Board of an authorizing resolution and any other approvals of one or more County officials given in accordance with the provisions of the Act shall not constitute any assurance by the County that (a) the Maryland Obligated Group will have the ability to make payments sufficient to provide for the repayment of the Bonds, (b) the Facilities are or will be feasible, economically or otherwise, (c) the portion of the Facilities that have not been completed will be completed, or (d) the Facilities are or will be in compliance with applicable State, local or federal laws, nor shall it in any way indicate the approval of, or constitute any commitment for approval by, the County or any of its officials, officers or employees of any subdivision plat, license, permit, application or any other request to the County, if any, with respect to the zoning, land use, design, construction, development or other matters relating to the Facilities or the acquisition, improvement or operation of the Facilities.

The Maryland Obligated Group hereby agrees that the County will not incur any liability, direct or indirect, or any cost, direct or indirect, in connection with the authorization, sale and issuance of the Bonds, the making of the Loan, the acquisition and improvement of the components of the Facilities that have not been completed or the refinancing and financing of costs of the acquisition and improvement of the Facilities; accordingly, the Maryland Obligated Group shall (a) select and work with the suppliers and contractors that will provide, construct, equip and otherwise improve the components of the Facilities that have not been completed, and negotiate and approve all contracts, construction plans and specifications, (b) negotiate and

approve all refinancing and financing arrangements in connection with the Project, and (c) to the extent Bond proceeds are not available to pay the costs referred to in clauses (a) and (b), pay all costs incurred by or on behalf of the County in connection with the authorization, sale and issuance of the Bonds, the making of the Loan, including the administration thereof, and the refinancing and financing of costs of the Project, including (without limitation) all costs incurred in connection with the development of the appropriate legal documents necessary to effectuate the proposed Project, including (without limitation) the fees and expenses of bond counsel and issuer's counsel, and compensation to any other person (other than full-time employees of the County) performing services by or on behalf of the County in connection with the transactions contemplated by this letter of intent, including, without limitation, any trustee, bond registrar or paying agent for the Bonds and any escrow agent or verification consultant, whether or not any Bonds are issued or the proposed Project is consummated. The County shall have no liability or responsibility for the payment of any such fees and expenses. The Maryland Obligated Group further acknowledges and agrees that the County shall have no responsibility or liability for any costs incurred by Frederick County in connection with the transactions contemplated by this letter of intent, including (without limitation) fees or expenses incurred by professionals retained by Frederick County.

The Maryland Obligated Group hereby agrees to indemnify and hold harmless the County and all of its officials, officers, employees, agents and representatives from any and all claims, damages, expenses, fees and costs of any nature whatsoever in connection with the refinancing or financing of costs of the Project, activities relating to the acquisition and improvement of the Facilities, the issuance of any Bonds and other related costs permitted by the Act.

The Maryland Obligated Group agrees to pay to the County an issuer's fee of \$100,000.00.

Nothing contained in this letter of intent shall be deemed to constitute an undertaking by the County to expend any of its funds to effect any or all of the transactions contemplated by this letter of intent. The Maryland Obligated Group understands, acknowledges and agrees that, pursuant to the Act, the County has no obligation under the Act and will have no obligation under any documents relating to the Bonds, if issued, to use County funds to pay debt service on or to prepay or redeem the Bonds, or to pay any other costs incurred in connection with the enforcement of remedies, whether or not the Maryland Obligated Group is in default with respect to its obligations under the Bonds or such documents.

While any acceptance by the County of this letter of intent will evidence the County's present intention to issue the Bonds, the Maryland Obligated Group hereby acknowledges that the County reserves the right, in its sole and absolute discretion, to take any actions it deems necessary in order to ensure that it: (a) complies with present federal and State laws and any pending or future federal or State legislation, whether proposed or enacted, which may affect or restrict the issuance of its bonds, and (b) issues its bonds within the limits imposed by such present laws or any such pending or future legislation or any future local laws, to refinance or finance the acquisition and improvement of those facilities that the County determines, in its sole and absolute discretion, will provide the greatest benefit to the residents of the County and the State. In particular, the County reserves the right to choose to issue its bonds (within the

meaning of the Act and any present or future State or local laws) for facilities other than the Facilities, and in such order of priority as it may determine in its sole and absolute discretion. Accordingly, if the Maryland Obligated Group proceeds with the Project before the County finally determines to issue the Bonds, the Maryland Obligated Group does so at its own risk.

The Maryland Obligated Group agrees to use its best efforts to complete the Project contemplated by this letter of intent.

If at any time the Maryland Obligated Group decides not to proceed with the Project, it will promptly notify the Interim County Administrator in writing of such determination, stating the reasons therefor.

To the extent any series of the Bonds is to be issued as tax-exempt bonds for purposes of the Code, the Maryland Obligated Group agrees that all certifications (including opinions of the Maryland Obligated Group's counsel) required by bond counsel for the transaction will be provided in order to establish that interest on the Bonds will be exempt from federal income taxation (including certifications enabling the County to certify that such Bonds are not arbitrage bonds).

The Maryland Obligated Group expects that the Bonds will be issued within one (1) year of the date of adoption by the Board of any authorizing resolution, and acknowledges that if the Bonds are not so issued by the applicable one year date, any authorizing resolution will expire by its terms unless extended by the County by supplemental resolution, which decision as to the granting or denial of such extension shall be in the sole and absolute discretion of the Board.

The Maryland Obligated Group understands that any series of the Bonds will *not* be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

The Maryland Obligated Group accepts, and understands that by execution of this letter of intent, the County has accepted (i) the designation of the firm of Miles & Stockbridge P.C. as (A) bond counsel to render customary approving and tax opinions relating to the Bonds and (B) counsel to the Maryland Obligated Group, and (ii) the designation of the firm of Funk & Bolton, P.A. as issuer's counsel.

The obligations of the Maryland Obligated Group under this letter of intent shall be joint and several with respect to the members of the Maryland Obligated Group.

This letter of intent may be executed in counterparts and counterpart signature pages of this letter of intent may be circulated by facsimile transmission and/or e-mail; any such counterparts circulated in such manner shall be treated as originals for all purposes.

The Maryland Obligated Group gratefully acknowledges the County's participation in the proposed transaction to date, including the County's agreement to hold a public hearing regarding the proposed issuance of the Bonds and the publication of notice of such public hearing.

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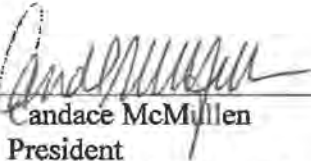
Thank you in advance for your consideration.

Very truly yours,

HOMEWOOD AT WILLIAMSPORT MD,
INC.

HOMEWOOD AT FREDERICK MD, INC.

By:



Candace McMullen
President
(Authorized Signatory)

By:



Candace McMullen
President
(Authorized Signatory)

[CONTINUED ON FOLLOWING PAGE]

Accepted by the President of the Board of County Commissioners of Washington County
this _____ day of _____, 2020, pursuant to a
Resolution passed by the Board of County Commissioners of Washington County on
_____, 2020.

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY

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



Agenda Report Form

Open Session Item

SUBJECT: COVID-19 Public Relations Project

PRESENTATION DATE: July 21, 2020

PRESENTATION BY: Charles Brown, Emergency Manager

RECOMMENDED MOTION: Request to accept and approve the Public Relations Project as and allow for the County Attorney and the President of the Board of County Commissioners to authorize all contracts which may be required to complete the project.

REPORT-IN-BRIEF: On July 14, 2020 the Commissioners were presented with a request to approve an MOU with the Washington County Health Department which would allow Washington County to seek reimbursement for expenditures due to certain health related expenses. One of those expenses was a comprehensive Public Relations Project designed to remind and educate on the importance of wearing face coverings, social distancing, and hand washing. This campaign is an effort to slow the spread of COVID-19 and ensure the County can continue to remain open.

DISCUSSION: The Washington County Health Department has allocated up to \$500,000.00 to the Washington County Public Relations Department to complete this project. Washington County does not require following a standard procurement policy for advertising projects. This project will include the creation of a digital platform, creation of Public Service Announcements, banners, and vehicle wraps, etc., and will be broadcast on multiple platforms to include social media, radio, television, and newspaper. Throughout this project various contracts may be required. As we are aware, the COVID-19 situation is ever changing and requires that timely and accurate educational information is distributed to the public. Approving this project as a whole and authorizing the County Attorney and President of the Board of County Commissioners to initiate required contracts will allow for Washington County to meet those crucial messaging timelines.

FISCAL IMPACT: None

CONCURRENCES: Interim County Administrator

ALTERNATIVES: None

ATTACHMENTS: None

AUDIO/VISUAL NEEDS: N/A



Agenda Report Form

Open Session Item

SUBJECT: CARES Act Reallocation Discussion

PRESENTATION DATE: July 21, 2020

PRESENTATION BY: Sara Greaves, Chief Financial Officer, Susan Buchanan, Director Office of Community Grant Management, Susan Small, Director of Business Management, Tom Brown, Jr, Emergency Manager

RECOMMENDED MOTION: Discussion regarding the potential reallocation of unspent CARES Act funding from the non-healthcare portion.

REPORT-IN-BRIEF: On July 14, 2020 staff presented an overview of the current status of the non-healthcare portion of the CARES Act funding. During that meeting staff advised they would return to discuss potential options to reallocate unspent funds.

DISCUSSION: Eligible expenditures are those made between March 1, 2020 and December 30, 2020, and must not have been accounted for in the most recently approved budget. In addition, loss of revenue and Emergency Operations Center costs do not qualify.

Together We Serve – Susan Buchanan

Together We Rise – Susan Small

IT Projects – Sara Greaves

FISCAL IMPACT: The non-healthcare portion of the Coronavirus Relief Fund provides for \$13M in funding.

CONCURRENCES: Interim County Administrator

ALTERNATIVES: None

ATTACHMENTS: Treasury Department FAQs

AUDIO/VISUAL NEEDS: N/A

**Coronavirus Relief Fund
Frequently Asked Questions
Updated as of June 24, 2020**

The following answers to frequently asked questions supplement Treasury’s Coronavirus Relief Fund (“Fund”) Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, (“Guidance”).¹ Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

Eligible Expenditures

Are governments required to submit proposed expenditures to Treasury for approval?

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

¹ The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

May a State receiving a payment transfer funds to a local government?

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

May a unit of local government receiving a Fund payment transfer funds to another unit of government?

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

Are States permitted to use Fund payments to support state unemployment insurance funds generally?

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

May Fund payments be used for COVID-19 public health emergency recovery planning?

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

Are expenses associated with contact tracing eligible?

Yes, expenses associated with contract tracing are eligible.

To what extent may a government use Fund payments to support the operations of private hospitals?

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

May recipients create a “payroll support program” for public employees?

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

May Fund payments be used to assist impacted property owners with the payment of their property taxes?

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

May a State impose restrictions on transfers of funds to local governments?

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

May recipients use Fund payments to provide loans?

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

May funds be used to satisfy non-federal matching requirements under the Stafford Act?

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to

the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

Questions Related to Administration of Fund Payments

Do governments have to return unspent funds to Treasury?

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

What records must be kept by governments receiving payment?

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

May recipients deposit Fund payments into interest bearing accounts?

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

May governments retain assets purchased with payments from the Fund?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

Are Fund payments to State, territorial, local, and tribal governments considered grants?

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are “other financial assistance” under 2 C.F.R. § 200.40.

Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

Are Fund payments subject to other requirements of the Uniform Guidance?

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?

Yes. The CFDA number assigned to the Fund is 21.019.

If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients’ total funding received from the federal government for purposes of the Single Audit Act?

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program

or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.



Agenda Report Form

Open Session Item

SUBJECT: Pangborn Park Dredging

PRESENTATION DATE: 7/21/2020

PRESENTATION BY: David Mason, Deputy Director of Solid Waste

RECOMMENDATION: To approve or deny the request from the City of Hagerstown to accept material from the Pangborn Park Dredging project at no cost.

REPORT-IN-BRIEF: The Pangborn Park Project is slated to start August 2020. It is estimated between 1,200 and 1,500 CY of material will be removed. This has an estimated cost to the City of Hagerstown of \$110,000 to \$139,000 at \$55/ton.

DISCUSSION: In a letter dated July 27, 2018, the City of Hagerstown requested to dispose of 1,200-1,500 cubic yards of dredged material from the Pangborn Park Lake. The material, when mixed with other soil, could be used as cover in the future. Savings to the landfill for cover material is estimated at \$33K.

FISCAL IMPACT: Differential between what would have been realized in revenue and savings due to usage as cover is \$77K.

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: N/A

AUDIO/VISUAL NEEDS: None

Commissioner Barr, seconded by Commissioner Keefer, moved to approve both funding requests as presented. The motion passed unanimously. (Commissioner Myers was absent.)

County Administrator

Rob Slocum informed the Commissioners that the Washington County Community Coalition met last week, and he will share the agenda for this legislative session. He stated that one topic presented for discussion was Airport Parts Tax Waiver; he has asked that the Coalition review that subject.

Mr. Slocum addressed a concern that was shared regarding the Washington County Purchasing Policy, which claimed that Washington County does not pay invoices for a year. Mr. Slocum stated that it is Washington County Policy to make every attempt to pay invoices within a two (2) week timeframe. Mr. Slocum stated that additionally, Washington County has an open bid process and questions can be presented during a specific timeline. For any questions and/or concerns, he directed contact to Mr. Rick Curry, Director of Purchasing; Sara Greaves, Chief Financial Officer, Budget and Finance; or himself directly.

Mr. Slocum stated that he appreciates the collaborative effort with the City of Hagerstown regarding the proposed Cadet Program, adding that it is possible that the Sheriff's Office may be interested in participating as well.

Mr. Slocum stated that the City of Hagerstown will be dredging Pangborn Park pond and to assist with cost, the County will be using the pond material removed as cover at the Washington County Landfill rather than taken across the scales for disposal.

CITIZENS' PARTICIPATION

None

FOURTH QUARTER ADJUSTMENTS TO THE WASHINGTON COUNTY BOARD OF EDUCATION'S FISCAL YEAR 2018 GENERAL FUND BUDGET

David Brandenburg, Executive Director of Finance, Washington County Public Schools (WCPS), and Jeffrey Proulx, Chief Operating Officer, WCPS, requested approval to the fourth quarter adjustments to the Board of Education's (BOE) Fiscal Year (FY) 2018 General Fund Budget as shown in the following categories: Revenue - \$361,095; Administration - (\$38,390); Mid-Level Administration - \$50,120; Instructional Salaries - \$171,035; Instruction Textbooks and Supplies - \$540,877; Other Instructional Costs - \$24,949; Special Education - \$98,605; Student Personnel Services - (\$4,320); Student Health Services - (\$139,271); Student Transportation Services - (\$11,131); Operation of Plant - \$627,100; Maintenance of Plant - (\$86,268); Capital Outlay - (\$848); Food Service - \$73,540; and Fixed Charges - (\$1,226,561), for a net change in fund balance of \$281,648. Mr. Brandenburg indicated that the proposed changes are necessary to properly categorize the Board's FY2018 budget and finalize the closeout of FY2018. There is a full-year excess of \$281,648, which represents approximately 0.1% of the total operating budget.