



100 West Washington Street, Suite 1101 | Hagerstown, MD 21740-4735 | P: 240.313.2200 | F: 240.313.2201
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**BOARD OF COUNTY COMMISSIONERS
APRIL 20, 2021
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. 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** **COMMISSIONERS' REPORTS AND COMMENTS**
- 10:15 AM** **STAFF COMMENTS**
- 10:20 AM** **CITIZENS PARTICIPATION** (*Citizens are required to submit a request to khart@washco-md.net or by calling 240-313-2204 by 4:00 PM on Monday, April 19, 2021.*)
- 10:25 AM** **PUBLIC IMPROVEMENT BONDS OF 2021 AUTHORIZING RESOLUTION** – *Lindsey Rader - Funk & Bolton, P.A. (Bond Counsel); Sara Greaves, Chief Financial Officer*
- 10:35 AM** **SUPPLEMENTAL RESOLUTION REALLOCATING A PORTION OF THE PAR AMOUNT OF THE PUBLIC IMPROVEMENT BONDS OF 2019** – *Lindsey Rader - Funk & Bolton, P.A. (Bond Counsel); Sara Greaves, Chief Financial Officer*
- 10:45 AM** **INTERGOVERNMENTAL COOPERATIVE PURCHASE (INTG-21-0058) – PERSONAL PROTECTIVE EQUIPMENT (PPE) FOR DIVISION OF EMERGENCY SERVICES** – *Brandi Naugle, Buyer; David Hayes, Director - Emergency Services*
- 10:50 AM** **CONTRACT RENEWAL (PUR-1417) – ELECTRICIAN SERVICES AT COUNTY FACILITIES** – *Brandi Naugle, Buyer; Danny Hixon, Deputy Director - Parks and Facilities*
- 10:55 AM** **CONTRACT RENEWAL (PUR-1432) – LEACHATE HAULING SERVICES AT COUNTY LANDFILLS** – *Brandi Naugle, Buyer; Dave Mason, Deputy Director - Department of Solid Waste*
- 11:00 AM** **DEPARTMENT OF COMMERCE RELIEF ACT GRANTS** – *Susan Small, Director - Business Development; Susan Buchanan, Director - Grant Management*
- 11:10 AM** **DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT NON-PROFIT RECOVERY GRANT APPLICATION SUBMITTAL** – *Susan Small, Director - Business Development; Susan Buchanan, Director - Grant Management*
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- 11:15 AM** **CONAGRA FOODS PACKAGED FOODS, LLC – CONDITIONAL LOANS FOR PINNACLE FOODS GROUP, LLC, AS ORIGINAL BORROWER** – *Susan Small, Director - Business Development*
- 11:20 AM** **RESOLUTION NO. RS-2020-32, RESTATED, WITH AMENDMENTS – WESEL BOULEVARD ROADWAY IMPROVEMENTS AND RECONSTRUCTION** – *Susan Small, Director - Business Development*
- 11:25 AM** **FISCAL YEAR 2022 BUDGET PRESENTATION – BASED ON 2.8% INCOME TAX RATE** – *Sara Greaves, Chief Financial Officer*
- 11:55 AM** **COUNTY INCOME TAX RATE RESOLUTION ADOPTION** – *Kirk Downey, County Attorney*
- 12:00 PM** **CLOSED SESSION** *(To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of an appointee, employee, or official over whom this public body has jurisdiction; or any other personnel matter that affects one or more specific individuals; to consult with counsel to obtain legal advice; to discuss public security, if the public body determines that public discussion would constitute a risk to the public or to the public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans; to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.)*
- 12:55 PM** **ADJOURNMENT**
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Agenda Report Form

Open Session Item

SUBJECT: County Commissioners of Washington County Public Improvement Bonds of 2021 Authorizing Resolution

PRESENTATION DATE: April 20, 2021

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

RECOMMENDED MOTION: Move to approve the resolution authorizing County Commissioners of Washington County (the “County”) to issue and sell, at public sale, upon its full faith and credit, a series of general obligation bonds in the original aggregate principal amount not to exceed \$12,105,000 for the purpose of financing or reimbursing costs of certain public facilities and projects, as presented.

REPORT-IN-BRIEF: Chapter 99 of the Laws of Maryland of 2018 and certain County Code provisions, as applicable, authorize the County to issue and sell at public sale, upon its full faith and credit, general obligation bonds for the purpose of financing or reimbursing the cost of certain public facilities and projects, as such terms are used in such statutory provisions (see attachment for the contemplated public facilities and projects). The contemplated bonds will not exceed \$12,105,000 in original aggregate principal amount (\$12,000,000 tax supported and \$105,000 expected to be self-supported). Certain details of the bonds are subject to adjustment based on market conditions, due to legal or tax considerations or for other reasons identified in the resolution. The Chief Financial Officer is authorized to make certain determinations and adjustments with respect to the bonds prior to release of the Preliminary Official Statement provided for in the resolution or following such release but prior to the sale of the bonds, including (without limitation) adjusting the original aggregate principal amount of the bonds, adjusting the amortization schedule for the bonds, and/or changing the principal, interest and/or optional redemption dates. In addition, authority to award or reject the bonds at the sale, and to make certain post-sale adjustments contemplated by the resolution, is delegated to the Chief Financial Officer, who shall act by order. Specified officials are authorized to finalize the form of the Preliminary Official Statement presented to the Board and to approve the final Official Statement. The resolution expresses the Board’s intention that post-receipt of bids adjustments be made on the sale date in order to allocate net original issue premium resulting from the successful bid not needed for underwriter’s discount, to the extent such additional net original issue premium is so available, to costs of the public facilities and projects, thereby reducing the final par amount of the bonds to be issued.

DISCUSSION: Proceeds from the bonds will be used to fund costs of certain infrastructure, public safety, public facilities, educational and environmental public facilities and projects. The amount of bond funding has been reduced by \$9,905,000 from the amount originally anticipated, certain environmental projects originally budgeted to be funded from bond proceeds have been eliminated from the financing, and the amount of bond funds has been re-allocated among certain of the projects since adoption of the fiscal year 2021 Capital Budget. Issuance costs (other than the underwriter's discount of the successful bidder for the Bonds) will be funded from pay-go funds.

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

CONCURRENCES: County Administrator and County Attorney

ALTERNATIVES: If the resolution is not approved, it will be necessary to eliminate the public facilities and projects to be funded from the bonds as detailed in the Capital Improvement Plan. Also, it will be necessary to determine alternative funding for such public facilities and projects already in progress.

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

AUDIO/VISUAL NEEDS: N/A

RESOLUTION NO. RS-2021-

A RESOLUTION AUTHORIZING AND EMPOWERING COUNTY COMMISSIONERS OF WASHINGTON COUNTY (THE "COUNTY") TO ISSUE AND SELL AT PUBLIC SALE, UPON ITS FULL FAITH AND CREDIT, A SERIES OF ITS GENERAL OBLIGATION BONDS DESIGNATED "COUNTY COMMISSIONERS OF WASHINGTON COUNTY PUBLIC IMPROVEMENT BONDS OF 2021", IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$12,105,000, SUBJECT TO REDUCTION AS PROVIDED HEREIN, PURSUANT TO THE PROVISIONS OF, AS APPLICABLE, CHAPTER 99 OF THE LAWS OF MARYLAND OF 2018 AND TITLE 6 OF THE CODE OF PUBLIC LOCAL LAWS OF WASHINGTON COUNTY (2019 EDITION), EACH AS AMENDED AS APPLICABLE, FOR THE PUBLIC PURPOSES OF FINANCING THE COST OF CERTAIN PUBLIC FACILITIES AND PROJECTS IN WASHINGTON COUNTY, INCLUDING THE COST OF ACQUISITION, ALTERATION, CONSTRUCTION, RECONSTRUCTION, ENLARGEMENT, EQUIPPING, EXPANSION, EXTENSION, IMPROVEMENT, REHABILITATION, RENOVATION, UPGRADING AND REPAIR OF VARIOUS INFRASTRUCTURE, PUBLIC SAFETY, PUBLIC FACILITY, EDUCATIONAL AND ENVIRONMENTAL PROJECTS, TOGETHER WITH ANY RELATED ARCHITECTURAL, FINANCIAL, LEGAL, PLANNING OR ENGINEERING SERVICES; PRESCRIBING THE TERMS AND CONDITIONS OF SAID BONDS AND THE TERMS AND CONDITIONS UPON WHICH SAID BONDS SHALL BE ISSUED AND SOLD AND OTHER DETAILS WITH RESPECT THERETO; PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE COUNTY TO THE PAYMENT OF THE BONDS AND PROVIDING THAT, IN THE EVENT FUNDS AVAILABLE TO THE COUNTY ARE INSUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS, THE COUNTY SHALL LEVY AND COLLECT AD VALOREM TAXES UPON ALL THE LEGALLY ASSESSABLE PROPERTY WITHIN WASHINGTON COUNTY SUFFICIENT TO PROVIDE FOR SUCH PAYMENTS WHEN DUE; PROVIDING FOR THE DISBURSEMENT OF THE PROCEEDS OF THE BONDS; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE AND SALE OF SAID BONDS; MAKING CERTAIN FINDINGS CONCERNING DEBT LIMITATIONS OF WASHINGTON COUNTY; MAKING OR PROVIDING FOR THE MAKING OF CERTAIN ELECTIONS, COVENANTS OR DETERMINATIONS PERTAINING TO THE TAX-EXEMPT STATUS OF SAID BONDS; PROVIDING THAT THE PROVISIONS OF THIS RESOLUTION SHALL BE LIBERALLY CONSTRUED; AND GENERALLY PROVIDING FOR THE ISSUANCE OF SAID BONDS.

RECITALS

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

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

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

Pursuant to the authority of the 2018 Act and the Water and Sewer Act, as applicable, the County has determined to issue and sell its general obligation bonds in an original aggregate principal amount not to exceed \$12,105,000 (the “New Money Bonds”) to finance the cost of the construction, improvement or development (within the meaning of the 2018 Act) of certain public facilities (within the meaning of the 2018 Act) in Washington County and the cost of certain projects (within the meaning of the Water and Sewer Act). The New Money Bonds are being issued to finance the cost of certain public facilities and projects as more particularly described in Section 2 herein. The issuance of the New Money Bonds shall not cause the County to exceed the debt limitation provided for in the Water and Sewer Act.

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

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

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

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

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

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

Pursuant to the authority of the 2018 Act and the Water and Sewer Act, as applicable, the County shall borrow on its full faith and credit the aggregate sum of not to exceed \$12,105,000 in order to provide funds to finance the cost of the construction, improvement or development of certain public facilities in Washington County (within the meaning of the 2018 Act) and to finance the cost of certain projects (within the meaning of the Water and Sewer Act), as further described

in Section 2 hereof, and shall evidence such borrowing by the issuance of a series of its general obligation bonds in the original aggregate principal amount not to exceed \$12,105,000 and designated “County Commissioners of Washington County Public Improvement Bonds of 2021” (the “Bonds” or, individually, a “Bond”).

The Chief Financial Officer of the County (who constitutes the Director of the Office of Budget and Finance for purposes of the County Code, the “Chief Financial Officer”), on behalf of the County, with the advice of the financial advisor to the County and bond counsel to the County, is hereby authorized from time to time prior to the sale of the Bonds to adjust the original aggregate principal amount of the Bonds as set forth in Section 3 hereof upward or downward (so long as such original aggregate principal amount, as adjusted, does not exceed \$12,105,000), to eliminate one or more of the maturities of the Bonds provided for in Section 3 hereof and/or to adjust the original aggregate principal amounts of each maturity of the Bonds upward or downward, due to tax considerations, due to market considerations, in order to restructure the amortization schedule for the Bonds to meet financial considerations impacting the County, to account for anticipated original issue premium so as to avoid an over-issuance problem and/or in order to reduce the par amount of the Bonds needed due to anticipated original issue premium, and/or to reduce the proceeds of the Bonds to be applied to any of the contemplated public facilities or projects provided for in Section 2 hereof due to the availability of other funds for such public facilities or projects or based on a decision of the Board made after this Resolution is adopted to reduce the proceeds of the Bonds to be applied to any particular public facilities or projects, and any such adjustment (i) shall be reflected in the Preliminary Official Statement provided for in Section 19 hereof if such determination is made prior to the release of such Preliminary Official Statement or (ii) shall be communicated in accordance with the provisions of the official Notice of Sale provided for in Section 11 hereof if such determination is made after the release of such Preliminary Official Statement.

The final original aggregate principal amount of the Bonds, the final maturities of the Bonds and the final original aggregate principal amount of each maturity of the Bonds will be determined in accordance with an order or orders of the Chief Financial Officer delivered in conjunction with the award of the Bonds in accordance with the provisions of Section 12 hereof. It is the stated intention of the Board of County Commissioners of Washington County (the “Board”) that, to the extent available for such purpose, any net original issue premium resulting from the successful bidder’s bid for the Bonds available after accounting for the underwriter’s discount of the successful bidder for the Bonds payable from such net original issue premium be allocated to the purposes contemplated in Section 2 of this Resolution, thereby reducing the par amount of the Bonds to be issued for such purposes specified in Section 2. Any rounding amounts attributable to the fact that the Bonds must be issued in denominations of \$5,000 and integral multiples thereof shall also be applied to the purposes specified in Section 2 hereof. Costs of issuance of the Bonds, other than underwriter’s discount payable to the successful bidder for the Bonds from proceeds of net original issue premium, shall be paid by the County from funds on hand.

[CONTINUED ON FOLLOWING PAGE]

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

<u>Proceeds</u>	<u>Use</u>
\$6,026,000	Infrastructure Projects
100,000	Public Safety Projects
350,000	Public Facilities Projects
5,524,000	Education Projects
105,000	Environmental Projects

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

Section 3. The Bonds shall be dated their dated date and shall be issued in the denominations of \$5,000 each or any integral multiple thereof. The Bonds shall bear interest from their dated date. Subject to the further provisions of this Section 3, interest on the Bonds shall be payable on January 1, 2022 and on each July 1 and January 1 thereafter until maturity or, as applicable, prior redemption. Each January 1 or July 1 on which interest is due on the Bonds is referred to herein as an “Interest Payment Date”. Interest shall be calculated on a 30-day month/360-day year basis.

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

[CONTINUED ON FOLLOWING PAGE]

<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>
2022	\$390,000	2032	\$640,000
2023	410,000	2033	670,000
2024	430,000	2034	685,000
2025	450,000	2035	700,000
2026	475,000	2036	710,000
2027	500,000	2037	725,000
2028	525,000	2038	740,000
2029	550,000	2039	755,000
2030	580,000	2040	770,000
2031	610,000	2041	790,000

Note: The original aggregate principal amount of, and original aggregate principal amount of each maturity of, the Bonds, is subject to adjustment prior to sale as provided in Section 1 hereof and in the official Notice of Sale provided for in Section 11 hereof. In addition, the original aggregate principal amount of, and/or the original aggregate principal amount of each maturity of, the Bonds is subject to adjustment after receipt of bids in accordance with the provisions of the official Notice of Sale provided for in Section 11 hereof.

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

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

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

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

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

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

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

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

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

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

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

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

(b) Transfer of ownership interests in the Bonds will be accomplished by book entries made by the Depository and, in turn, by the direct or indirect participants (the “Participants”) who act on behalf of the ultimate purchasers of the Bonds (the “Beneficial Owners”). The Beneficial

Owners will not receive certificates representing their ownership in the Bonds, except as hereafter provided.

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

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

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

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

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

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

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

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

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

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

Section 6. (a) The Bonds that mature on or before July 1, 2031 are not subject to redemption at the option of the County prior to their maturities. The Bonds that mature on and after July 1, 2032 shall be redeemable at the option of the County, in whole or in part, on any date on or after July 1, 2031, in any order directed by the County, at a redemption price of the principal amount of the Bonds (or portions thereof) to be redeemed, plus accrued interest on the principal amount being redeemed to the date fixed for redemption, without premium or penalty. The particular maturities or portions of maturities of the Bonds to be so redeemed shall be determined in the sole discretion of the County.

(b) Notwithstanding any provisions contained herein, during any period in which the Bonds are maintained pursuant to a Book-Entry System, redemption of the Bonds shall occur in

accordance with the Depository's standard procedures for redemption of obligations such as the Bonds.

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

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

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

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

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

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

[CONTINUED ON NEXT PAGE]

(Form of Face of Bond)

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

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

PUBLIC IMPROVEMENT BOND OF 2021

No. R-_____ \$ _____

<u>Annual Interest Rate</u>	<u>Maturity Date</u>	<u>Bond Date</u>	<u>CUSIP Number</u>
	July 1, 20_____	_____, 2021	[937777] ____

Registered Owner: Cede & Co.

Principal Amount: _____ Dollars

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

Interest on this bond shall be paid at the Annual Interest Rate shown above, payable on January 1, 2022 and semiannually thereafter on July 1 and January 1 in each year (the "Interest Payment Dates") until payment of such Principal Amount shall be discharged as provided in the Resolution (as hereinafter defined). Such interest shall be paid to the person in whose name this bond is registered on the registration books for the series of bonds of which this bond is one (the "Bond Register") maintained by the Bond Registrar and Paying Agent (as hereinafter defined) at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date (the "Record Date"). Interest shall be calculated on a 30-day month/360-day year basis.

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

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

This bond is one of an issue of bonds limited in original aggregate principal amount to \$_____, all dated the date of delivery and all known as “County Commissioners of Washington County Public Improvement Bonds of 2021” (the “Bonds”). The Bonds are issued as registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The Bonds are numbered consecutively from No. 1 upward and mature on July 1 in the years and in the amounts and bear interest at the annual rates, all as set forth below:

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

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

Redemption Date

Mandatory Sinking
Fund Installment]

* Final maturity.

The Bonds that mature on or before July 1, 2031 are not subject to redemption at the option of the County prior to their respective maturities. The Bonds that mature on and after July 1, 2032 are subject to redemption at the option of the County, in whole or in part, on any date on or after July 1, 2031, in any order directed by the County, at a redemption price of the principal amount of the Bonds (or portions thereof) to be redeemed, plus accrued interest on the principal amount being redeemed to the date fixed for redemption, without premium or penalty.

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

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

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

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

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

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

The Bonds are issued pursuant to the authority of Chapter 99 of the Laws of Maryland of 2018 and Title 6 of the Code of Public Local Laws of Washington County (2019 Edition), each as amended to date (collectively, the “Act”), and in accordance with Resolution No. RS-2021-__ of the Board of County Commissioners of the County adopted on _____, 2021 (the “Resolution”).

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

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

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

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

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

(SEAL)

ATTEST:

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY

By: _____
County Clerk

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is one of the registered bonds of County Commissioners of Washington County designated "County Commissioners of Washington County Public Improvement Bonds of 2021".

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

By: _____
Authorized Signatory

PAYMENT GRID

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

ASSIGNMENT

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

Dated:

Signature Guaranteed:

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

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

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

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY

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

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

(End of Form of Bond)

[CONTINUED ON NEXT PAGE]

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

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

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

Section 11. The Bonds shall be sold at public sale by electronic bids only to the bidder therefor for cash whose bid results in the lowest true interest cost to the County in the manner and in accordance with the formula set forth in the form of Notice of Sale attached as Appendix C to the Preliminary Official Statement identified in Section 19 hereof and made a part hereof (the "Notice of Sale"), as such Notice of Sale may be modified as provided in this Resolution and therein. Electronic bids for the Bonds shall be received by the Chief Financial Officer on May 4, 2021, subject to the further provisions of this Section 11. The Chief Financial Officer shall be and is hereby authorized to make such changes in the form of Notice of Sale set forth in the form of the Preliminary Official Statement provided to the Board with this Resolution as the Chief Financial Officer shall deem necessary to carry into effect the purposes of this Resolution (including, without limitation, to reflect matters determined in accordance with Sections 1 or 3 hereof or this Section 11) or to comply with recommendations of bond counsel to the County, or, with the advice of the financial advisor to the County, to be in the best interest of the County, including, without limitation, modifying or limiting the manner in which the issue price of the Bonds will be determined, modifying or limiting the premium payable by a bidder for the Bonds, modifying the manner of adjusting the amortization schedule for the Bonds pre- or post-sale, adding, modifying or eliminating any maximum interest rate for the Bonds, adding, modifying or eliminating any maximum spread between the lowest and highest interest rates bid with respect to the Bonds by a bidder, or modifying the amount of or method of delivery for the good faith deposit. The Chief Financial Officer, upon the advice of the financial advisor to the County, is authorized to adjust the original aggregate principal amounts of the Bonds and the maturities thereof in the

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

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

In view of the desirability of flexibility in the scheduling of the sale of the Bonds to take full advantage of shifts in market conditions, the County determines that it is in the best interest of the County to authorize and empower the Chief Financial Officer to change the time of or cancel said sale at any time prior to May 4, 2021, and to reschedule said sale without publishing a new Notice of Sale or advertisement, if (i) the financial advisor to the County has advised her that market conditions or other scheduling considerations are such that it is in the best interest of the County to do so, and (ii) she concurs in such recommendation to cancel and/or reschedule the sale. The Chief Financial Officer may cancel and reschedule any rescheduled sale in accordance with phrases (i) and (ii) of the preceding sentence. If the date of sale is rescheduled as provided above, the Chief Financial Officer may also postpone the date of delivery of the Bonds, which is currently scheduled for May 18, 2021. If the sale is postponed to a date later than May 31, 2021, then the Chief Financial Officer may also change the dated date of the Bonds (and hence the date from which interest shall accrue), the dates of the semi-annual interest payments and annual principal payments, the optional redemption dates, and the mandatory sinking fund redemption dates, if any, accordingly.

The Notice of Sale authorized by this Resolution shall be substantially in the form set forth in Appendix C to the form of the Preliminary Official Statement presented to the Board, and the terms, provisions and conditions set forth in the final form of the Notice of Sale provided for herein are hereby adopted and approved as the terms, provisions and conditions under which the Bonds shall be sold, issued and delivered at public sale. Said Notice of Sale, or an advertisement in substantially the form attached hereto as Exhibit A, shall be published at least once, at least ten days preceding said date of sale, in one or more daily or weekly newspapers having a general circulation in Washington County and may also be published in one or more journals having a circulation primarily among banks and investment bankers. The Chief Financial Officer, on behalf of the County, is hereby authorized to make any changes to such advertisement before publication to reflect matters determined in accordance with Sections 1, 3, or 11 of this Resolution before such publication, if applicable. In addition, the Chief Financial Officer is hereby authorized to cause to be prepared and distributed or made available to prospective bidders printed or printable copies of the Notice of Sale, as well as the Preliminary Official Statement hereinafter authorized. The Chief Financial Officer or her designee is hereby authorized and directed to handle all inquiries in connection with the sale authorized hereby and the Official Statement hereafter referred to and is further authorized to reschedule any postponed sale with or without the republication of the Notice of Sale or advertisement.

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

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

Pending expenditure as contemplated hereby, the Chief Financial Officer may invest all or part of such balance of the proceeds of the Bonds held by the County in such manner as may be permitted by law; provided, however, that no such investment shall be made which would cause

the Bonds to be “arbitrage bonds” within the meaning of the Code and the treasury regulations with respect thereto.

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

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

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

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

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

(f) The County shall make timely payment of any rebate amount or payment in lieu thereof (or installment thereof) required to be paid to the United States of America in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Bonds and shall include with any such payment such other documents, certificates or statements as shall be required to be included therewith under then applicable law and regulations.

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

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

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

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

Section 16. If any Bond shall become mutilated or be destroyed, lost or stolen, the County in its discretion may execute, and upon its request the Bond Registrar and Paying Agent shall authenticate and deliver, a new Bond in exchange for the mutilated Bond or in lieu of and substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution,

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

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

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

Section 19. The County hereby approves the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement") substantially in the form presented to the Board with this Resolution. The President of the Board and the Chief Financial Officer, with the advice of bond counsel to the County or the financial advisor to the County to the extent applicable, are hereby authorized and empowered to make edits to the form of the Preliminary Official Statement presented to the Board prior to the release of the Preliminary Official Statement, including, without limitation, to (i) disclose actual or anticipated impacts on the County stemming from the COVID-19 pandemic, (ii) reflect details regarding the funds expected to be received by the County under the American Rescue Plan Act of 2021, (iii) reflect the provisions of or to conform to the provisions of this Resolution, (iv) reflect changes dictated by the terms of the official Notice of Sale, (v) to correct inaccuracies or to provide clarifications, (vi) include therein other information that is more recent than the information contained in the form of the Preliminary Official Statement presented to the Board, and (vii) make formatting edits. On behalf of the County, the President of the Board and the Chief Financial Officer shall deem the final form of the Preliminary Official Statement to be final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to revision, completion and amendment in the final Official Statement in accordance with such Rule 15c2-12. The County authorizes the distribution of said Preliminary Official Statement in connection with its solicitation of bids for the sale of the Bonds.

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

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

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

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

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

Section 21. (a) The President and Vice President of the Board, the Chief Financial Officer, the County Clerk and such other officers, officials and employees of the County as the President or the Vice President shall designate, are authorized hereby to do any and all things, approve and execute all instruments, documents and certificates, and otherwise take all action

necessary, proper, or expedient in connection with the issuance, sale and delivery of the Bonds. The President and the Vice President of the Board, the Chief Financial Officer, the County Clerk and all other appropriate officers, officials and employees of the County are authorized and directed hereby to do all acts and things required of them by the provisions hereof and of the Bonds for the full, punctual, and complete performance of all of the terms, covenants, provisions and agreements of this Resolution and the Bonds.

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

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

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

[CONTINUED ON FOLLOWING PAGE]

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

Adopted this _____ day of _____, 2021.

(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

#221353;50052.045

EXHIBIT A

Form of Advertisement

SUMMARY NOTICE OF BOND SALE

\$12,105,000*

**WASHINGTON COUNTY, MARYLAND
(County Commissioners of Washington County)
Public Improvement Bonds of 2021**

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

Tuesday, May 4, 2021

until 11:00 a.m. prevailing Eastern time. The Bonds will be dated the date of their delivery, will bear interest payable semi-annually on the first days of January and July, commencing on January 1, 2022, until maturity or, to the extent applicable, prior redemption in whole, and will be issuable in denominations of \$5,000 each or multiples thereof. Principal of the Bonds will be payable on July 1 in each year determined in connection with the sale of the Bonds, unless redeemed in whole prior to final maturity. The Bonds will be issued in book-entry only form.

The original aggregate principal amount of the Bonds, and the original aggregate principal amount of each maturity of the Bonds, is subject to adjustment both pre- and post-sale as set forth in the Preliminary Official Statement for the Bonds and the official Notice of Sale. In addition, the principal and interest payment dates and optional redemption dates are subject to adjustment pre-sale as set forth in the Preliminary Official Statement and the official Notice of Sale. The final original aggregate principal amount of the Bonds will not exceed \$12,105,000.

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

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

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

Dated: _____, 2021 [TO BE PUBLISHED AT LEAST 10 DAYS PRIOR
TO DATE OF SALE]

Washington County, Maryland
Description of 2021 Projects

	Tax-Supported Bond Approved Amount	Self-Supported Bond Approved Amount	
Project Name	2021 Bond	2021 Bond	Project Type
<u>Infrastructure</u>			
Bridges:			
Halfway Boulevard Bridges W0912	211,000	0	
Keefer Road Bridge 15/20	146,000	0	
Frog Eye Road Culvert 11/06	652,000	0	
Roads:			
Pavement Maintenance and Rehab Program	2,232,000	0	
Eastern Boulevard Widening Phase II	0	0	
Professional Boulevard Extended Phase II	750,000	0	
Professional Boulevard Extended Phase III	1,135,000		
Professional Boulevard Extended Phase IV	800,000		
Wright Road	100,000	0	
Total	6,026,000	0	6,026,000
<u>Public Safety Projects</u>			
Police & EMS Training Facility	100,000	0	
Total	100,000	0	100,000
<u>Public Facilities</u>			
Salt Storage Structure	350,000	0	
Total	350,000	0	350,000
<u>Environmental Projects</u>			
Close Out Cap - Rubblefill	0	0	
Pump Station Upgrades - Various Stations	0	0	
Capacity Management Project	0	0	
Smithsburg WWTP ENR Upgrade	0	0	
General WTP Improvements	0	30,000	
Cascade Town Center Water System Improvements	0	75,000	
Total	0	105,000	105,000
<u>Educational Projects</u>			
Capital Maintenance - BOE*	76,000	0	
Sharpsburg Elementary School Replacement*	3,539,000	0	
Center for Business and Entrepreneurial Studies	1,409,000	0	
ARCC Air Conditioning	500,000	0	
Total	5,524,000	0	5,524,000
	\$12,000,000	\$105,000	\$12,105,000

*Subject to change. Budget adjustment pending BOCC approval in amount of \$1,873,841 to be shifted from Sharpsburg Elementary to Capital Maintenance.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2021

New Issue-Book-Entry Only

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

RATINGS:

\$10,740,000*
WASHINGTON COUNTY, MARYLAND
(COUNTY COMMISSIONERS OF WASHINGTON COUNTY)
PUBLIC IMPROVEMENT BONDS OF 2021

Dated: Date of delivery
Due: July 1, as shown on the inside cover page
Interest Payable: January 1 and July 1
First Interest Payment Due: January 1, 2022
Denomination: Integral multiples of \$5,000
Form: Registered, book-entry only through the facilities of The Depository Trust Company ("DTC")
Optional Redemption: The Bonds maturing on or after July 1, 2032 are redeemable prior to maturity at the option of the County as set forth in "THE BONDS—Redemption—Optional Redemption" herein.

Security: The Bonds are general obligations of County Commissioners of Washington County (the "County") for the payment of which its full faith and credit and unlimited taxing power are pledged (see "THE BONDS—Sources of Payment" herein).

10,740,000*

County Commissioners of Washington County
Public Improvement Bonds of 2021

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

Maturing July 1*	Principal Amount*	Interest Rate**	Price or Yield**	CUSIP	Maturing July 1*	Principal Amount*	Interest Rate**	Price or Yield**	CUSIP
2022	\$ 345,000				2032	\$ 570,000			
2023	365,000				2033	590,000			
2024	380,000				2034	605,000			
2025	400,000				2035	620,000			
2026	420,000				2040	630,000			
2027	445,000				2041	645,000			
2028	465,000				2042	660,000			
2029	490,000				2043	670,000			
2030	515,000				2044	685,000			
2031	540,000				2045	700,000			

*Preliminary; subject to change

**The interest rates and prices or yields shown above are those resulting from the successful bid for the Bonds on May 4, 2021 and were furnished by the successful bidder therefor. Other information concerning the terms of the reoffering of the Bonds, if any, should be obtained from the successful bidder for the Bonds and not from the County. (See "MISCELLANEOUS—Sale at Competitive Bidding" herein.)

Conditions Affecting Issuance: The Bonds are offered when, as and if issued, subject to, among other conditions, the delivery of the Bonds and an approving legal opinion of Funk & Bolton, P.A., Bond Counsel, with respect thereto and other conditions specified in the official Notice of Sale. Delivery will occur through the facilities of DTC on or about May 18, 2021.

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

Dated:

No dealer, broker, salesman or other person has been authorized by the County or the successful bidder for the Bonds to give any information or to make any representations with respect to the Bonds or the County other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set

forth herein has been obtained from the County and other sources which are deemed to be reliable, but it is not to be construed as a representation by the County as to information from sources other than the County.

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

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

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

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

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

COUNTY COMMISSIONERS

Jeffrey A. Cline, President
Terry L. Baker, Vice President
Wayne K. Keefer, Commissioner
Randall E. Wagner, Commissioner
Charles Burkett Jr., Commissioner

ADMINISTRATION

John M. Martirano, County Administrator Krista L. Hart, County Clerk
Sara L. Greaves, C.P.A., Chief Financial Officer

COUNTY TREASURER

Todd L. Hershey

FINANCIAL ADVISOR

Davenport & Company LLC
Towson, Maryland

BOND COUNSEL

Funk & Bolton, P.A.
Baltimore, Maryland

INDEPENDENT AUDITOR

SB & Company, LLC
Hunt Valley, Maryland

BOND REGISTRAR AND PAYING AGENT

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

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I. The Bonds

Introduction

The purpose of this Official Statement, including the cover page and appendices, is to provide information for prospective purchasers and others regarding County Commissioners of Washington County (the “County”) and its \$10,740,000* Public Improvement Bonds of 2021 (the “Bonds”).

All estimates and assumptions herein have been based upon information believed to be reliable and correct; however, statements made involving estimates and assumptions, whether or not expressly so stated, are intended merely as such and not as representations of facts. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect,” “anticipate,” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Some assumptions used to develop the forecasts may not be realized and unanticipated events and circumstances may occur. Therefore, there may be differences between forecasts and actual results, and those differences may be material. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof or as of a particular specified date.

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

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

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

Description of Bonds

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

Interest on the Bonds, calculated on the basis of a 30-day month/360-day year factor, will be payable at the interest rates specified on the inside cover page of this Official Statement. Interest will be first paid on January 1, 2022, and semiannually thereafter on the first day of July and January of each year until the date of maturity unless a Bond is redeemed prior to that date. Interest payments will be made to the persons who are registered owners of record as of the 15th day of the month next preceding each such interest payment date. The Bond shall bear interest from the most recent date to which interest has been paid or, if no interest has been paid, from its date of delivery.

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

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

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

*Preliminary; subject to change

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

DTC and Book-Entry Only System

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus

Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

Book-Entry Only System - Miscellaneous

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

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

Authorization

The Bonds are issued pursuant to the authority of Chapter 99 of the Laws of Maryland of 2018 (“Chapter 99”) and Title 6 of the Code of Public Local Laws of Washington County, Maryland (2019 Edition), (the “Water and Sewer Act”), each as amended, as applicable, and in accordance with Resolution No. RS-2021-__ adopted by the Board of County Commissioners of Washington County (the “Board”) on April 20, 2021 (the “Resolution”).

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

Application of Proceeds

Net proceeds of the Bonds, including a portion of the original issue premium paid by the successful bidder therefor, will be applied to costs of the following projects (including cost of issuance other than underwriter’s discount payable to the successful bidder for the Bonds):

Use*	Amount
Infrastructure Projects	\$ 6,026,000
Public Safety Projects	100,000
Public Facility Projects	350,000
Education Projects	5,524,000
Environmental Projects	105,000
	<u>\$ 12,105,000</u>

* Preliminary; subject to change

Redemption

Optional Redemption

The Bonds that mature on or before July 1, 2031 are not subject to redemption at the option of the County prior to their maturities. The Bonds that mature on or after July 1, 2032 are subject to redemption at the option of the County as a whole or in part at any time on or after July 1, 2031, in any order of maturity directed by the County, at a redemption price of the principal amount of the Bonds (or portions thereof) to be redeemed, plus accrued interest on the principal amount being redeemed to the date fixed for redemption, without premium or penalty.

[Mandatory Sinking Fund Redemption]

The Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount to be redeemed, together with interest accrued on the principal amount being redeemed to the date fixed for redemption, on the dates and in the principal amounts set forth below:

Redemption Date (July 1)	Principal Amount	Redemption Date (July 1)	Principal Amount
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The forgoing subsection will be completed with respect to each term bond of the Bonds, if any, designated by the successful bidder for the Bonds in accordance with the official Notice of Sale. See Appendix C hereto.]

Selection of Bonds for Redemption; Notice of Redemption

Certain of the Bonds are subject to redemption at the option of the County as described above under “--Redemption—Optional Redemption.” If the successful bidder for the Bonds designates term bonds, then the applicable term bonds will be subject to mandatory sinking fund redemption as described above under “Redemption—Mandatory Sinking Fund Redemption.” If fewer than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by the Bond Registrar and Paying Agent in such manner as in its discretion it shall

determine; provided that, so long as the Bonds are maintained in book-entry form, the selection of individual ownership interests in the Bonds to be credited with such partial redemption shall be made by DTC (or any successor securities depository) in accordance with DTC's (or such successor securities depository's) then existing procedures.

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

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

Sources of Payment

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

Bondholders' Remedies

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

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

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

Tax Matters

State of Maryland and Local Income Tax

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

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

Federal Income Tax

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax under existing statutes, regulations and decisions as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of certain certifications of the County and continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States of America.

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

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

Certain of the Bonds may be offered and sold at a discount (“original issue discount”) equal generally to the difference between their public offering price and principal amount. For federal income tax purposes, original issue discount on a Bond accrues periodically over the term of the Bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the purchaser’s tax basis in the Bond for determining taxable gain or loss upon disposition (including sale, redemption or payment at maturity). Purchasers of Bonds at a discount should consult their tax advisors regarding the determination and treatment of original issue discount for federal income tax purposes, and with respect to any state or local tax consequences of owning such Bonds.

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

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

Effects of Future Enforcement, Regulatory or Legislative Actions

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

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

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

See Appendix B hereto for the proposed form of opinion of Bond Counsel to be delivered with respect to the Bonds upon issuance.

II. Government and Administration

Location

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

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

Form of Government

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

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

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

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

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

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

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

JEFFREY A. “JEFF” CLINE, a third-term County Commissioner, serves as President of the Board of County Commissioners and is a Williamsport, Maryland, resident. Mr. Cline is a graduate of Williamsport High School and Hagerstown Community College. As a former realtor, he has approximately 10 years of experience selling residential and commercial property in Washington County. He graduated from the Maryland Association of Realtors’ 2008 Leadership Academy, received the Graduate of Realtor Institute (GRI) designation and is also a graduate of the 2013 Leadership Washington County Class 26. Mr. Cline served on the Williamsport Town Council from 2005 to 2009.

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

WAYNE K. KEEFER, a second-term County Commissioner, is a life-long resident of Washington County and resides in his hometown of Hancock. A graduate of Hancock Middle-Senior High School, Mr. Keefer continued his education locally at Hagerstown Community College, then earned his B.S. and M.B.A. from Frostburg State University. Mr. Keefer has over a decade of experience as a commercial banker with roles in consumer lending and corporate accounting. He currently works as both Program Developer and Adjunct Instructor with his alma mater, Frostburg State University, and is a licensed real estate agent. An active member of the community, he has previously served as President of the Hancock Chamber of Commerce, Vice-President of the Rotary Club of Hancock, and Secretary/Treasurer for the Hancock Historical Society.

RANDALL E. “RANDY” WAGNER, a first-term County Commissioner, was born and raised in Washington County. Mr. Wagner graduated from North Hagerstown High School and is a veteran of the United States Coast Guard, where he served for four years. Mr. Wagner worked at Mack Truck for 17 years before becoming a small business owner in Washington County, owning and operating 40 West Marine in Clear Spring for eight years. He has served the local community as a realtor for the past 20 years and is a licensed private pilot. Prior to his election to the Board of County Commissioners, Mr. Wagner served on the Animal Control Board of Washington County for eight years and held the position of Vice-Chair.

County Treasurer

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

Administrative Officials

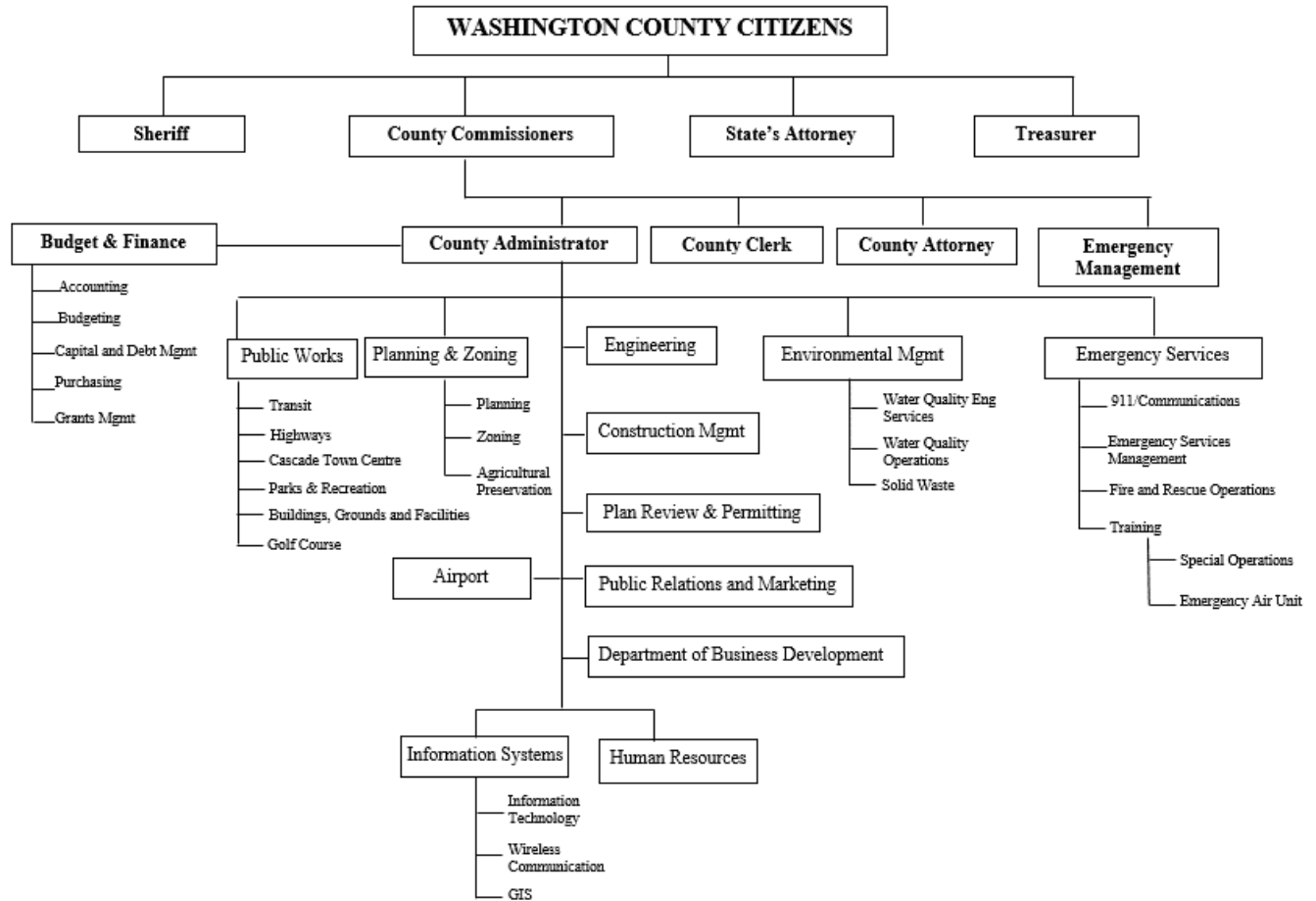
JOHN M. MARTIRANO Esq., County Administrator, was appointed to such position effective December 28, 2020. He has over 19 years prior of experience working as an attorney for Washington County Government. He most recently served as Chief Legal Counsel for Washington County Public Schools, where he has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

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

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

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

Washington County Government Organizational Chart



County Employment

As of June 30, 2020, the County employed 765 full-time employees and 430 part-time employees, including seasonal positions. The County has a compensation and classification plan, which is complemented by a performance evaluation system. There are 180 employees of the County's Division of Public Works, Division of Emergency Services, and Division of Environmental Management represented by a collective bargaining agreement that expires on June 30, 2023. The County has not experienced a work stoppage due to labor relation disputes and considers its relationships with employees to be good.

Pension and Retirement System

Employees of the County government are provided retirement benefits through a pension plan (the "Plan"). Participation in the Plan is mandatory and there were 1,285 participants as of June 30, 2020. The Plan also provides death and disability benefits. The employees and the County fund the guaranteed allowance. Approximately 27% of the non-uniformed participants contribute to the Plan at the rate of 5.50% of their annual salary and the remaining non-uniformed and uniformed employees contribute 6.00% of their annual salary.

The County's contribution is comprised of three parts: (i) contribution to cover current service costs, (ii) annual accrued liability contribution to liquidate the County's unfunded accrued liability by July 1, 2039 and (iii) annual additional accrued liability contribution to liquidate the County's additional accrued liability due to actuarial gains and losses, benefit changes and assumption changes. Contributions are based on an assumed investment rate of 7.25% compounded annually. Contributions are currently funded at 25% of total salary expense. Salaries are assumed to increase at an annual rate of 3.00%. Contributions from participants and from the County are pooled to provide the guaranteed allowance for each member.

The following table presents the pension and retirement contributions and unfunded liabilities of the County and certain County agencies for completed fiscal years 2017 through 2020 and for fiscal year 2021. For fiscal year 2021, which began July 1, 2020, the County has already paid the \$11,182,857 amount reflected in the “Total” column in the table below. This payment is the aggregate of the amounts reflected in the columns “Current Service Costs” and “Recommended Payment for Unfunded Accrued Liability”.

As of July 1	Current Service Costs	Recommended Payment for Unfunded Accrued Liability	Total	Unfunded Accrued Liability
2020	\$3,471,254	\$7,711,603	\$11,182,857	\$83,819,276
2019	3,271,075	7,645,393	10,916,468	85,204,939
2018	2,403,396	9,415,983	11,819,379	85,336,525
2017	2,309,989	8,199,538	10,509,527	83,002,235
2016	1,454,253	5,555,195	7,009,448	55,888,694

Source: Bolton Partners, Inc.

As a result of the implementation of GASB Statement 68—Accounting and Financial Reporting for Pensions, the County modified its accounting for the Plan, while continuing to use the same actuarial cost method for determining contributions to the Plan. For fiscal years prior to fiscal year 2015, costs and funding contributions were based on the Projected Unit Credit actuarial cost methods. For fiscal year 2015 and later, the funding contributions remain based on the Projected Unit Credit funding method while the GASB liabilities reflected in the financial statements are based on the Entry Age Normal cost method, as required by GASB 67 and 68. The new method produces higher liabilities but lower normal costs than the previous method. However, both methods produce actuarially sound contribution (funding) or liabilities (GASB), and annual contributions are intended to fully fund the Plan’s July 1, 2020 unfunded liability by July 1, 2039.

Please refer to Notes 1 and 11 to the financial statements for fiscal year 2020 and to the Required Supplementary Information set forth in Appendix A to this Official Statement for additional information regarding the County’s pension obligations.

Other Post–Employment Benefits

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

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

There is no vesting in the post-employment health benefits, and they are subject to change at any time. All employees who retire from the County may participate in the program. In order to be eligible, the retiree must have (i) a minimum of five years of County service, and (ii) immediately preceding retirement, been enrolled in a medical, vision, or prescription drug insurance plan offered to active employees in the County. The retirees pay 50% of the health insurance premium. Retirees participating in the County’s health plan are also covered by a death benefit equal to their final annual salary, not to exceed \$100,000. These benefits cease when the retiree attains age 65 or becomes Medicare eligible. As of June 30, 2020, 58 retirees were receiving OPEB benefits and 107 employees were retirement-eligible.

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

The net OPEB liability (asset) is equal to the total OPEB liability minus the net position of the plan. The result as of June 30, 2020 is as follows:

Components of Net OPEB Obligation

Total OPEB liability	\$ 13,723,498
Net position	<u>\$ (24,654,510)</u>
Net OPEB liability (asset)	\$ (10,931,012)

Source: Bolton Partners, Inc.

Please refer to Note 16 to the financial statements for fiscal year 2020 and to the Required Supplementary Information set forth in Appendix A to this Official Statement for additional information regarding the County's OPEB obligations.

Insurance

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

Certain Services and Responsibilities

Education

The Board of Education of Washington County (the "Board of Education") implements all educational policies and programs for public schools in Washington County under the administration of the State Board of Education. The Board of Education, composed of seven members elected for four-year terms, oversees 21,939 students (including 797 in pre-kindergarten), in 46 instructional facilities, which include elementary, middle, high and combined schools. The average unrestricted Pre-K-12 per pupil expenditure was \$12,615 for the 2019-20 school year.

The largest General Fund appropriation by the County in its adopted budget for fiscal year 2021 is \$103,208,100 for the Board of Education, which represents 44.00% of the General Fund budget. This appropriation is for operating expenditures. In addition, the County appropriated \$15,944,000 in its capital budget for fiscal year 2021 for Board of Education projects.

Washington County's high school graduation rate for the 2019-2020 is not currently available due to the COVID-19 pandemic. Washington County's high school graduation rate for the 2018-2019 school year as compared to other selected peer group counties and the State of Maryland is as follows:

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

Source: Maryland Board of Education

Training/Higher Education

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

Training

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

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

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

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

Higher Education

Hagerstown Community College (“HCC”), founded in 1946, was the first community college in Maryland. With more than 100 programs of study, HCC offers workforce preparation and credentialing, university transfer, career development, and basic education. HCC programs include the STEMM Technical Middle College, which allows high school students the opportunity to earn college credits and credentials while focusing on science, technology, engineering, mathematics and medical courses, an adult education program, and the Technical Innovation Center, a small business incubator.

The County appropriated \$10,035,290 in its fiscal year 2021 operating budget for HCC. HCC receives the balance of its funding from student tuition, State grants, and other miscellaneous sources. In addition, the County appropriated \$2,722,000 in its capital budget for fiscal year 2021 for HCC projects.

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

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

Planning and Zoning

The Washington County Planning Commission was created in 1957. The Planning Commission consists of seven members appointed by the Board and is supported by the County's Planning and Zoning Department with a staff of nine. The Planning Commission has authority to approve subdivision and site development plans. The plans are required by the Subdivision and the Zoning Ordinances and managed by the County's Division of Plan Review & Permitting. Another of the primary responsibilities of the Planning Commission is the Comprehensive Plan for the County. The Planning Commission first recommended the adoption of a Comprehensive Plan for Washington County in 1971. Major updates to the Comprehensive Plan were completed in 1981 and in 2002. Another update of the Comprehensive Plan is now in progress, with adoption expected in 2021.

From the original adoption in 1973 and through amendments in 2002, 2005 and 2012, the Zoning Ordinance provides seven classifications for industrial development: (i) "Industrial General" which encompasses heavy manufacturing plants requiring extensive transportation, water and sewerage facilities; (ii) "Industrial Restricted" which encompasses light manufacturing such as processing or assembly of previously processed materials; (iii) "Planned Industrial" which encompasses the planned development of industrial park locations; (iv) "Airport" which permits industrial uses that have a need to be located near the airport or provide airport related services and include height limitations located around the Hagerstown Regional Airport; (v) "Highway Interchange District" which allows light industrial and commercial uses in the vicinity of interstate interchanges to take advantage of transportation needs and opportunities; (vi) "Office, Research and Technology" which is geared toward the development of corporate offices, research facilities, and high-tech communication land uses; and (vii) "Office, Research and Industry" which allows a mix of technology and selected industries with increased performance standards. The zoning regulations as well as the 2015 Maryland Building Performance Standards, the 2015 International Existing Building Code, trade codes and local amendments administered by the Division of Construction Management and the Division of Plan Review & Permitting govern the development of these areas.

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

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

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

Hospital and Medical Care

Meritus Health

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

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

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

Washington County Health Department

The Washington County Health Department, which provides various health services to the citizens of Washington County, is budgeted to receive a total of \$2,339,270 in fiscal year 2021 from the County. Along with the main headquarters, it has staff and programs based at seven other sites. The Health Department employs a total of 146 full-time and part-time personnel in five divisions.

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

Other Medical Facilities

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

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

Safety

Law Enforcement

The Washington County Sheriff's Office, the Maryland State Police, and municipal police agencies provide police protection in Washington County. The Sheriff's Office has 101 sworn personnel and 97 radio-dispatched vehicles. The Sheriff's Office is responsible for the operation of the Detention Center, which has a capacity of 450 inmates. In October 2016, a Day Reporting Center opened that provides treatment services to non-violent offenders with drug and/or alcohol addictions, as well as providing services for the Circuit Court Adult Drug Court Program. The State Police has 35 troopers assigned to the local barrack, which is located just south of Hagerstown. The Hagerstown Police Department has a full-time force of 108 officers. The Hancock Police Department employs four full-time officers. In addition, the Smithsburg Police Department employs four officers and the Boonsboro Police Department employs five police officers.

Emergency Services

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

Emergency Communications

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

Emergency Management

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

Fire and Rescue

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

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

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

Emergency Medical Services

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

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

Environmental Management

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

Solid Waste

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

Water Supply and Wastewater Facilities

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

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

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

GOVERNMENT AND ADMINISTRATION

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

The County bills its customers quarterly except for those for which wastewater treatment service is provided by the City of Hagerstown, in which case the County’s charges are billed and collected on its behalf by the City of Hagerstown. The following table shows the total Number of Services and EDUs of the County’s water and wastewater systems and the annual residential user rates effective July 1, 2020. For customers receiving County collection services only, treatment is provided by the City of Hagerstown.

WATER SYSTEM		
	No. of Services	No. of EDUs
		Residential Annual (Avg) User Rate
Full Service.....	<u>1,345</u>	<u>1,511</u>
		\$701.76

WASTEWATER SYSTEM		
	No. of Services	No. of EDUs
		Residential Annual (Avg) User Rate
Full Service	7,382	11,067
Collection Service Only	3,894	5,219
Wholesale	<u>5</u>	<u>4,966</u>
Total.....	<u>11,281</u>	<u>21,252</u>

Source: Washington County Department of Budget and Finance

The County provides wastewater “treatment only” services to its wholesale customers, which are the towns of Williamsport and Smithsburg, the Conococheague Pretreatment Facility (the “Pretreatment Facility”), Fort Ritchie and the City of Hagerstown. The only major wastewater treatment facility for public use in Washington County other than those operated by the County is the Hagerstown Wastewater Treatment Plant, owned and operated by the City of Hagerstown, which has a capacity of 8 million gallons per day.

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

III. Economic and Demographic Information

Department of Business Development

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

The DBD currently has six full-time employees to conduct the day-to-day operations of the office, as well as business development and business outreach efforts in the community.

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

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

The DBD administers the Enterprise Zone Program, identifying eligible businesses that qualify for local real property tax credits and State income tax credits in the City of Hagerstown, the Town of Hancock, and elsewhere in Washington County. For tax year 2020-21 (fiscal year 2021), the City of Hagerstown, the Town of Hancock, and the County granted \$86,469, \$329.94, and \$547,686, respectively, in real property tax credits for private capital investment. The State of Maryland is expected to reimburse \$43,234 to the City of Hagerstown, \$164 to the Town of Hancock, and \$273,843 to the County for these credits.

Business Development

New and Expanding Businesses

In calendar year 2020, the County experienced new and expanding businesses highlighted by the creation of 719 new jobs and known new investments of approximately \$204 million. Many of these achievements are a result of incentive packages provided through partnerships of the County and State to provide training programs, State financing, and Enterprise Zone tax credits. Significant projects announced in 2020 and 2021 that are expected to provide an additional 2,782 new jobs and an additional \$474.7 million of new investments are noted in the following table based on the most recent information available:

Hagerstown-Washington County, Maryland -- Significant Business Activity for 2020/2021

Company Name	Business Type	Completed/ Expected Completion	Project Cost (1)	#New Jobs ⁽¹⁾	Sf/Acreage	Type of Activity
Completed Projects 2020						
Dick's Sporting Goods	Retail	1Q20	\$ 15,000,000	u/k		Relocation/Expansion
SkyZone	Tourism	1Q20	400,000	u/k		Expansion
Thomas, Bennett, Hunter	Construction	1Q20	1,500,000	u/k		Relocation/Expansion
Trammel Crow	Warehouse/Distribution	1Q20	62,500,000	500		New Construction
IKO Industries/Blair Materials	Manufacturing	1Q20	70,000,000	40		New Jobs/Relocation
Da'Vita Foods	Manufacturing	1Q20	1,200,000	20		Expansion/New Jobs
First United Bank (Edgewood Dr.)	Finance	1Q20	300,000	u/k		Renovation/Expansion
Pinnacle Foods	Manufacturing	1Q20	35,000,000	100		New Jobs/Expansion
Antraquip	Manufacturing	2Q20	2,250,000	15		New Jobs/Expansion
Cushwa Brewery	Expansion	2Q20	1,200,000	16		Expansion
Antietam Overlook Brewery/B&B	Expansion	2Q20	800,000	15		Expansion
New Heights Industrial Park	Unknown	2Q20	12,000,000	u/k		Investment/Rehabilitation
Pathfinder Farm	Tourism	4Q20	900,000	5		Renovation/Expansion
Elmwood Farm Distillery	Tourism	4Q20	1,000,000	8		Renovation/Expansion
		<i>Sub-totals</i>	<u>204,050,000</u>	<u>719</u>		
Projects to be Completed 2021						
North Point Development (ph 1)	Warehouse/Distribution	4Q20		n/a		New Construction
North Point Development (ph 2)	Warehouse/Distribution	4Q21	250,000,000	1500		New Construction
Volvo VPL	R&D	1Q21	33,000,000	12		New Jobs/Expansion
Stoney Creek Farm & Event Center	Expansion	2Q21	9,500,000	20		Expansion
National Park Service (C&O Canal)	Tourism	3Q21	26,650,000	75		New Jobs/Relocation/Construction
		<i>Sub-totals</i>	<u>319,150,000</u>	<u>1607</u>		
Projects Announced in 2020/2021						
Resolute Tissue	Manufacturing	2Q21	10,000,000	50		Relocation/Expansion
AC&T, Inc.	Travel Center	3Q21	4,000,000	n/a		Renovation/Equipment
Penntex Ventures	Developer	4Q21	1,582,756	n/a		New Construction
Penzance	Warehouse/Distribution	4Q21	60,000,000	500		New Construction
Project Oak at Cascades Building	Agricultural/Manufacturing	4Q21	10,000,000	125		Renovation/NewJobs
Tractor Supply Company	Warehouse/Distribution	4Q21	20,000,000	n/a		Renovation/Expansion
Creekside Logistics	Warehouse/Distribution	1Q22	50,000,000	500		New Construction
		<i>Sub-totals</i>	<u>155,582,756</u>	<u>1175</u>		
Totals for Projects 2020/2021:			<u>\$678,782,756</u>	<u>3,501</u>		

Source: Washington County Department of Business Development

(1) Estimates based on company announcements.

Business Parks and Sites

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

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

Source: Washington County Department of Business Development

New Jobs Tax Credit Program

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

Enterprise Zones

Approximately 5,500 acres in Washington County are within two State-designated Enterprise Zones. The *City of Hagerstown/Washington County Enterprise Zone* was renewed and expanded by the State in 2012. This zone now encompasses approximately 4,000 acres located within the City of Hagerstown and Washington County. The zone has more than doubled in size and includes Hopewell Valley Industrial Park, Washington County Business Park, CSX Valley Park, the City of Hagerstown Business Park, and the Central Business District in downtown Hagerstown. The *Hancock Enterprise Zone* was renewed in 2015. This 1,500 acre zone surrounds the Town of Hancock, stretching from the Pennsylvania border to the Potomac River. The zone includes commercial and industrial development opportunities in select areas of Hancock as well as commercial frontage along Main Street. Local and State incentives are available to new or expanding companies in these zones to promote growth of the industrial and commercial base. Qualified businesses can receive local property tax credits for capital investment and State income tax credits for the creation of new jobs. Each Enterprise Zone is approved by the State for a 10-year period.

Pad-Ready Commercial Stimulus Program

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

High Performance Building Tax Credit Program

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

Job Creation and Capital Investment Real Property Tax Credit Program

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

HUBZone

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

Opportunity Zone

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

Foreign Trade Zone

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

Utilities, Transportation and Communication

Utilities

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

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

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

Transportation

Highways: Washington County is served by Interstate Highways I-81, I-70, and I-68, complemented by U.S. 40 and U.S. 11, and State Routes 60, 63, 64, 65 and 68. These highways put Washington County businesses within a day's drive of one-third of the U.S. population and half of all retail trade. The Baltimore and Washington, D.C. beltways are an hour's drive from central Washington County.

Air: Hagerstown Regional Airport (HGR) is a Part 139 Facility which provides twice weekly service to Orlando/Sanford International (SFB), via Allegiant. Allegiant also offers summer seasonal flights twice weekly to St Pete-Clearwater (PIE) and Myrtle Beach (MYR) airports. The airfield also offers fixed base operation services to general aviation, corporate and military aircraft. There are 17 businesses offering clients a variety of aviation services for all types of aircraft. Approximately 1,600 people are employed locally as a result of the airport being in Washington County. In addition, Dulles International, Baltimore/Washington International Thurgood Marshall and Ronald Reagan Washington National airports are located within 70 miles of Hagerstown.

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

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

Communication

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

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

ECONOMIC AND DEMOGRAPHIC INFORMATION

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

Population

The following table illustrates the population growth of Washington County, the State of Maryland, and the United States from calendar years 1970 to 2020.

Population Growth						
<u>Washington County</u>			<u>State of Maryland</u>		<u>United States</u>	
<u>Year</u>	<u>Population</u>	<u>Percent Change</u>	<u>Population</u>	<u>Percent Change</u>	<u>Population</u>	<u>Percent Change</u>
2020	156,800	2.4	6,042,718	4.4	326,687,501	5.8
2010	147,430	11.8	5,787,988	9.0	308,845,538	9.7
2000	131,923	8.7	5,296,486	10.8	281,421,906	12.7
1990	121,393	7.3	4,781,753	13.4	249,633,000	10.2
1980	113,086	9.9	4,216,000	7.4	226,505,000	11.4
1970	103,829	—	3,923,897	—	203,302,000	—

Source: U.S. Department of Commerce, Bureau of the Census for 1970, 1980, 1990, 2000, 2010; Maryland Department of Planning, Maryland State Data center for 2020 projections.

Income

Median household Effective Buying Income ("EBI") in Washington County was estimated at \$60,680 for calendar year 2019. The median household EBI for Washington County, the State of Maryland and the United States are estimated as follows:

Median Household Effective Buying Income					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Washington County	\$60,680	\$59,719	\$56,316	\$56,228	\$56,477
State of Maryland	86,738	81,868	76,067	74,551	74,149
United States	65,712	60,293	55,322	53,889	53,482

Source: MD BriefEconomic Facts for 2014-2018; United States Census Bureau QuickFacts; United States Census 2019 Map Survey Project

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

Distribution of Effective Buying Income (2017)				
<u>Households By EBI Group</u>	<u>Washington County</u>	<u>State of Maryland</u>	<u>United States</u>	
Under \$25,000	20.6%	14.2%	21.3%	
\$25,000 - \$49,999	22.7	17.1	22.5	
\$50,000 - \$74,999	19.3	16.5	17.7	
\$75,000 - \$99,999	13.5	13.1	12.3	
\$100,000 - \$149,999	14.1	18.7	14.1	
\$150,000 - \$199,999	5.8	9.7	5.8	
\$200,000 and over	3.9	10.7	6.3	

Source: MD BriefEconomic Facts based on U.S. Bureau of the Census released in 2018

Area Labor Supply

Washington County has an available civilian labor force of approximately 70,588. In addition, businesses draw employees from Allegany, Garrett and Frederick counties in Maryland; Franklin and Fulton counties in Pennsylvania; and portions of Berkeley, Jefferson and Morgan counties in West Virginia. The civilian labor force for all these counties totals more than 423,222.

Employment

Within Washington County there are more than 3,507 businesses. The following table shows the employment statistics for the 15 largest employers in Washington County as of December 2020.

Employer	Employment
Washington County Public Schools	3,286
Meritus Health.....	2,740
First Data.....	2,185
State of Maryland	2,030
Volvo Group.....	1,543
Washington County Government.....	1,118
Citi.....	925
FedEx Ground.....	900
Bowman Group, LLP (The).....	828
Federal Government.....	582
ARC of Washington County.....	550
Hagerstown Community College.....	545
Merkle Response Management Group.....	545
City of Hagerstown.....	506
Direct Mail Processors.....	500

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

Unemployment Rate

Unemployment in Washington County averaged 4.9% between 2016 and 2020. The following table indicates the County's average unemployment rate as compared with the State of Maryland for the five most recent calendar years.

Unemployment Rate – Annual Average

	2020	2019	2018	2017	2016
Washington County	6.8%	3.8%	4.5%	4.4%	5.1%
State of Maryland	6.8%	3.6%	4.2%	4.1%	4.4%

Source: Maryland Department of Labor, Licensing and Regulation

Construction Activity

Construction activity during the years 2016-2020 in Washington County is provided below:

Year Ended Dec. 31	Building Permits (Value in Thousands)					
	Residential New		Other Permits		Total	
	Number	Value	Number	Value	Number	Value
2020	182	\$46,990	967	\$216,220	1,149	\$263,210
2019	200	50,455	1,002	175,029	1,202	225,484
2018	245	59,441	1,104	138,376	1,349	197,818
2017	198	57,704	1,117	75,737	1,315	133,441
2016	172	40,510	1,977	99,632	2,149	140,142

Source: Washington County Department of Permits and Inspections

Housing Starts

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

Year Ended December 31	Single Family (One and Two-Unit Structures)
2020	171
2019	193
2018	234
2017	189
2016	159

Source: Washington County Department of Permits and Inspections

Multi-family housing starts in the County were nominal during 2016. During the year ended December 31, 2017, there were 12, 24-unit multi-family buildings constructed. During the years ended December 31, 2018, 2019 and 2020 there were no multi-family units constructed.

Agriculture

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

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

Washington County Agriculture Statistics, 2017

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

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

IV. Financial Information

Accounting System

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

Fund Structure

The revenues and receipts of the County are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent. The various funds are identified in the financial statements of the County. The fund types used by the County are Governmental Funds (General, Special Revenue and Capital Projects), Proprietary Funds (Enterprise and Internal Service) and Fiduciary Funds (Trust and Agency). Details of the County's fund structure are set forth in the Notes to the financial statements for fiscal year 2020 that are included in Appendix A to this Official Statement.

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

Basis of Accounting, Measurement Focus, and Financial Statement Presentation

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

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

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

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

Accounting Enterprise System

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

Capital Budget Preparation Software

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

Distinguished Budget Presentation Award

The County received the Distinguished Budget Presentation Award for its 2020 Budget Document from the Government Finance Officers Association of the United States and Canada. The award is given to those entities that satisfy nationally recognized guidelines for effective budget presentation. Those guidelines are designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communication device. The County has received the award for 16 consecutive years. The award reflects the commitment of the County to meet the highest standards in governmental budgeting.

Budget Process and Schedule

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

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

Financial Capacity and Analysis Phase

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

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

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

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

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

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

Budget Development Start

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

Budget Development Phase

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

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

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

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

Review/Modification Phase

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

Adoption Phase

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

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

Budget Monitoring

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

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

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

General Fund Revenues and Expenditures

The General Fund's major function is to provide funding for education, public safety, courts, planning, permits, public works, parks and recreation, general operations, and economic development. The major revenue sources to provide these programs and services for the public are: Real and Personal Property Tax, Income Tax and Recordation Tax. The following table displays the County's General Fund actual revenues and expenditures compared to the final budget for fiscal year 2020, budgeted revenues and expenditures for fiscal year 2021, and the proposed budget for fiscal year 2022.

County Commissioners of Washington County Budget Comparison General Fund Fiscal Years 2020, 2021 and 2022				
	Fiscal Year 2020		Fiscal Year 2021	Fiscal Year 2022
	Final Budget	Actual Amounts	Original Budget ⁽¹⁾	Proposed Budget
REVENUES				
Property Tax				
Real Property Tax.....	\$ 115,862,420	\$ 115,913,252	\$ 119,464,580	\$ 121,331,450
Personal Property Tax.....	14,057,110	15,163,596	14,057,110	14,510,190
Property Tax Interest Income.....	395,000	360,379	395,000	395,000
Other Property Tax.....	635,100	720,952	745,330	966,870
State Administrative Fees.....	(580,000)	(555,400)	(620,000)	(520,000)
Property Tax Discounts, Credits, and Fees.....	(1,672,000)	(1,772,120)	(1,828,950)	(2,512,270)
Total Property Taxes.....	\$ 128,697,630	\$ 129,830,659	\$ 132,213,070	\$ 134,171,240
Other Local Taxes				
Income Tax.....	\$ 87,950,000	\$ 92,154,973	\$ 88,483,080	\$ 100,360,500
Admissions and Amusement Tax.....	255,000	263,095	210,000	150,000
Recordation Tax.....	6,500,000	7,417,514	6,000,000	6,500,000
Trailer Tax.....	550,000	586,128	250,000	100,000
Total Other Local Taxes.....	\$ 95,255,000	\$ 100,421,710	\$ 94,943,080	\$ 107,110,500
Other Revenues				
Licenses and Permits.....	\$ 1,276,000	\$ 1,162,809	\$ 1,161,950	\$ 1,158,950
Court Costs and Fines.....	2,734,160	1,730,441	1,651,000	1,334,000
Charges for Services.....	1,462,900	1,136,780	1,519,190	1,487,910
Interest Income.....	1,200,000	2,297,095	500,000	500,000
Reimbursed Expenses.....	1,400,660	926,532	977,540	921,550
Miscellaneous Revenues.....	478,881	585,232	307,750	337,750
Grant and Shared Revenues.....	20,418,167	7,710,163	2,623,000	5,341,030
Highway Revenues.....	2,489,910	2,102,220	2,409,730	2,338,500
Total Other Revenues.....	\$ 31,460,678	\$ 17,651,272	\$ 11,150,160	\$ 13,419,690
TOTAL REVENUES.....	\$ 255,413,308	\$ 247,903,641	\$ 238,306,310	\$ 254,701,430
EXPENDITURES				
General Government.....	\$ 30,597,677	\$ 28,065,053	\$ 27,349,580	\$ 30,159,945
Public Safety.....	68,958,471	55,712,216	55,152,330	60,617,520
Health.....	2,339,270	2,339,270	2,339,270	2,339,270
Social Services.....	435,560	435,560	435,560	446,010
Education.....	110,550,900	110,550,900	113,243,390	113,243,400
Parks, Recreation, and Culture.....	6,391,870	6,137,679	7,509,460	6,545,560
Conservation of Natural Resources.....	764,120	708,546	861,430	873,820
Highway.....	11,028,160	9,744,052	11,736,350	11,876,800
General Operations.....	490,750	411,756	518,180	2,814,265
Unallocated Employee Insurance and Benefits.....	1,268,260	(1,985,044)	125,000	502,370
Intergovernmental.....	7,667,400	10,429,722	3,224,990	10,009,680
Debt Service.....	14,920,870	14,877,978	15,810,770	15,272,790
TOTAL EXPENDITURES.....	\$ 255,413,308	\$ 237,427,688	\$ 238,306,310	\$ 254,701,430
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 10,475,953</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Washington County Department of Budget and Finance

(1) Budget revisions are possible until the close of the year on June 30, 2021. Amendments to date to the fiscal year 2021 budget since its adoption have not been material, except for an adjustment to the income tax budget of \$10M.

The following table displays the County's General Fund revenues and expenditures on a GAAP basis with additional ratios for fiscal years 2016 through 2020.

County Commissioners of Washington County

Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

	Year Ended June 30				
	2020	2019	2018	2017	2016
Revenues:					
Taxes, interest and penalties	\$ 230,252,369	\$ 222,040,259	\$ 210,500,448	\$ 208,934,726	\$ 204,569,492
Shared taxes and grants	7,710,163	4,875,585	3,267,236	4,431,597	6,349,348
Licenses and permits	1,162,809	1,283,820	1,417,875	1,189,019	1,316,242
Revenues from use of money and property	2,297,095	3,262,373	2,390,598	1,327,838	1,074,126
Charges for services	1,136,780	1,365,493	1,328,177	448,532	477,971
Other revenue	3,242,205	4,250,017	3,050,871	2,410,607	1,757,855
Highway revenue	2,102,220	2,253,157	1,645,244	1,378,314	1,720,771
Total revenues	<u>\$ 247,903,641</u>	<u>\$ 239,330,704</u>	<u>\$ 223,600,449</u>	<u>\$ 220,120,633</u>	<u>\$ 217,265,805</u>
Expenditures:					
General government	\$ 28,065,053	\$ 27,349,583	\$ 26,733,212	\$ 26,764,285	\$ 25,392,800
Public safety	55,712,216	47,201,336	44,190,232	42,703,200	41,898,282
Health	2,339,270	2,339,270	2,339,270	2,339,270	2,339,270
Social services	435,560	435,560	424,390	373,390	454,165
Education	110,550,900	108,566,050	106,796,410	104,387,080	104,109,040
Recreation and culture	6,137,679	7,366,504	5,988,897	5,794,949	5,586,517
Conservation of natural resources	708,546	721,153	707,995	753,063	669,041
Intergovernmental	38,543	38,543	38,543	38,543	38,543
General operations	(1,573,288)	5,869,521	786,862	1,092,721	2,337,705
Highway	9,744,052	10,492,140	10,446,328	10,243,937	9,821,132
Debt service:					
Principal	9,982,975	9,316,119	10,033,918	9,005,341	9,748,588
Interest	4,895,003	4,822,891	4,711,877	5,683,469	4,070,313
Total Expenditures	<u>\$ 227,036,509</u>	<u>\$ 224,518,670</u>	<u>\$ 213,197,934</u>	<u>\$ 209,179,248</u>	<u>\$ 206,465,396</u>
Excess of revenues over expenditures	<u>\$ 20,867,132</u>	<u>\$ 14,812,034</u>	<u>\$ 10,402,515</u>	<u>\$ 10,941,385</u>	<u>\$ 10,800,409</u>
Other financing sources(uses):					
Net bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds of capital leases	-	50,769	267,420	1,036,682	-
Principal amount of new debt for advanced refunding	7,153,773	-	-	-	7,078,184
Deposit to escrow fund for advance refunding and repayment of loans	(7,152,222)	-	-	-	(7,075,279)
Operating transfers in	-	-	90,000	22,000	-
Operating transfers out	(10,391,179)	(11,112,760)	(9,326,453)	(11,429,045)	(9,388,519)
Total other financing sources(uses)	<u>\$ (10,389,628)</u>	<u>\$ (11,061,991)</u>	<u>\$ (8,969,033)</u>	<u>\$ (10,370,363)</u>	<u>\$ (9,385,614)</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ 10,477,504</u>	<u>\$ 3,750,043</u>	<u>\$ 1,433,482</u>	<u>\$ 571,022</u>	<u>\$ 1,414,795</u>
Fund balances at beginning of year	<u>45,496,695</u>	<u>41,746,652</u>	<u>40,313,170</u>	<u>39,742,148</u>	<u>38,327,353</u>
Fund balance at end of year	<u><u>\$ 55,974,199</u></u>	<u><u>\$ 45,496,695</u></u>	<u><u>\$ 41,746,652</u></u>	<u><u>\$ 40,313,170</u></u>	<u><u>\$ 39,742,148</u></u>
Fund Balance:					
As a percent of revenue	22.6%	19.0%	18.7%	18.3%	18.3%
As a percent of expenditures	24.7%	20.3%	19.6%	19.3%	19.2%
Committed, Assigned and Unassigned Fund Balance:	<u>\$ 53,617,833</u>	<u>\$ 43,231,991</u>	<u>\$ 39,571,925</u>	<u>\$ 38,279,884</u>	<u>\$ 38,122,456</u>
As a percent of revenue	21.6%	18.1%	17.7%	17.4%	17.5%
As a percent of expenditures	23.6%	19.3%	18.6%	18.3%	18.5%
Debt Service:	<u>\$ 14,877,978</u>	<u>\$ 14,139,010</u>	<u>\$ 14,745,795</u>	<u>\$ 14,688,810</u>	<u>\$ 13,818,901</u>
As a percent of revenue	6.0%	5.9%	6.6%	6.7%	6.4%
As a percent of expenditures	6.6%	6.3%	6.9%	7.0%	6.7%

Source: Washington County Department of Budget and Finance

Anticipated Results for Fiscal Year 2021

Fiscal year 2021 will not end until June 30, 2021. However, the County anticipates ending the fiscal year with a surplus. Expenditures are in line with the budget, while revenues are trending above budget. The original fiscal year 2021 budget was developed in a conservative manner that reflected the potential impact of 20% unemployment because of the COVID-19 pandemic. Fortunately, Washington County's unemployment rate reached a high of 11.4% in April 2020, but unemployment levels consistently trended down to 5.5% in December 2020. Income tax revenues through March 31, 2021 have been greater than anticipated as a result of lower unemployment than projected and the distribution of higher unemployment benefits to taxpayers due to stimulus actions; and a substantial increase in estimated payments from pass through entities (PTE's). A mid-year income tax adjustment was made to increase budgeted income tax revenues by \$10 million. This adjustment provided one time pay go funding for many capital projects.

In addition to the \$10 million adjustment, February's income tax distribution exceeded budget by \$9.2 million. Legislation enacted at the 2020 session of the Maryland General Assembly created an entity level tax for PTEs in Maryland. Prior to this legislation, PTEs contributed estimated payments on behalf of their non-resident owners. Now, PTEs may pay on behalf of their resident owners as well. There was a surge in payments to the State in the last quarter of 2020, a result of PTEs taking advantage of federal tax breaks due to the enacted legislation. This result indicates that counties may start receiving a bulk payment for taxes relative to these owners rather than in quarterly installments. While this may appear on the surface to be revenue neutral in the long run and really just a timing issue of tax payments, Washington County has some concerns regarding overdistribution. Income tax is distributed based on a preset allocation determined by the State. Since PTE revenue is concentrated in mostly upper income brackets, the County is concerned that it may have been provided too much revenue in February 2021 based on the distribution allocation. If this is the case, reconciling distributions will be affected in future quarters. The State has confirmed that February's large distribution is not indicative of more recent income tax receipts and was skewed because of the change in timing of payments from PTEs.

The additional stimulus that was awarded to those on unemployment also contributed to the County's strong income tax revenue figures. However, due to the Governor's Relief Act of 2021, signed on February 15, 2021, unemployment benefits are no longer taxable. The estimated amount of overpayment from the State for Washington County is \$3.9 million for fiscal year 2021. This will likely impact the County's reconciling distributions that will be received by the County in June, August, and September of calendar year 2021. This reduction is anticipated to be offset by less unemployment and higher income tax than originally budgeted.

In addition to income tax receipts, recordation tax receipts are expected to exceed budgeted amounts by approximately \$2 million due to several large commercial sales.

As of April 6, 2021, the County anticipates ending fiscal year with over \$11 million in surplus.

See "MISCELLANEOUS—Potential Impact of COVID-19 Pandemic on the County" herein.

Sources of Tax Revenue

Ad valorem property taxes, the County's largest source of tax revenues, were 57% of total tax revenues fiscal year 2019 and 56% in fiscal year 2020. During the same period, income tax revenues as a percentage of total tax revenues were 37% in fiscal year 2019 and 40% in fiscal year 2020. The following table presents the County's tax revenues by source for each of the last five fiscal years.

Tax Revenues by Source

Fiscal Year Ended June 30	Total Taxes	Local Property Taxes⁽¹⁾	Local Income Taxes	Other Local Taxes⁽²⁾
2020	\$230,252,369	\$129,830,659	\$92,154,973	\$8,266,737
2019	222,040,259	127,440,494	86,848,691	7,751,074
2018	210,500,448	125,111,784	77,919,871	7,468,793
2017	208,934,726	122,905,748	78,891,902	7,137,076
2016	204,569,492	122,001,946	75,208,180	7,359,366

Source: Washington County Department of Budget and Finance

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

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

Local Property Taxes

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

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

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

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

The State also provides a tax credit based on the ability of homeowners to pay property taxes. The credit is calculated by use of a scale, which indicates a maximum tax liability for various income levels. The tax credit processed for local property taxes for Washington County for fiscal year 2020 was \$1,416,157 and the tax credit processed as of March 05, 2021 for fiscal year 2021 is \$1,346,560.

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

Assessed Value, Tax Rates and Tax Levy

The following table sets forth the assessed value of all taxable property in Washington County for each of its five most recent fiscal years and the County and State tax rate applicable in each of those years. Assessed value of tax-exempt properties owned by federal, State and County governments, churches, schools, fraternal organizations, cemeteries, disabled veterans and the blind, aggregating \$2,340,264,115 for the fiscal year ended June 30, 2019, is not included in the table. Under applicable law, there is no limit to the total tax levy for property taxes. In the opinion of the County, the tax rate established by it for each fiscal year, when applied to the property subject thereto, is sufficient to provide revenues to discharge the County’s obligations to pay principal and interest maturing on its outstanding general obligation indebtedness in each fiscal year.

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

	2020	2019	2018	2017	2016
Real property.....	\$12,835,761	\$12,486,754	\$12,217,613	\$12,047,907	\$11,889,530
Personal property:					
Railroads and public utilities.....	202,050	196,942	188,380	180,988	172,128
Business corporations.....	380,000	420,000	416,848	416,031	405,500
Total property	<u>\$13,417,811</u>	<u>\$13,103,696</u>	<u>\$12,822,841</u>	<u>\$12,644,926</u>	<u>\$12,467,158</u>
Change in market value of property	2.4%	2.2%	1.4%	1.4%	0.90%
County tax rate (per \$100 assessed value)	\$0.948	\$0.948	\$0.948	\$0.948	\$0.948
State tax rate (per \$100 assessed value)	0.112	0.112	0.112	0.112	0.112

Source: Maryland State Department of Assessments and Taxation

There were no changes to the property tax rates for the County or the State in fiscal year 2021.

Tax Collection

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

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

Fiscal Year Ending June 30	Taxes Levied	Taxes Collected in Year of Levy		Total Taxes Collected (Current and Delinquent)		Taxes Receivable	Taxes Receivable as a Percentage of Total Taxes Collected
		Amount	Percent	Amount	Percent		
2020	\$ 133,303,884	\$131,433,814	98.60	\$ 131,076,848	98.33	\$2,151,651	1.64
2019	128,597,531	128,511,328	99.93	128,526,755	99.95	720,590	0.56
2018	127,046,245	126,493,137	99.56	126,815,087	99.81	725,364	0.57
2017	124,295,568	123,986,762	99.75	124,150,669	99.89	494,206	0.40
2016	122,703,971	122,397,609	99.75	122,899,961	100.16	480,714	0.39

Source: Washington County Department of Budget and Finance

Principal Taxpayers

The 20 largest taxpayers in the County as of June 30, 2020, ranked by assessed value, are listed below.

Name of Taxpayer	Assessed Value	Percentage of Assessed Value
PR Valley Limited Partnership.....	\$ 108,240,570	
Outlet Village of Hagerstown.....	\$ 103,673,167	
Potomac Edison.....	\$ 99,176,340	
Bowman Group.....	\$ 92,326,967	
Fedex Ground Package System.....	\$ 75,431,870	
Liberty Property Management.....	\$ 72,149,800	
Walmart Stores/Wal-Mart R.E. Sam's East.....	\$ 51,280,934	
2007 East Greencastle Pike.....	\$ 50,221,900	
LCN STP Hagerstown Multi, LLC.....	\$ 50,058,630	
Ghattas Enterprise Maudgans Ave.....	\$ 48,637,333	
Sub-total	\$ 751,197,511	5.86%
Western Hagerstown (Ind. & Dist).....	\$ 44,880,100	
CR Hagerstown LLC.....	\$ 42,037,967	
254 Hagerstown/Citigroup/Citicorp.....	\$ 40,389,800	
Mack Truck Inc/Volvo Group.....	\$ 36,473,210	
Norfolk Southern Combined Rail.....	\$ 35,312,140	
Cortpark II LLC.....	\$ 33,516,367	
Lowes.....	\$ 32,246,480	
Verizon.....	\$ 32,204,390	
GPT Hagerstown Owner LLC.....	\$ 32,203,400	
GP Hagerstown Limited PtsHP.....	\$ 30,104,000	
Total	\$ 1,110,565,365	8.66%

Source: Washington County Treasurer's Office

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

Local Income Tax

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

The County currently levies a local income tax on Washington County residents at the rate of 3.2%. The rate was increased from 2.8% to 3.2% effective January 1, 2020. The County does not levy a local income tax on corporations.

Other Local Taxes and Revenues

In addition to general property taxes and income taxes, the County levies and collects miscellaneous taxes, the largest of which is the recordation tax on instruments conveying title to property and securing debt. Revenues from this tax in the fiscal year ended June 30, 2020 were \$7,417,514. The County also receives revenues from the amusement and admission tax and the trailer tax. Another significant source of local revenue is generated from the issuance of building and other permits. Revenues from all these sources, including recordation taxes, in the fiscal year ended June 30, 2020 were \$9,429,546.

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

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

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

State and Federal Grants

During the County's fiscal year ended June 30, 2020, an aggregate of \$10,972,985 in federal and State funds was received by all County departments for use in operations. The largest single categorical source was a federal grant for \$4,196,534, which was a portion of a CARES Act grant. The County also received a total of \$8,724,217 in federal and State funds for capital projects in the fiscal year ended June 30, 2020. The County projects that \$18,931,117 in federal and State funds will be received in fiscal year 2021 for operations and \$11,528,940 in federal and State funds will be received for capital projects.

During the fiscal year ended June 30, 2020, the Board of Education received \$195,072,650 in State funds and \$24,088.264 in federal funds for operating and food service expenses. In fiscal year 2021, the Board of Education anticipates receiving \$198,279,920 in State funds and \$30,413,840 in federal funds for operations.

General Fund Balance Sheet

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

County Commissioners of Washington County

Balance Sheet General Fund

As of June 30

	2020	2019	2018	2017	2016
ASSETS					
Cash and short-term investments	\$ 1,104,925	\$ 618,872	\$ 415,192	\$ 627,517	\$ 162,083
Investment in U.S. Government					
Agency Securities	80,085,369	97,052,684	99,211,242	101,443,510	91,452,894
Property taxes receivable (net)	1,832,574	498,411	651,241	348,751	357,582
Accounts receivable	2,138,048	1,139,143	862,246	422,410	503,433
Due from other governments	36,708,502	27,515,971	21,428,932	16,752,299	16,757,732
Inventories	875,346	776,816	730,400	763,099	790,714
Other assets	1,438,055	1,921,103	1,754,650	1,421,211	962,586
Total assets	<u>\$ 124,182,819</u>	<u>\$ 129,523,000</u>	<u>\$ 125,053,903</u>	<u>\$ 121,778,797</u>	<u>\$ 110,987,024</u>
LIABILITIES					
Accounts payable	\$ 3,853,942	\$ 1,442,745	\$ 1,791,101	\$ 1,366,313	\$ 2,514,765
Accrued expenses	2,024,401	1,743,490	1,907,822	4,563,855	1,404,296
Liabilities on unpaid claims	1,481,126	2,211,941	2,030,677	1,523,730	1,892,223
Due to other funds	24,908,614	58,845,269	62,263,607	63,884,634	55,483,023
Unearned revenue	9,556,542	533,242	604,215	382,729	346,841
Other liabilities	1,941,643	1,866,760	2,042,323	2,219,462	1,350,527
Total liabilities	<u>\$ 43,766,268</u>	<u>\$ 66,643,447</u>	<u>\$ 70,639,745</u>	<u>\$ 73,940,723</u>	<u>\$ 62,991,675</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	<u>\$ 24,442,355</u>	<u>\$ 17,382,858</u>	<u>\$ 12,667,506</u>	<u>\$ 7,524,904</u>	<u>\$ 8,253,201</u>
FUND EQUITY					
Nonspendable	\$ 1,447,900	\$ 1,409,371	\$ 1,353,130	\$ 1,455,417	\$ 1,090,714
Restricted	908,466	855,333	821,597	577,869	528,978
Committed	53,532,582	43,212,749	39,554,672	38,263,353	38,104,831
Assigned	25,250	19,242	17,253	16,531	17,625
Unassigned	60,001	-	-	-	-
Total fund equity	<u>\$ 55,974,199</u>	<u>\$ 45,496,695</u>	<u>\$ 41,746,652</u>	<u>\$ 40,313,170</u>	<u>\$ 39,742,148</u>
Total liabilities and fund equity	<u>\$ 124,182,822</u>	<u>\$ 129,523,000</u>	<u>\$ 125,053,903</u>	<u>\$ 121,778,797</u>	<u>\$ 110,987,024</u>

Source: Washington County Department of Budget and Finance

Key Financial Statistics

General Fund Cash Reserves and Fund Balance

The following table illustrates the ratio of the General Fund fund balance as a percentage of total revenues for the last five fiscal years. Also included in the table are the ratios of cash reserves as a percentage of General Fund revenues. It is the intention of the County to maintain a minimum reserve level of 17 percent, which represents 60 days of working capital. It is anticipated that the County will meet or exceed the 17 percent reserve level in fiscal year 2021.

Fiscal Year	Revenues		Fund Balance	Fund Balance as	Reserves as	
				Percentage of	Percentage of	
				Revenues	Revenues	
2020	\$	247,903,641	\$	55,974,199	22.58%	21.08%
2019		239,330,704		45,496,695	19.01%	17.58
2018		223,690,449		41,746,652	18.66	17.49
2017		220,120,633		40,313,170	18.31	17.13
2016		217,265,805		39,742,148	18.29	17.55

Source: Washington County Department of Budget and Finance

V. Debt and Capital Requirements

Debt Management Policy

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

General Obligation and Revenue Bonds

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

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

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

The County may issue general obligation bonds in an amount up to \$70,000,000 pursuant to the authority of Chapter 99. The original aggregate principal amount of bonds issued pursuant to Chapter 99 at June 30, 2020 was \$9,574,278. The unused authorization available under Chapter 99 prior to the issuance of the Bonds is \$60,425,722.

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

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

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

The following table sets forth the amount of the County’s general obligation bonded debt issued and outstanding as of June 30, 2020, exclusive of certain water and sewer bonds (see “Water and Sewer Bonds” herein). Outstanding principal amounts have not been adjusted for discounts or premiums.

**Statement of General Obligation Bonded Debt
Issued and Outstanding*
As of June 30, 2020**

	Date of Issue	Amount Issued	Amount Outstanding			
			General Fund	Solid Waste Fund	Airport Fund	Total
Public Improvement Series A Bonds (13).....	May 2010	\$ 6,992,993 ⁽¹⁾	\$ 564,090	\$ 223,289	-	\$ 787,379
Public Improvement Refunding Bonds.....	May 2010	13,790,000	1,734,536	410,464	-	2,145,000
Public Improvement Bonds.....	May 2011	14,170,000	7,387,512	2,172,488	-	9,560,000
Public Improvement Bonds.....	May 2012	12,068,100 ⁽²⁾	8,702,075	-	-	8,702,075
Refunding Bonds.....	May 2012	7,740,000	1,828,700	5,640	375,660	2,210,000
Public Improvement Bonds.....	May 2013	12,000,000	9,125,000	-	-	9,125,000
Refunding Bonds.....	May 2013	12,540,000	7,789,232	105,768	-	7,895,000
Public Improvement Bonds.....	May 2014	14,000,000	11,475,000	-	-	11,475,000
Public Improvement Bonds.....	May 2015	12,000,000 ⁽³⁾	10,304,010	-	-	10,304,010
Refunding Bonds.....	May 2015	25,573,470 ⁽⁴⁾	15,886,092	1,340,851	-	17,226,943
Public Improvement Bonds.....	May 2016	12,103,000 ⁽⁵⁾	10,708,990	91,919	-	10,800,909
Refunding Bonds.....	May 2016	7,317,990 ⁽⁶⁾	6,217,650	895,235	-	7,112,885
Public Improvement Bonds.....	May 2017	13,142,000 ⁽⁷⁾	11,211,901	1,066,999	-	12,278,900
Public Improvement Bonds.....	May 2018	12,852,000 ⁽⁸⁾	11,623,058	825,237	-	12,448,295
Public Improvement Bonds.....	May 2019	12,255,000 ⁽⁹⁾	12,000,000	255,000	-	12,255,000
Public Improvement Bonds.....	June 2020	9,060,000 ⁽¹⁰⁾	9,032,740	27,260	-	9,060,000
Refunding Bonds (14).....	June 2020	8,033,930 ⁽¹¹⁾	5,755,630	2,278,300	-	8,033,930
MWQFA (12) Financing Cell 3.....	Nov 2004	2,498,427	-	671,413	-	671,413
MWQFA (12) Solid Waste Refinancing.....	Feb 2005	7,248,761	524,045	1,439,716	-	1,963,761
MWQFA (12) Resh Road Cap Phase I.....	Dec 2006	5,000,000	1,952,527	-	-	1,952,527
		<u>\$ 220,385,671</u>	<u>\$ 143,822,788</u>	<u>\$ 11,809,579</u>	<u>\$ 375,660</u>	<u>\$ 156,008,027</u>

Source: Washington County Department of Budget and Finance

* Exclusive of Water and Sewer bonded debt.

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

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

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

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

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

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

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

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

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

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

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

(12) Maryland Water Quality Financing Administration.

(13) The Public Improvement Series A Bonds issued in May 2010 were retired at maturity on July 1, 2020.

(14) Proceeds of the Refunding Bonds issued in June 2020 were applied to currently refund the County's then outstanding Public Improvement Bonds, Taxable Build America Bonds (Direct Payment) Series 2010B, which were redeemed in whole on July 23, 2020.

Water and Sewer Bonds

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

By State law, the total bonded indebtedness of the County for these purposes, including bonded indebtedness previously issued by the former Washington County Sanitary District, may not exceed 25% of the assessed value of all property in Washington County subject to unlimited County taxation. At the time the State law was enacted the assessed value was equal to 40% of market value. Pursuant to legislation passed by the Maryland General Assembly, real property assessment law was altered to reflect full market value assessments. Therefore, to maintain the intent of the State law, 40% of the stated 25% of assessed value, or 10%, is used to calculate the legal debt margin for water and sewer debt.

DEBT AND CAPITAL REQUIREMENTS

The following table sets forth the amount of the County's water and sewer debt issued and outstanding as of June 30, 2020. Outstanding amounts have not been adjusted for discounts or premiums. Debt subject to the Water and Sewer Act is referred to as "Water and Sewer" debt herein.

Statement of Water and Sewer Bonded Debt Issued and Outstanding As of June 30, 2020

	Date of Issue	Issued	Outstanding
Public Improvement Series A Bonds.....	May 2010	\$ 867,007 ⁽¹⁾	\$ 97,621
Public Improvement Bonds.....	May 2012	5,696,900 ⁽²⁾	4,107,925
Public Improvement Bonds.....	May 2015	3,460,000 ⁽³⁾	2,970,990
Refunding Bonds.....	May 2015	821,530 ⁽⁴⁾	708,057
Public Improvement Bonds.....	May 2016	8,532,000 ⁽⁵⁾	7,614,092
Refunding Bonds.....	May 2016	2,137,010 ⁽⁶⁾	2,077,115
Public Improvement Bonds.....	May 2017	638,000 ⁽⁷⁾	596,099
Public Improvement Bonds.....	May 2018	1,633,000 ⁽⁸⁾	1,581,705
Public Improvement Bonds.....	May 2019	1,055,000 ⁽⁹⁾	1,055,000
Public Improvement Bonds.....	June 2020	5,090,000 ⁽¹⁰⁾	5,090,000
Refunding Bonds.....	June 2020	996,070 ⁽¹¹⁾	996,070
MWQFA ⁽¹²⁾ Loan	Mar 2000	3,620,697	209,238
MWQFA ⁽¹²⁾ Loan	May 2004	8,091,063	1,366,063
MWQFA ⁽¹²⁾ Loan	Oct 2006	560,000	208,795
MWQFA ⁽¹²⁾ Loan	May 2015	2,553,000	2,074,419
MWQFA ^(12 & 13) Loan	Feb 2018	1,849,660	1,719,481
		<u>\$ 47,600,937</u>	<u>\$ 32,472,670</u>

Source: Washington County Department of Budget and Finance

(1) Total issue amount for all County funds was \$ 7,860,000. This issue was retired at maturity on July 1, 2020.

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

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

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

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

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

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

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

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

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

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

(12) Maryland Water Quality Financing Administration.

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

Water and Sewer Bonded Debt Schedule of Legal Debt Margin As of June 30, 2020

Assessed Value of Property in Washington County	\$ 13,670,826,000
Debt Limit: % of Assessed Value	10%
Water and Sewer Borrowing Limitation	1,367,082,600
Water and Sewer Debt	32,472,670
Debt Margin	1,334,609,930
Ratio of Water and Sewer Debt to Assessed Value	0.24%

Source: Washington County Department of Budget and Finance

Capital Lease Obligations and Other Contracts

The County has entered into several five-year capital lease agreements. The outstanding balance of these obligations as of June 30, 2020 was \$384,783. The lease agreements are primarily for heavy-duty equipment. The leases have been recorded as capital leases in the appropriate County funds in the financial statements. GASB Statement No. 87, implementing new lease accounting standards, will be effective with the fiscal year ending June 30, 2022 with respect to the County.

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

Special Obligation Bonds

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

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

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

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

Bonded Indebtedness of Incorporated Municipalities

Eight of the nine incorporated municipalities of Washington County have outstanding indebtedness in the aggregate principal amount of \$77,314,543 as of June 30, 2020. The County is not obligated to pay such debt or the interest thereon and neither the faith and credit nor taxing power of the County is pledged to the payment of principal or interest on such indebtedness.

County Commissioners of Washington County
Outstanding Underlying Debt
As of June 30, 2020

Towns	Amount
Boonsboro.....	\$ 6,068,203
Clear Spring.....	488,152
Funkstown.....	1,260,021
Hagerstown.....	61,980,642
Hancock.....	1,269,526
Keedysville.....	1,712,579
Smithsburg.....	1,581,558
Williamsport.....	2,953,862
Total	<u>\$ 77,314,543</u>

Source: Washington County Department of Budget and Finance

Direct and Underlying Debt

The following schedules present the County's bonded debt outstanding as of June 30, 2020, and the ratios of such debt to the County's population and real and personal property assessed market values.

County Commissioners of Washington County
Direct and Overall Bonded Debt
As of June 30, 2020

Direct Debt - Tax-Supported:	
General Government Debt (1).....	\$ 143,822,788
Direct Debt - Self-Supported:	
Solid Waste	11,809,579
Water and Sewer	32,472,670
Airport	375,660
Total Direct Debt.....	188,480,697
Underlying Debt.....	<u>77,314,543</u>
Overall Bonded Debt.....	<u>\$ 265,795,240</u>

Source: Washington County Department of Budget and Finance

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

County Commissioners of Washington County
Debt Per Capita and Ratio of Debt to Assessed Values
As of June 30, 2020

Per Capita (Estimated Population 151,049):

Direct Tax-Supported Debt (1).....	\$	952
Overall Bonded Debt.....	\$	1,760

Percentage of Assessed Value of \$13,670,826,000:

Direct Tax-Supported Debt (1).....	1.05%
Overall Bonded Debt.....	1.94%

Source: Washington County Department of Budget and Finance
 (1) Includes Highway debt which is currently considered tax-supported.

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

Fiscal Year Ended June 30	Direct Tax-Supported Debt (000)	Estimated Population	Assessed Value (000)	Per Capita	Direct Tax-Supported Debt as a Percentage of Assessed Value
2020	\$143,823	151,049	\$13,670,826	\$952	1.05
2019	145,975	150,926	12,274,226	967	1.19
2018	143,291	150,578	12,822,840	952	1.11
2017	141,325	150,292	12,644,926	940	1.12
2016	139,495	149,585	12,467,158	933	1.12

Source: Washington County Department of Budget and Finance

Debt Service Requirements on County Debt

The following tables set forth the debt service requirements for the County's general obligation bonded debt as of June 30, 2020, adjusted to reflect issuance of the Bonds, and the rapidity of repayment for the County's direct tax-supported debt.

DEBT AND CAPITAL REQUIREMENTS

Washington County Schedule of Debt Service Requirements on Long-term Obligations* As of June 30, 2020

Year Ending June 30	Tax-Supported Debt Service			Self-Supporting Debt Service ⁽¹⁾			Total Debt Service		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 10,833,372	\$ 4,710,627	\$ 15,543,999	\$ 3,444,753	\$ 1,181,221	\$ 4,625,974	\$ 14,278,125	\$ 5,891,849	\$ 20,169,974
2022	\$ 10,212,356	\$ 4,566,741	\$ 14,779,097	\$ 3,602,520	\$ 1,231,363	\$ 4,833,883	\$ 13,814,876	\$ 5,798,104	\$ 19,612,980
2023	\$ 10,242,516	\$ 4,159,337	\$ 14,401,853	\$ 3,787,169	\$ 1,128,792	\$ 4,915,961	\$ 14,029,685	\$ 5,288,128	\$ 19,317,813
2024	\$ 10,391,016	\$ 3,740,998	\$ 14,132,014	\$ 2,622,073	\$ 1,018,416	\$ 3,640,489	\$ 13,013,089	\$ 4,759,413	\$ 17,772,503
2025	\$ 10,397,351	\$ 3,354,895	\$ 13,752,246	\$ 2,599,300	\$ 918,441	\$ 3,517,741	\$ 12,996,651	\$ 4,273,336	\$ 17,269,987
2026	\$ 10,003,321	\$ 2,970,570	\$ 12,973,891	\$ 2,576,699	\$ 818,828	\$ 3,395,527	\$ 12,580,020	\$ 3,789,398	\$ 16,369,418
2027	\$ 9,620,407	\$ 2,610,958	\$ 12,231,365	\$ 2,674,256	\$ 731,759	\$ 3,406,015	\$ 12,294,663	\$ 3,342,717	\$ 15,637,381
2028	\$ 9,694,252	\$ 2,262,875	\$ 11,957,127	\$ 2,733,858	\$ 645,381	\$ 3,379,239	\$ 12,428,110	\$ 2,908,256	\$ 15,336,366
2029	\$ 7,721,107	\$ 1,948,764	\$ 9,669,871	\$ 2,533,521	\$ 560,388	\$ 3,093,909	\$ 10,254,628	\$ 2,509,152	\$ 12,763,780
2030	\$ 7,202,979	\$ 1,667,108	\$ 8,870,087	\$ 2,233,178	\$ 476,698	\$ 2,709,876	\$ 9,436,157	\$ 2,143,806	\$ 11,579,963
2031	\$ 7,481,493	\$ 1,395,962	\$ 8,877,455	\$ 2,311,201	\$ 398,772	\$ 2,709,973	\$ 9,792,694	\$ 1,794,734	\$ 11,587,428
2032	\$ 7,012,545	\$ 1,141,608	\$ 8,154,153	\$ 1,966,702	\$ 329,239	\$ 2,295,941	\$ 8,979,247	\$ 1,470,847	\$ 10,450,094
2033	\$ 6,486,461	\$ 916,609	\$ 7,403,070	\$ 1,799,350	\$ 272,281	\$ 2,071,631	\$ 8,285,811	\$ 1,188,890	\$ 9,474,701
2034	\$ 5,881,008	\$ 715,191	\$ 6,596,199	\$ 1,461,377	\$ 225,649	\$ 1,687,026	\$ 7,342,385	\$ 940,840	\$ 8,283,225
2035	\$ 5,277,190	\$ 535,426	\$ 5,812,616	\$ 1,506,781	\$ 185,089	\$ 1,691,870	\$ 6,783,971	\$ 720,515	\$ 7,504,486
2036	\$ 4,429,004	\$ 380,204	\$ 4,809,208	\$ 1,551,569	\$ 142,906	\$ 1,694,475	\$ 5,980,573	\$ 523,110	\$ 6,503,683
2037	\$ 3,693,494	\$ 256,625	\$ 3,950,119	\$ 1,205,045	\$ 104,227	\$ 1,309,272	\$ 4,898,539	\$ 360,852	\$ 5,259,391
2038	\$ 2,989,067	\$ 157,917	\$ 3,146,984	\$ 639,987	\$ 79,328	\$ 719,315	\$ 3,629,054	\$ 237,245	\$ 3,866,299
2039	\$ 2,237,284	\$ 81,383	\$ 2,318,667	\$ 457,716	\$ 64,602	\$ 522,318	\$ 2,695,000	\$ 145,985	\$ 2,840,985
2040	\$ 1,438,309	\$ 30,300	\$ 1,468,609	\$ 291,695	\$ 54,977	\$ 346,672	\$ 1,730,004	\$ 85,277	\$ 1,815,281
2041	\$ 578,256	\$ 5,782	\$ 584,038	\$ 201,744	\$ 49,568	\$ 251,312	\$ 780,000	\$ 55,350	\$ 835,350
2042	\$ -	\$ -	\$ -	\$ 200,000	\$ 45,425	\$ 245,425	\$ 200,000	\$ 45,425	\$ 245,425
2043	\$ -	\$ -	\$ -	\$ 205,000	\$ 40,994	\$ 245,994	\$ 205,000	\$ 40,994	\$ 245,994
2044	\$ -	\$ -	\$ -	\$ 210,000	\$ 36,325	\$ 246,325	\$ 210,000	\$ 36,325	\$ 246,325
2045	\$ -	\$ -	\$ -	\$ 215,000	\$ 31,544	\$ 246,544	\$ 215,000	\$ 31,544	\$ 246,544
2046	\$ -	\$ -	\$ -	\$ 220,000	\$ 26,375	\$ 246,375	\$ 220,000	\$ 26,375	\$ 246,375
2047	\$ -	\$ -	\$ -	\$ 225,000	\$ 20,813	\$ 245,813	\$ 225,000	\$ 20,813	\$ 245,813
2048	\$ -	\$ -	\$ -	\$ 235,000	\$ 15,063	\$ 250,063	\$ 235,000	\$ 15,063	\$ 250,063
2049	\$ -	\$ -	\$ -	\$ 240,000	\$ 9,125	\$ 249,125	\$ 240,000	\$ 9,125	\$ 249,125
2050	\$ -	\$ -	\$ -	\$ 245,000	\$ 3,061	\$ 248,061	\$ 245,000	\$ 3,061	\$ 248,061
	\$ 143,822,788	\$ 37,609,880	\$ 181,432,668	\$ 44,195,495	\$ 10,846,649	\$ 55,042,144	\$ 188,018,283	\$ 48,456,530	\$ 236,474,812

Source: Washington County Department of Budget and Finance

* Totals may not foot due to rounding.

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

DEBT AND CAPITAL REQUIREMENTS

Washington County Schedule of Debt Service
Requirements of Long-term Obligations
As of June 30, 2020
Adjusted to Reflect Issuance of the Bonds*

Year Ending June 30	Outstanding Debt Service			The Bonds**			Total Debt Service		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 14,278,125	\$ 5,891,849	\$ 20,169,974			\$ -	\$ 14,278,125	\$ 5,891,849	\$ 20,169,974
2022	13,814,876	5,798,104	19,612,980			-	13,814,876	5,798,104	19,612,980
2023	14,029,685	5,288,128	19,317,813			-	14,029,685	5,288,128	19,317,813
2024	13,013,089	4,759,413	17,772,503			-	13,013,089	4,759,413	17,772,503
2025	12,996,651	4,273,336	17,269,987			-	12,996,651	4,273,336	17,269,987
2026	12,580,020	3,789,398	16,369,418			-	12,580,020	3,789,398	16,369,418
2027	12,294,663	3,342,717	15,637,381			-	12,294,663	3,342,717	15,637,381
2028	12,428,110	2,908,256	15,336,366			-	12,428,110	2,908,256	15,336,366
2029	10,254,628	2,509,152	12,763,780			-	10,254,628	2,509,152	12,763,780
2030	9,436,157	2,143,806	11,579,963			-	9,436,157	2,143,806	11,579,963
2031	9,792,694	1,794,734	11,587,428			-	9,792,694	1,794,734	11,587,428
2032	8,979,247	1,470,847	10,450,094			-	8,979,247	1,470,847	10,450,094
2033	8,285,811	1,188,890	9,474,701			-	8,285,811	1,188,890	9,474,701
2034	7,342,385	940,840	8,283,225			-	7,342,385	940,840	8,283,225
2035	6,783,971	720,515	7,504,486			-	6,783,971	720,515	7,504,486
2036	5,980,573	523,110	6,503,683			-	5,980,573	523,110	6,503,683
2037	4,898,539	360,852	5,259,391			-	4,898,539	360,852	5,259,391
2038	3,629,054	237,245	3,866,299			-	3,629,054	237,245	3,866,299
2039	2,695,000	145,985	2,840,985			-	2,695,000	145,985	2,840,985
2040	1,730,004	85,277	1,815,281			-	1,730,004	85,277	1,815,281
2041	780,000	55,350	835,350			-	780,000	55,350	835,350
2042	200,000	45,425	245,425			-	200,000	45,425	245,425
2043	205,000	40,994	245,994			-	205,000	40,994	245,994
2044	210,000	36,325	246,325			-	210,000	36,325	246,325
2045	215,000	31,544	246,544			-	215,000	31,544	246,544
2046	220,000	26,375	246,375			-	220,000	26,375	246,375
2047	225,000	20,813	245,813			-	225,000	20,813	245,813
2048	235,000	15,063	250,063			-	235,000	15,063	250,063
2049	240,000	9,125	249,125			-	240,000	9,125	249,125
2050	245,000	3,061	248,061			-	245,000	3,061	248,061
	\$ 188,018,283	\$ 48,456,530	\$ 236,474,812	\$ -	\$ -	\$ -	\$ 188,018,283	\$ 48,456,530	\$ 236,474,812

Source: Washington County Department of Budget and Finance

* Totals may not foot due to rounding.

** Inclusive of 2021 Public Improvement Bonds.

Rapidity of Direct Tax-Supported Debt Principal Payment
June 30, 2020

Number of Years	<u>Before Issuance of Bonds</u>		<u>After Issuance of Bonds</u>	
	<u>Principal Amount</u>	<u>Percent</u>	<u>Principal Amount</u>	<u>Percent</u>
5	\$ 52,076,611	36.21	\$ -	-
10	96,318,677	66.97	-	-
15	128,457,374	89.32	-	-
20	143,244,532	99.60	-	-
25	143,822,788	100.00	-	-

Source: Washington County Department of Budget and Finance

Anticipated Future Financing

The County currently anticipates issuing additional general obligation bonds for approximately \$30.0 million in fiscal year 2022, \$13.8 million in fiscal year 2023, and \$13.4 million in fiscal year 2024. These anticipated debt issuance amounts are for planning purposes and subject to change as part of the annual budgeting process.

Capital Requirements

Capital Improvement Program Summary

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

VI. Miscellaneous

Litigation

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

Potential Impact of COVID-19 Pandemic on the County

In response to the initial occurrence of the COVID-19 pandemic, the Governor of the State of Maryland proclaimed a state of emergency and catastrophic health emergency within the State of Maryland on March 5, 2020 and renewed on March 17, 2020. Since the initial and renewed proclamation, the Governor of Maryland has issued a series of executive orders, among other things, prohibiting large gatherings and events, requiring closure of nonessential and certain other businesses and authorizing emergency healthcare delivery. On March 30, 2020, the Governor of Maryland issued an executive order requiring Maryland residents to stay at home except for essential activities. On May 13, 2020, the Governor of Maryland amended and restated an existing order to allow the reopening of certain businesses and facilities subject to local regulation. Subsequently, the Governor issued a series of executive orders from time to time that tightened or lessened restrictions in response to the increase or lessening of the infection levels in the State. As a result of the rounds of executive orders, many businesses and retail establishments in Maryland, including in the County, were closed or materially reduced business activity for a period of time. With more recent improvements in State metrics and vaccine availability, effective March 12, 2021, the Governor lifted capacity restrictions on indoor and outdoor dining, increased capacity to 50% for large indoor and outdoor venues, and lifted quarantine periods for out of state travel. Masking and social distancing protocols are still in effect. Any increases in infection levels could lead to the imposition of tighter restrictions.

The County's principal source of revenue is local taxes, which constituted 92.7% of total General Fund operating revenue for fiscal 2020: 52.4% from real property taxes, 37.2% from local income taxes and 3.3% from other local taxes. See "GENERAL FUND REVENUES AND EXPENDITURES" for a further discussion of the County's revenues and revenue sources. Although the County does not currently anticipate that the levy and collection of property taxes will be materially affected in fiscal year 2021, the potential impact of the COVID-19 pandemic on fiscal year-end results cannot be fully determined at this time. The County may experience a decline in real estate tax results in fiscal year 2022 or future fiscal years, related mainly to utilization of commercial properties, since their value is assessed using an income method by the State. In addition, structural changes of how businesses conduct their operations may shift from on premise work sites to more of a remote style framework. The impact of any such shift on County revenues cannot be fully determined at this time.

Income tax revenue has been impacted by the pandemic but cannot be fully determined at this time. The County's pre pandemic unemployment rate was 4% but reached a high of 11.4% in April 2020. While unemployment did not reach early predictions of around 15-20%, the impact of business closures and job loss remains a potential concern of County leadership.

As a result of the COVID-19 pandemic, the County may experience an increase in expenses for emergency preparedness, public health, and personnel costs. The County's initial expectation is to use funding from the American Rescue Plan Act to reimburse itself for the majority of those costs. However, the County's use of such funding remains subject to guidance from the federal government regarding qualifying expenditures and future decisions by the Board.

Further, the County increased its income tax rate from 2.8% to 3.2% effective January 2020 for future anticipated costs related to fire and emergency medical services personnel, and the projected impact of Kirwan Commission recommendations regarding increased educational spending. The County secured a 100% SAFER grant which will provide for personnel costs related to 33 new firefighter positions for a three-year period. After expiration of the grant, the County will provide for the full cost of personnel. In addition, the County maintains a fund balance in its General Fund which the County may utilize to respond to such challenges. See "GENERAL FUND REVENUES AND EXPENDITURES" for a further discussion regarding the County's General Fund.

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

Federal Funding

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

The more recently enacted federal American Rescue Plan Act of 2021 is expected to result in direct funding being allocated to Washington County in the amount of approximately \$60.5 million, with approximately \$31.2 million being distributed to municipalities located in Washington County and approximately \$29.3 million being retained by the County initially. The funding can be used to respond to or mitigate the COVID-19 health emergency or its negative economic impacts, including assistance to households, small businesses, nonprofits, and aid for tourism, travel and hospitality; to provide essential workers with premium pay; to cover revenue loss incurred as a result of the COVID-19 pandemic; or to make necessary investments in water, sewer, or broadband infrastructure. Such funds may not be used to support any pension funding or to offset a tax cut. Guidelines for use of such allocated funds remain subject to clarification by the U.S. Treasury Department. The County has not yet determined how the funds initially reserved to the County will be spent. The County expects to receive partial funding within 60 days after the Act's enactment, with the remaining 50% to be received one year later.

Ratings

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

Continuing Disclosure Undertaking

In order to enable participating underwriters, as defined in Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") to comply with the requirements of paragraph (b)(5) of Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement (the "Continuing Disclosure Agreement") on or before the date of issuance and delivery of the Bonds, the proposed form of which is attached to this Official Statement as Appendix D. Potential purchasers of the Bonds should note that the definition of Listed Events in Appendix D is intended to completely restate the events specified in Rule 15c2-12. It is noted that certain Listed Events are expected to have no applicability to the Bonds, such as the possibility of unscheduled draws on debt service reserves or credit enhancements, substitution of credit or liquidity providers or their failure to perform, and matters affecting collateral for the Bonds.

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

Sale at Competitive Bidding

The Bonds were offered by the County at competitive bidding on May 4,, 2021, in accordance with the official Notice of Sale (a copy of which is attached as Appendix C, as such Notice of Sale may be modified in accordance with its terms). The interest rates shown on the cover page of this Official Statement are the interest rates resulting from the award of the Bonds at the competitive bidding. The prices or yields shown on the cover page of this Official Statement for the Bonds were furnished by the successful bidder for the Bonds and not by the County. All other information concerning the nature and terms of any re-offering should be obtained from the successful bidder for the Bonds and not from the County. _____ was the successful bidder for the Bonds.

Legal Matters

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

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

Independent Auditors

The financial statements as of June 30, 2020, and for the year then ended, included in Appendix A to this Official Statement, have been audited by SB & Company, LLC, independent auditors, as stated in their report appearing herein, and should be read in their entirety. Such financial statements have been included in reliance upon the report of SB & Company, LLC. Such report speaks only as of its date.

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

Financial Advisor

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

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

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY

By: _____
Jeffrey A. Cline, President



Agenda Report Form

Open Session Item

SUBJECT: Supplemental Resolution Reallocating a Portion of the Par Amount of the Public Improvement Bonds of 2019

PRESENTATION DATE: April 20, 2021

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

RECOMMENDED MOTION: Move to approve the Resolution authorizing a reallocation of a \$496,631 portion of the par amount of the County Commissioners of Washington County (the “County”) Public Improvement Bonds of 2019 from a project identified as the “Colonel Henry K. Douglas Drive Ext Phase I” project to a project identified as the “Police, Fire and Emergency Services Training Facility” project.

REPORT-IN-BRIEF: On May 21, 2019, the County issued its County Commissioners of Washington County Public Improvement Bonds of 2019 in the original aggregate principal amount of \$13,310,000 (the “2019 PIBs”). Pursuant to Resolution No. RS-2019-10, adopted by the Board of County Commissioners (the “Board”) on April 23, 2019 (the “2019 Resolution”), and materials that accompanied the 2019 Resolution (the “2019 Accompanying Materials”), \$550,000 of the par amount of the 2019 PIBs was originally allocated to a project identified as “Colonel Henry K. Douglas Drive Ext Phase I”. The County has achieved unexpected cost savings with respect to such project and would like to reallocate a portion of the par amount of the 2019 PIBs originally allocated to the “Colonel Henry K. Douglas Drive Ext Phase I” project to a project not contemplated at the time the 2019 PIBs were issued. The Board approved a budget adjustment on October 13, 2020 reallocating \$496,631 of the par amount of the 2019 PIBs originally allocated to the “Colonel Henry K. Douglas Drive Ext Phase I” project to a project not contemplated by the 2019 Resolution or the 2019 Accompanying Materials that is generally known as the “Police, Fire and Emergency Services Training Facility”. Such approved budget adjustment recognized that a supplemental resolution would be required.

DISCUSSION: The Resolution supplements and amends, as applicable, the 2019 Resolution and the 2019 Accompanying Materials to provide for the reallocation of a \$496,631 portion of the par amount of the 2019 PIBs from the “Colonel Henry K. Douglas Drive Ext Phase I” project to the “Police, Fire and Emergency Services Training Facility” project as authorized by the October 13, 2020 approved budget adjustment. The Resolution also authorizes County officials to supplement the Tax Certificate and Compliance Agreement executed and

delivered in connection with the issuance of the 2019 PIBs to reflect such reallocation and to take other appropriate actions in connection with such reallocation. The Resolution further recognizes that in accordance with the 2019 Resolution, additional reallocations of the par amount of the 2019 PIBs may be made among the projects identified in the 2019 Resolution and the 2019 Accompanying Materials, as supplemented and amended by the Resolution, in accordance with applicable budgetary procedures or applicable law (without further supplementing or amending the 2019 Resolution or the 2019 Accompanying Materials), but that if the County desires to further reallocate the proceeds of the 2019 PIBs (including par amount, original issue premium and/or investment proceeds) to projects not contemplated by the 2019 Resolution or the 2019 Accompanying Materials (as supplemented and amended by the Resolution, as applicable), the County will need to comply with applicable law, which may require the adoption of further supplemental resolutions.

FISCAL IMPACT: The County already holds the \$496,631 par amount of the 2019 PIBs to be reallocated in accordance with the Resolution and the October 13, 2020 approved budget adjustment.

CONCURRENCES: County Administrator and County Attorney

ALTERNATIVES: If the Resolution is not approved, the par amount of the 2019 PIBs may not be reallocated as contemplated by the October 13, 2020 approved budget adjustment and it will be necessary to reduce the scope of the “Police, Fire and Emergency Services Training Facility” project or to find additional funding sources for such project.

ATTACHMENTS: Resolution

AUDIO/VISUAL NEEDS: N/A

RESOLUTION NO. RS-2021-

A RESOLUTION SUPPLEMENTING AND AMENDING, AS APPLICABLE, RESOLUTION NO. RS-2019-10 ADOPTED ON APRIL 23, 2019 (THE “2019 RESOLUTION”) AND THE 2019 ACCOMPANYING MATERIALS IDENTIFIED HEREIN, IN ORDER TO PROVIDE THAT A PORTION OF THE PAR AMOUNT OF THE \$13,310,000 COUNTY COMMISSIONERS OF WASHINGTON COUNTY PUBLIC IMPROVEMENT BONDS OF 2019 (THE “2019 PUBLIC IMPROVEMENT BONDS”) ARE REALLOCATED AND MAY BE APPLIED TO A PROJECT NOT ORIGINALLY CONTEMPLATED BY THE 2019 RESOLUTION AND THE 2019 ACCOMPANYING MATERIALS THAT IS IDENTIFIED HEREIN AS THE “POLICE, FIRE AND EMERGENCY SERVICES TRAINING FACILITY” PROJECT; PROVIDING THAT THE BOARD OF COUNTY COMMISSIONERS MAY MAKE ANY NECESSARY OR DESIRABLE FUTURE REALLOCATION OF THE PAR AMOUNT OF THE 2019 PUBLIC IMPROVEMENT BONDS AMONG THE PROJECTS CONTEMPLATED BY THE 2019 RESOLUTION AND THE 2019 ACCOMPANYING MATERIALS, AS SUPPLEMENTED AND AMENDED HEREBY, AS APPLICABLE, BY APPLICABLE COUNTY BUDGETARY PROCEDURES OR APPLICABLE LAW; AUTHORIZING CERTAIN OFFICIALS TO SUPPLEMENT AND AMEND THE TAX CERTIFICATE AND COMPLIANCE AGREEMENT OF THE COUNTY DATED MAY 21, 2019 IN CONNECTION WITH THE MATTERS CONTEMPLATED BY THIS RESOLUTION; AND GENERALLY PROVIDING FOR THE APPLICATION OF THE PAR AMOUNT OF THE 2019 PUBLIC IMPROVEMENT BONDS.

RECITALS

Pursuant to the authority of Resolution No. RS-2019-10, adopted by the Board of County Commissioners of Washington County (the “Board”) on April 23, 2019 (the “2019 Resolution”), County Commissioners of Washington County (the “County”) on May 21, 2019 issued a series of its general obligation bonds captioned as follows: “County Commissioners of Washington County Public Improvement Bonds of 2019” in the original aggregate principal amount of \$13,310,000 (the “2019 Public Improvement Bonds”). The 2019 Public Improvement Bonds were also issued under the authority of Chapter 60 of the Laws of Maryland of 2013 (the “2013 Act”), Chapter 99 of the Laws of Maryland of 2018 (the “2018 Act”) and Title 6 of the Code of Public Local Laws of Washington County, Maryland (2007) (the “Water and Sewer Act”), each as then amended to date, as applicable.

Capitalized terms used in these Recitals and not otherwise defined in the following Sections of this Resolution shall have the meanings given to such terms in these Recitals. Any capitalized terms used herein but not defined herein shall have the meanings given to such terms in the 2019 Resolution.

Section 2 of the 2019 Resolution provides that, subject to net original issue discount, if any, and adjustments made in connection with the sale of the 2019 Public Improvement Bonds, the projects and purposes on account of which the 2019 Public Improvement Bonds were issued and the approximate amount of the par value of proceeds of the 2019 Public Improvement Bonds allocated to each class of projects were identified as follows:

<u>Proceeds</u>	<u>Use</u>
\$8,004,000	Infrastructure Projects
3,996,000	Education Projects
1,310,000	Environmental Projects

As described in materials provided to the Board at the time of consideration and adoption of the 2019 Resolution (the “2019 Accompanying Materials”) and in Exhibit II (“Exhibit II”) to the Tax Certificate and Compliance Agreement of the County dated May 21, 2019 relating to the 2019 Public Improvement Bonds (the “2019 Tax Certificate”), the category of “Infrastructure Projects” referred to in Section 2 of the 2019 Resolution included \$550,000 allocated to a project identified as “Colonel Henry K. Douglas Drive Ext Phase I”.

Due to unanticipated cost savings achieved with regard to the project identified as “Colonel Henry K. Douglas Drive Ext Phase I”, the County has determined to reallocate a portion of the par amount of the 2019 Public Improvement Bonds originally allocated to pay costs of the “Colonel Henry K. Douglas Drive Ext Phase I” project to pay costs of another County project that was not contemplated by the 2019 Resolution, the 2019 Accompanying Materials and Exhibit II.

According to County records, the \$550,000 par amount of the 2019 Public Improvement Bonds originally allocated to the “Colonel Henry K. Douglas Drive Ext Phase I” project was derived as follows: (i) \$290,722 from the 2013 Act and (ii) \$259,278 from the 2018 Act. Each of the 2013 Act and the 2018 Act provide that bonds issued pursuant to the authority of such acts, among other purposes, may be applied to finance the “construction, improvement, or development of public facilities” (as such phrase is used in such acts) for “[b]uildings and facilities for public safety...”

Accordingly, in accordance with the provisions of the 2013 Act and the 2018 Act (which each served as authority for application of a portion of the par amount of the 2019 Public Improvement Bonds to the “Colonel Henry K. Douglas Drive Ext Phase I” project originally contemplated by the 2019 Resolution), the County desires to reallocate \$496,631 of the par amount of the 2019 Public Improvement Bonds originally expected to be spent on the “Colonel Henry K. Douglas Drive Ext Phase I” project to a project not contemplated by the 2019 Resolution, the 2019 Accompanying Materials or Exhibit II that (A) is generally known as the “Police, Fire and Emergency Services Training Facility” project (and is sometimes referred to more generically as the “Public Safety Training Facility”, the “Public Safety Training Center” or by a similar name) and (B) qualifies as a building and facility for public safety for purposes of the 2013 Act and the 2018 Act, subject to the further provisions of this Resolution. The Board approved a budget adjustment on October 13, 2020 authorizing such reallocation and recognizing that a resolution providing for the same would be required at a later date.

With respect to the \$496,631 of the par amount of the 2019 Public Improvement Bonds to be reallocated from the “Colonel Henry K. Douglas Drive Ext Phase I” project to the “Police, Fire and Emergency Services Training Facility” project, \$290,722 of such par amount will be credited to the 2013 Act and \$205,909 will be credited to the 2018 Act.

The Chief Financial Officer has advised that the reallocation of the portion of the par amount of the 2019 Public Improvement Bonds provided for in this Resolution shall not cause the County to violate the provisions of Income Tax Regulation Section 1.148-6(d)(1)(iii), which provides that “an issuer must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the project, if any, that is financed by the issue is placed in service. This allocation must be made in any event by the date 60 days after the fifth anniversary of the issue date or the date 60 days after the retirement of the issue, if earlier.”

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

Section 1. That (a) the 2019 Resolution and the 2019 Accompanying Materials are hereby supplemented and amended to provide that (i) the project identified in the Recitals to this Resolution as the “Police, Fire and Emergency Services Training Facility” project be added to the projects to be funded from the par amount of the 2019 Public Improvement Bonds and be considered as being listed on Exhibit II in the principal amount of \$496,631, with the par amount of the 2019 Public Improvement Bonds originally allocated to the “Colonel Henry K. Douglas Drive Ext Phase I” project as listed on Exhibit II being reduced from \$550,000 to \$53,369, (ii) \$496,631 of the \$550,000 par amount of the 2019 Public Improvement Bonds originally allocated to the project identified in the 2019 Accompanying Materials and Exhibit II as the “Colonel Henry K. Douglas Drive Ext Phase I” project be reallocated to the project identified in the Recitals to this Resolution as the “Police, Fire and Emergency Services Training Facility” project, and (iii) the \$496,631 portion of the par amount of the 2019 Public Improvement Bonds so reallocated to the “Police, Fire and Emergency Services Training Facility” project be applied to costs of such project in accordance with the 2019 Resolution and the 2019 Accompanying Materials, as supplemented and amended by this Resolution.

[CONTINUED ON FOLLOWING PAGE]

(b) Section 2 of the 2019 Resolution is hereby amended to delete the table detailing the use of the par value of the 2019 Public Improvement Bonds (which are referred to as the “Bonds” in the 2019 Resolution) and to insert in place thereof the following:

<u>“Proceeds</u>	<u>Use</u>
\$7,507,369	Infrastructure Projects
496,631	Public Safety Projects
3,996,000	Education Projects
1,310,000	Environmental Projects “

(c) In accordance with the last paragraph of Section 2 of the 2019 Resolution, the County may, to the extent necessary or desirable, make future reallocations of the par amount of the 2019 Public Improvement Bonds to the projects originally contemplated by the 2019 Accompanying Materials (as supplemented hereby) and Exhibit II (as the same may be supplemented or amended) and to the project identified herein as “Police, Fire and Emergency Services Training Facility” through applicable budgetary procedures or applicable law rather than by further supplementing or amending the 2019 Resolution or the 2019 Accompanying Materials; provided that, no such further reallocation shall be made that shall cause the County to be in violation of its covenants and agreements set forth in the 2019 Tax Certificate. In the event the County wishes in the future to apply proceeds (including par amount, original issue premium and/or investment proceeds) of the 2019 Public Improvement Bonds to projects not contemplated by the 2019 Resolution and the 2019 Accompanying Materials, as supplemented and amended by this Resolution, as applicable, the County will need to comply with the provisions of the 2013 Act, the 2018 Act or the Water and Sewer Act, or other applicable law, as applicable.

Section 2. That the President or the Vice President of the Board and the Chief Financial Officer are hereby authorized and empowered to execute and deliver from time to time on behalf of the County any supplement or amendment to the 2019 Tax Certificate deemed necessary or desirable by bond counsel to the County in order to reflect the matters provided for in this Resolution. The appropriate official or officials of the County are hereby directed to make or change any written allocations of the proceeds of the 2019 Public Improvement Bonds (within the meaning of Income Tax Regulation Section 1.148-6(d)(1)(iii)) to reflect the matters provided for in this Resolution.

Section 3. That this Resolution supplements and amends, as applicable, the 2019 Resolution and the 2019 Accompanying Materials as provided herein.

[CONTINUED ON FOLLOWING PAGE]

Section 4. That this Resolution shall take effect from the date of its adoption.

Adopted this _____ day of _____, 2021.

(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

#221104;50052.001



Agenda Report Form

Open Session Item

SUBJECT: Intergovernmental Cooperative Purchase (INTG-21-0058) – Personal Protective Equipment (PPE) for Division of Emergency Services

PRESENTATION DATE: April 20, 2021

PRESENTATION BY: Brandi Naugle, CPPB, Buyer and David Hays – Director, Division of Emergency Services.

RECOMMENDED MOTION: Move to authorize by Resolution the approval of the purchase of 35 sets of Personal Protective Equipment (PPE) (coats and pants) for the Division of Emergency Services from Witmer Public Safety Group, Inc. of Williamsport, MD at contracted unit prices based on the contract awarded by the State of New Jersey (Solicitation #17DPP00100; New Jersey Contract T0790). 35-Jamesville V-Force Coats \$1,426.15 @ 35 = \$ 49,915.25 and 35 Jamesville V-Force Pants (\$1,010.50) x 35 = \$ 35,381.50, Totaling - \$ 85,296.75.

REPORT-IN-BRIEF: Section 106.3 of the Public Local Laws of Washington County grants authorization for the County to procure goods or services under contracts entered into by other government entities. On items over \$50,000, a determination to allow or participate in an intergovernmental cooperative purchasing arrangement shall be by Resolution and shall indicate that the participation will provide cost benefits to the county or result in administrative efficiencies and savings or provide other justification for the arrangement.

The County will benefit with the direct cost savings in the purchase of PPE (pants and coat) because of economies of scale this contract has leveraged. Additionally, the County will realize savings through administrative efficiencies as a result of not preparing, soliciting and evaluating a bid. Acquisition of the equipment by utilizing the State of New Jersey contract and eliminating our County's bid process would result in an administrative and cost savings for the Division of Emergency Services in preparing specifications and the Purchasing Department.

DISCUSSION: This structural-firefighting, turn-out gear will be purchased to assist in outfitting our first responders throughout the County. This is an annual program that has been supported through general budget funding. The order is for thirty-five sets (pants and coats) of firefighter personal protective equipment. The FY21 Budget was reduced by 35 sets (original request was 70 sets) in anticipation of the impacts of COVID19 to County budgets during the FY21 Budgeting process.

FISCAL IMPACT: Funding is available in the Division's FY21 11525 operating budget.

CONCURRENCES: N/A

ALTERNATIVES: If the county decides not to purchase the turnout gear, the cost for these purchases will fall back to the volunteer fire and EMS companies.

ATTACHMENTS: Quote No. 701062 (dated 04/01/2021); based on State of New Jersey contract pricing.

AUDIO/VISUAL NEEDS: None

**Witmer Public Safety Group**

104 Independence Way
Coatesville, PA 19320
Phone: (610) 857-8070
kgreenlee@thefirestore.com

Quote ID: 701062
Date: 04/01/2021
Sales Person: KEVIN G
Customer Id: WASDFES

Bill To

ATTN: Division Of Fire And Emergency Serv
Washington Co. Emergency Services
16232 Elliot Pkwy
Williamsport MD 21795

Phone: (240) 313-2900

E-Mail:

Ship To

ATTN: Division Of Fire And Emergency Serv
Washington Co. Emergency Services
16232 Elliot Pkwy
Williamsport MD 21795

"New Jersey State Contract Pricing"

Quantity	Item ID	Description	Unit	Amount
35	CVBM-WASHCO	Janesville V-Force Coat, Armor AP Gold CVBM-WASHCO Janesville V-Force Coat, Armor AP Gold, K4 Liner, Washington Co. Specs, Ref: PSGQ22981-B List Price \$2593.00 45% Discount From List	1,426.15	49,915.25
35	PVFM-WASHCO	Janesville V-Force Pant w/Belt, Armor AP Gold PVFM-WASHCO Janesville V-Force Pant w/Belt, Armor AP Gold, K4 Liner, Washington Co. Specs. Ref: PSGQ22981-B List Price \$1838.00 45% Discount From List	1,010.90	35,381.50

ACCEPTANCE OF QUOTATION

The above prices, specifications, and conditions
are satisfactory and are hereby accepted.

Signature: _____

Date: _____

Quotation is valid until May 01, 2021

Subtotal: 85,296.75

Freight: 0.00

Tax: 0.00

Total: 85,296.75



Agenda Report Form

Open Session Item

SUBJECT: Contract Renewal (PUR-1417) - Electrician Services at County Facilities

PRESENTATION DATE: April 20, 2021

PRESENTATION BY: Brandi Naugle, CPPB, Buyer, Purchasing Department and Danny Hixon, Deputy Director, Parks and Facilities

RECOMMENDED MOTION: Move to renew the contract for Electrician Services at County Facilities with Kube Electric Company, Inc. (KECI), of Williamsport, MD, per the rates included in its letter dated March 20, 2021. KECI is requesting an approximate 4% increase above the current hourly rates for work performed by an Electrician and an Apprentice during Regular Hours, Evening, Saturdays, Sundays, and Holidays as well as the rate for Consulting and Design Services.

REPORT-IN-BRIEF: On June 4, 2019, the Board originally awarded a contract for the subject services to KECI, at the rates as indicated below and based on a Total Base Bid formula. The contract is a one (1) year contract that commenced on July 1, 2019, with an option by the County to renew for up to four (4) additional consecutive one (1) year periods thereafter. This is the second of four one (1) year optional renewals of the contract.

Kube Electric Company, Inc., (KECI) Williamsport, MD

	<i>Previously Contracted Rates for KECI</i>		
Labor Rates for Service:	<u>FY'20</u>	<u>FY'21</u>	<u>FY'22</u>
Regular Working Hours: Routine			
Electrician	\$33.75	\$34.80	\$36.25
Helper	\$20.00	\$20.60	\$21.50
Evenings and Saturdays: Emergency			
Electrician	\$49.25	\$50.70	\$52.75
Helper	\$30.00	\$30.90	\$32.10
Sundays and Holidays: Emergency			
Electrician	\$49.25	\$50.70	\$52.75
Helper	\$30.00	\$30.90	\$32.10
Consulting and Design Service (Hourly Rate):	\$54.00	\$55.00	\$57.00

Overhead for repair parts and materials will remain unchanged at 15% over cost.

DISCUSSION: N/A

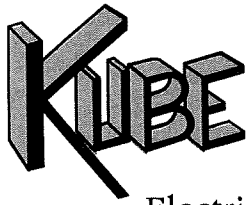
FISCAL IMPACT: Funds are budgeted in various department line-item accounts for these services.

CONCURRENCES: Director of Public Works

ALTERNATIVES: N/A

ATTACHMENTS: Kube Electric Company, Inc. letter dated March 20, 2021.

AUDIO/VISUAL NEEDS: N/A



Electric Company, Inc.

11415 Drop Road
Williamsport, MD. 21795
(301) 223-6437

March 20, 2021

Washington County Purchasing Department
Washington County Administration Complex
100 West Washington Street, Room 3200
Hagerstown, MD 21740
Attention: Mr. Rick Curry, CPPO-Director of Purchasing
Reference: PUR-1417 for Electrician Services

Dear Mr. Curry,

Kube Electric Company, Inc. would like to renew our electrical maintenance contract with the Commissioners for Washington County for the upcoming fiscal year of 2021/2022. Kube Electric has enjoyed working with the County and we have developed a good working relationship with the County's personnel. Kube has the knowledge of the various buildings electrical systems and services.

Due to several cost increases over the last year, we are asking for an increase of approximately 4% on our labor rates.

Regular Working Hours : Routine

Electrician ---- \$36.25 per hour

Apprentice --- \$21.50 per hour

Evenings, Saturdays, Sundays, Holidays, Emergency

Electrician ---- \$52.75 per hour

Apprentice --- \$32.10 per hour

Consulting and design services: \$57.00 per hour

Overhead for repair parts and materials will remain unchanged at 15% over our cost.

We hope that this will be satisfactory with the County Commissioners and look forward to working with you and the rest of the County's Staff in the upcoming year. If you have any questions, please do not hesitate to call.

Respectfully Submitted,

Robert S. Holbruner
President

cc:



Agenda Report Form

Open Session Item

SUBJECT: Contract Renewal (PUR-1432) – Leachate Hauling Services at County Landfills

PRESENTATION DATE: April 20, 2021

PRESENTATION BY: Brandi Naugle, CPPB, Buyer, Purchasing Department and Dave Mason, Deputy Director, Environmental Management

RECOMMENDED MOTION: Move to renew the contract for Leachate Hauling Services at County Landfills with A.C.& T. Co., Inc. of Hagerstown, MD, per the rates included in its letter dated March 4, 2021. A.C.& T. Co., Inc. is requesting an approximate 5% increase above the current rate. The new rate would be .0157 per gallon vs the current rate of .0149 per gallon.

REPORT-IN-BRIEF: On June 9, 2019, the Board originally awarded a contract for the subject services to A.C.& T. Co., Inc. of Hagerstown, MD, at the rates as indicated above and based on a Total Base Bid formula. The contract was for a one (1) year period that commenced on July 1, 2019, with an option by the County to renew for up to two (2) additional consecutive one (1) year periods thereafter. This will be the final year of the contract.

The scope of services to be provided by the contractor includes loading, hauling, delivery, and unloading leachate to Valicor located at the Department Water Quality's Conococheague WWTP. The leachate is transported from the Resh Road Landfill, Rubble Landfill, Old City/County Landfill and 40 West Landfill.

DISCUSSION: N/A

FISCAL IMPACT: The Solid Waste Department's budgeted funds for this contract are as follows:

CONCURRENCES: Division Director of Environmental Management

ALTERNATIVES: N/A

ATTACHMENTS: A.C.& T. Co., Inc. letter dated March 4, 2021.

AUDIO/VISUAL NEEDS: N/A



A. C. & T. Co., Inc.

11535 Hopewell Road * P.O. Box 4217

Hagerstown, Maryland 21741-4217

1-800-458-FUEL * 301-582-2700 * Fax 301-582-2719

March 4, 2021

Mr. Rick Curry
Purchasing Director for Washington County
100 West Washington Street, Suite 320
Hagerstown, MD 21740-4748

Re: PUR-1432 Leachate Hauling from County Landfills

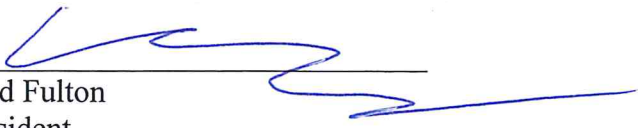
Dear Rick,

On behalf of A. C. & T. Co, Inc, I am submitting this request for your consideration.

We would like to renew this contract (PUR-1432) for a third additional year. Unfortunately, expenses have risen significantly over the last few years. Our two (2) biggest expenses are drivers wages and fuel. The new rate would be .0157 per gallon vs the current rate of .0149 per gallon. We appreciate your consideration.

If you need anything else, please let us know. We appreciate the good working relationship.

By: A. C. & T. Co., Inc.



Brad Fulton
President



Agenda Report Form

Open Session Item

SUBJECT: Department of Commerce Relief Act Grants

PRESENTATION DATE: April 20, 2021

PRESENTATION BY: Susan Small, Director of Business Development, Susan Buchanan, Director of Grant Management

RECOMMENDED MOTION: Move to approve the acceptance of Relief Act Funds providing assistance to the restaurant industry in the amount of \$550,721.98; assistance to the accommodations and lodging industry in the amount of \$250,328.17; assistance for businesses setting up online sales/telework in the amount of \$12,516.41 and execution of related grant agreements with the Department of Commerce.

REPORT-IN-BRIEF: The Department of Commerce is providing funds to local jurisdictions to assist businesses impacted by the Covid-19 pandemic and associated economic disruption. The Department is providing grants directed to some of the most impacted business sectors- restaurants and lodging as well as providing assistance with setting up online sales and telework. The funds will be distributed by the Department of Business Development to local businesses via a grant application process.

DISCUSSION: The State of Maryland's Relief Act provides funds to assist business sectors hardest hit by the Covid-19 pandemic. The funds are being distributed by the Department of Commerce to local jurisdictions to provide grants to eligible local businesses with the goal of promoting stabilization and economic recovery. The grants provided are:

Restaurant & Beverage/Food Service Industry	\$550,721.98
Accommodations & Lodging Industry	\$250,328.17
Businesses setting up online sales/telework	\$12,516.41

Upon acceptance of grant funds, the Department of Business Development will distribute the funds to eligible businesses through individual grant applications created for each program.

The Office of Grant Management has reviewed the grant agreements and there are no local matching funds required or any other unusual requirements or conditions associated with these grants. The funds must be distributed to eligible grantees by June 30, 2021. The Department of Business Development will utilize up to 10% of the grant awards for the administrative cost of the program implementation.

FISCAL IMPACT: Provides \$813,566.56 to develop and implement programs assisting local businesses. The Department of Business Development will utilize up to 10% of these funds for administrative expenses.

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: Grant Agreements

AUDIO/VISUAL NEEDS: N/A

GRANT AGREEMENT

THIS GRANT AGREEMENT (this "Agreement") is entered into as of the _____ day of _____, 2021, by and between the **DEPARTMENT OF COMMERCE**, a principal department of the State of Maryland (the "Department"), and the **Board of County Commissioners of Washington County, Maryland**, a body corporate and politic and a political subdivision of the State of Maryland ("Grantee").

RECITALS

1. Pursuant to subsections (f)(3) and (12) of Section 9, and Section 12, of Chapter 39 of the Acts of the Maryland General Assembly of 2021 (Senate Bill 496), known as the RELIEF Act, funds have been made available to the Maryland Economic Development Assistance Authority and Fund ("MEDAAF") to be used by local governments to provide grants to certain food and beverage providers in the State, as further provided in this Agreement (the ("Program")).

2. The Department has approved a grant to Grantee in the amount of \$550,721.98 in furtherance of the Program, to be used as more fully described below.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

1. Purpose of Grant; Applications.

(a) (i) The purpose of the Grant is to enable Grantee to make grants to certain food and beverage providers within Grantee's jurisdiction to promote and encourage stabilization within the restaurant industry in the State, and for the more specific purposes described in paragraph (b) below.

(ii) Grants to be made by Grantee under the Program are hereinafter referred to as "Eligible Grants". Grantee may only use Grant proceeds to fund Eligible Grants.

(iii) Grantee shall solicit grant applications for grants under the Program from all potentially eligible food and beverage providers within its jurisdiction.

(iv) Application Requirements. In all applications to be submitted by applicants to the Program, Grantee shall include a request for the following information:

1. Information about the applicant's demographic information, in the form attached as Exhibit A to this Agreement.

2. Information about the applicant's economic status, consisting of the applicant's answers to all the following questions:

- Does the applicant (owner) have a net worth of less than \$750,000?
- Did the applicant (owner) have an adjusted gross income of less than \$350,000? and
- Did the applicant have less than \$6 Million in assets?

(b) Eligible Grantees under the Program.

To be eligible for a grant under the Program, an accommodations provider must:

(i) Be primarily engaged in activities that, in accordance with the North American Industrial Classification System, would be included in Code 722320 (Caterers), Code 7224 (Drinking Places (Alcoholic Beverages)), or Code 7225 (Restaurants and Other Eating Places).

(ii) Be in good standing with the State of Maryland.

(iii) Demonstrate a need for assistance.

(c) (i) Costs that Grantee may permit Eligible Grantees to fund with grant proceeds from the Program may include:

- Working capital, such as rent, payroll, and job training
- Purchase of equipment and services to expand outdoor dining, such as tents, heaters, warmers, and carts
- Infrastructure improvements, such as HVAC system upgrades
- Technology to support carry out and delivery
- Purchase of PPE and disposable food containers and utensils
- Sanitization services
- Any other costs permitted under a COVID-19 restaurant assistance program that Grantee, or any municipal corporation located within Grantee's jurisdiction, may already be operating as of the effective date of this Agreement

(ii) Grantee is not required to include all of the costs enumerated in paragraph (i) of this subsection as eligible costs under its restaurant assistance program.

(d) Maximum Amount of Grants to Eligible Grantees.

No single business may receive more than \$12,000 in grant funding under the Program.

(e) Priority to Certain Program Applicants.

(i) Grantee shall give priority to applicants that have not received prior funding provided by MEDAAF, whether through a grant from Grantee that was funded by MEDAAF, or from the COVID-19 Small Business Emergency Loan or Grant Program.

(ii) Grantee shall ensure that at least 15% of Grant Funds are awarded to applicants that answer “yes” to the application questions regarding their economic status (see Section 1(a)(iv)2. of this Agreement).

(f) Eligible Grants shall be disbursed to Eligible Grantees no later than June 30, 2021. Any Grant Funds that Grantee has not disbursed by that date shall be promptly returned to the Department.

2. Grant. Subject to the availability of funds for such purpose, as determined in the sole discretion of the Department, the Department hereby grants to Grantee, and Grantee hereby accepts from the Department, the Grant, to be used by Grantee for the purposes described in Section 1 of this Agreement. The Grant is made subject to the terms and conditions set forth in this Agreement.

3. Conditions for Disbursement. The Department will disburse the proceeds of the Grant to Grantee after execution of this Agreement by both parties and after Grantee submits a request for disbursement attached hereto as Exhibit B.

4. Reports.

(a) By July 31, 2021, Grantee shall submit to the Department:

(i) a report in the form attached hereto as Exhibit C, detailing the use of Grant Funds; and

(ii) copies of the results of the responses to the request for economic status and demographic information Grantee is required to request of each applicant for a grant from the Program under Section 1(a) of this Agreement, along with a summary of the results obtained from the responses.

(b) Grantee shall permit any duly authorized representative of the Department or the State of Maryland (the “State”) to inspect and audit all records and documents of Grantee relating to the Grant. Any inspections and/or audits under this Agreement shall be made at reasonable times. Grantee shall maintain records and documents concerning the Grant for a period of five (5) years from the date of this Agreement.

(c) Grantee shall require all eligible grantees receiving an Eligible Grant to (i) maintain records evidencing compliance with the requirements of the Eligible Grant for a period of five (5) years from the date of the Eligible Grant, and (ii) permit any duly authorized representative of the Department or the State to inspect and audit all records and documents of the eligible grantee relating to the Eligible Grant.

5. Compliance with Laws.

(a) Grantee will comply with all applicable federal, State and local laws.

(b) Grantee is in compliance with the State's policy concerning drug and alcohol-free workplaces, as set forth in COMAR 01.01.1989.18 and 21.11.08.

6. Certifications, Representations, and Covenants of Grantee.

(a) Grantee is: (i) duly organized and validly existing under the laws of the State; and (ii) has all requisite power and authority to enter into this Agreement.

(b) This Agreement has been duly executed and delivered by Grantee, in the manner and form which complies with all requirements necessary to make this Agreement the valid and legally binding and enforceable act and agreement of Grantee.

(c) This Agreement has been properly executed by Grantee and: (i) will not violate any provision of law, any order of any court or agency of government, or any provision of Grantee's charter; and (ii) constitutes the valid and legally binding obligations of Grantee, and is fully enforceable against Grantee, in accordance with its terms.

(d) No member, officer, or employee of Grantee, or any of its designees, agents, consultants, and no members of its governing body, who exercises or proceeds of the Grant during such person's tenure, shall have any interest, direct or has exercised any authority over any economic development projects funded with indirect, in any contract or its proceeds, in any activity, which is part of any economic development projects funded with proceeds of the Grant.

(e) Grantee shall not use any Grant proceeds to make contributions: (i) to any person who holds, or is a candidate for, elected office; (ii) to any political party, organization, or action committee; or (iii) in connection with any political campaign or referendum. In addition, if in any fiscal year ending during the term of this Agreement Grantee derives more than 50% of its operating funds from State funding, it shall not contribute any money or thing of value: (1) to any persons who hold, or are candidates for, elected office; (2) to any political party, organization, or action committee; or (3) in connection with any political campaign or referendum.

(f) Grantee agrees to take all actions requested by the Department which are necessary to meet the requirements or requests of other agencies of the State or the Maryland General Assembly.

7. Defaults, Repayment, and Remedies.

(a) A default under this Agreement shall have occurred if Grantee: (i) uses any proceeds of the Grant for any purpose other than authorized by this Agreement, (ii) breaches any covenant, agreement, provision, representation, or warranty made in this Agreement, or (iii) fails to promptly return proceeds of the Grant that were not used to make Eligible Grants by the date specified in Section 1.

(b) Upon the occurrence of a default under paragraphs 7(a)(i) or (ii) above, Grantee shall have thirty (30) days from the date Grantee receives written notice of the occurrence of such a default from the Department to cure the default. If Grantee fails to cure the default within the thirty-day cure period, the Department may exercise any remedy specified in this Agreement.

(c) Upon the occurrence of a default under the terms of this Agreement, which default remains uncured beyond any applicable grace or cure period provided in this Agreement, the Department may (i) immediately demand repayment of all or a portion of the proceeds of the Grant and/or (ii) proceed to protect and enforce all rights and remedies available to the Department by suit in equity, action at law, or by any other appropriate proceedings, which rights and remedies shall survive the termination of this Agreement.

(d) All remedies provided for in this Agreement are cumulative and shall be in addition to any and all other rights and remedies available to the Department at law or in equity. The exercise of any right or remedy by the Department shall not in any way constitute a cure or waiver of any default by the Grantee, nor invalidate any act done pursuant to any notice of default, nor prejudice the Department in the exercise of those rights.

(e) The failure of the Department to insist upon performance of any term of this Agreement shall not be deemed to be a waiver of any term of this Agreement. No act of the Department shall be construed as an election to proceed under any one provision in this Agreement to the exclusion of any other provision.

8. Non-Discrimination. Grantee covenants and shall cause any recipient of Grant funds to covenant that it will not discriminate on the basis of race, color, sex, religion, or national or ethnic origin in its hiring of contractors to carry out any portion of the project funded by proceeds of the Grant. Grantee further covenants and shall cause

any recipient of Grant funds to further covenant that it shall prohibit its contractors from engaging in such discrimination in the hiring of subcontractors to carry out any portion of the project funded by proceeds of the Grant.

9. Press Releases. The Department may issue press releases or other promotional materials describing the award of the Grant and the specific purposes for which the Grant was awarded.

10. Indemnification. Grantee releases the State and the Department from, agrees that the State and the Department shall not have any liability for, and, to the extent permitted by law and subject to appropriations, agrees to protect, indemnify and save harmless the State and the Department from and against, any and all liabilities, suits, actions, claims, demands, losses, expenses and costs of every kind and nature incurred by, or asserted or imposed against, the State and the Department, as a result of or in connection with the Grant or any Eligible Grants. To the extent permitted by law and subject to appropriations, money expended by the Department as a result of such liabilities, suits, actions, claims, demands, losses, expenses or costs, together with interest at a rate not to exceed the maximum interest rate permitted by law from the date of such payment, shall constitute an indebtedness of Grantee and shall be immediately and without notice due and payable by Grantee to the Department. This Section 10 shall survive the termination of this Agreement.

11. Notices; Individual Responsible for Grantee Reports

_____(a) Any communication permitted or required under this Agreement shall be deemed effective for all purposes as of the date the communication is mailed, postage prepaid, by registered or certified mail, return receipt requested or sent by a reputable delivery service, to be delivered only to the office of the addressee, addressed as follows:

(i) Communications to the Department shall be sent to:

Finance Programs Accounting and Administration
Department of Commerce
401 East Pratt Street, 17th Floor
Baltimore, Maryland 21202
fpaaworkflowcoordinator.commerce@maryland.gov

(ii) Communications to Grantee shall be sent to:

Name: Jeffrey A. Cline,
Title: President, Board of County Commissioners of Washington County, MD
Address: 100 W. Washington St., Ste., 1101, Hagerstown, MD 21740
Email: jcline@washco-md.net

With a copy to

Name: Kirk C. Downey
Title: County Attorney
Address: 100 W. Washington St., Ste., 1101, Hagerstown, MD 21740
Email: kdowney@washco-md.net

(iii) The individual responsible for providing the report on behalf of Grantee described in Section 4 and Exhibit C of this Agreement will be:

Name: Susan Small
Title: Director, Washington County Department of Business Development
Address: 100 W. Washington St., Hagerstown, MD 21740
Email: ssmall@washco-md.net
Telephone: 240-313-2289

2

(b) Grantee and the Department may each change the information in (a) above by sending written notice to the other party.

12. Assignment. No right, benefit, or advantage inuring to Grantee under this Agreement and no burden imposed on Grantee hereunder may be assigned without the prior written consent of the Department.

13. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior oral and written agreements, representations, and negotiations between the parties hereto with respect to the Grant.

14. Amendment. This Agreement, or any part hereof, may be amended from time to time hereafter only in writing executed by the Department and Grantee.

15. Disclaimer of Relationships. Grantee acknowledges that the obligation of the Department is limited to providing the Grant in the manner and on the terms set forth in this Agreement. Nothing in this Agreement, nor any act of either the Department or of Grantee, shall be deemed or construed by either of them, or by third persons, to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, or joint venture, or of any association or relationship whatsoever involving Grantee and the Department.

16. Governing Law. This Agreement shall be governed by and construed according to the laws of the State.

17. Term of This Agreement. Unless sooner terminated by the mutual consent of Grantee and the Department, this Agreement shall terminate upon Grantee's satisfaction of its obligations under the terms of this Agreement.

18. Availability of Funds and Reduction of Grant. Disbursements of Grant proceeds are subject to the continuing availability of funds for such purpose, the State's fiscal position, the Department's financial resources, and compliance with all applicable laws.

19. Counterparts; Signatures. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which, when taken together, shall constitute one document. Signatures provided by facsimile or other electronic means, for example, and not by way of limitation, in Adobe .PDF sent by electronic mail, shall be deemed to be original signatures.

IN WITNESS WHEREOF, Grantee and the Department have caused this Agreement to be executed, sealed and delivered as of the day and year first above written.

DEPARTMENT OF COMMERCE

By: _____
Kelly M. Schulz
Secretary

GRANTEE:

BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND

By: Jeffrey A. Cline (SEAL)
Jeffrey A. Cline
President

GRANT AGREEMENT: EXHIBIT A
REQUEST FOR DEMOGRAPHIC INFORMATION FROM APPLICANTS UNDER
THE PROGRAM

EXHIBIT B
REQUEST FOR DISBURSEMENT

1. Grantee's Name and Address:

Board of County Commissioners of Washington County, Maryland

100 W. Washington St., Ste. 1101

Hagerstown, MD 21740

2. Grant Amount: \$550,721.98
3. Amount of Grant Funds Requested: \$550,721.98
4. FEIN: 52-6001037

GRANT AGREEMENT: EXHIBIT C
REPORT

GRANTEE: _____

Total Amount of Grant Funds Granted by Commerce to Grantee:
\$ _____

Total # of Eligible Grants Made by Grantee from Grant Funds: _____

Aggregate \$ Amount of Eligible Grants Made by Grantee from Grant Funds:
\$ _____

Grantee shall provide the following information either by using (1) a spreadsheet format provided by Commerce, or (2) a web portal established by Commerce for that purpose, as determined by Commerce:

- Name, location, and FEIN of each grantee
- Amount of grant received by grantee
- Use of grant proceeds
- Demographic information responses of each grantee
- Does the applicant (owner) have a net worth of less than \$750,000?
- Did the applicant (owner) have an adjusted gross income of less than \$350,000?;
and
- Did the applicant have less than \$6 Million in assets?

Certification:

Grantee hereby certifies that the information listed above is true and accurate:

By: _____(SEAL)

Name: _____

Title: _____

Date: _____

RETURN INFORMATION TO:

FPAA Workflow Coordinator
401 E. Pratt Street, Suite 1760
Baltimore, MD 21202

Or Email: darla.garrett@maryland.gov

GRANT AGREEMENT

THIS GRANT AGREEMENT (this "Agreement") is entered into as of the _____ day of _____, 2021, by and between the **DEPARTMENT OF COMMERCE**, a principal department of the State of Maryland (the "Department"), and the **Board of County Commissioners of Washington County, Maryland**, a body corporate and politic and a political subdivision of the State of Maryland ("Grantee").

RECITALS

1. Pursuant to subsections (f)(3) and (13) of Section 9, and Section 12, of Chapter 39 of the Acts of the Maryland General Assembly of 2021 (Senate Bill 496), known as the RELIEF Act, funds have been made available to the Maryland Economic Development Assistance Authority and Fund ("MEDAAF") to be used by local governments to provide grants to certain accommodations providers in the State, as further provided in this Agreement (the "Program").

2. The Department has approved a grant to Grantee in the amount of \$250,328.17 in furtherance of the Program, to be used as more fully described below.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

1. Purpose of Grant; Applications.

(a) (i) The purpose of the Grant is to enable Grantee to make grants to certain accommodations providers within Grantee's jurisdiction in furtherance of the Program, to promote and encourage stabilization within the hospitality industry in the State, and for the more specific purposes described in paragraph (b) below.

(ii) Grants to be made by Grantee under the Program are hereinafter referred to as "Eligible Grants". Grantee may only use Grant proceeds to fund Eligible Grants.

(iii) Grantee shall solicit grant applications for grants under the Program from all potentially eligible accommodations providers within its jurisdiction.

(iv) Demographic Information. In all applications to be submitted by applicants to the Program, Grantee shall include a request for the applicant's demographic information, in the form attached as Exhibit A to this Agreement.

(b) Eligible Grantees under the Program.

To be eligible for a grant under the Program, an accommodations provider must:

(i) 1. Be primarily engaged in activities that, in accordance with the North American Industrial Classification System, would be included in Code 721110 (Hotels (except Casino Hotels) and Motels) or Code 721191 (Bed-and-Breakfast Inns); and

2. If a part of a franchise with multiple locations of businesses, are owned by a Maryland franchisee.

(ii) Be in good standing with the State of Maryland.

(iii) Demonstrate a need for assistance.

(c) Costs that Grantee may permit Eligible Grantees to fund with grant proceeds from the Program may include:

- Normal operating costs, such as rent, payroll, job training, taxes, debt service, or similar costs
- Purchase of PPE, sanitization services, or other COVID-19 related costs

(d) Maximum Amount of Grants to Eligible Grantees.

No single accommodations provider may receive more than \$25,000 in grant funding under the Program.

(e) Priority to Certain Program Applicants.

Grantee shall give priority to applicants that have not received prior funding provided by MEDAAF, whether through a grant from Grantee that was funded by MEDAAF, or from the COVID-19 Small Business Emergency Loan or Grant Program.

(f) Eligible Grants shall be disbursed to Eligible Grantees no later than June 30, 2021. Any Grant Funds that Grantee has not disbursed by that date shall be promptly returned to the Department.

2. Grant. Subject to the availability of funds for such purpose, as determined in the sole discretion of the Department, the Department hereby grants to Grantee, and Grantee hereby accepts from the Department, the Grant, to be used by Grantee for the purposes described in Section 1 of this Agreement. The Grant is made subject to the terms and conditions set forth in this Agreement.

3. Conditions for Disbursement. The Department will disburse the proceeds of the Grant to Grantee after execution of this Agreement by both parties and after Grantee submits a request for disbursement attached hereto as Exhibit B.

4. Reports.

(a) By July 31, 2021, Grantee shall submit to the Department:

(i) a report in the form attached hereto as Exhibit C, detailing the use of Grant Funds; and

(ii) copies of the results of the responses to the request for demographic information Grantee is required to request of each applicant for a grant from the Program under Section 1(a) of this Agreement (see Exhibit A), along with a summary of the results obtained from the responses.

(b) Grantee shall permit any duly authorized representative of the Department or the State of Maryland (the "State") to inspect and audit all records and documents of Grantee relating to the Grant. Any inspections and/or audits under this Agreement shall be made at reasonable times. Grantee shall maintain records and documents concerning the Grant for a period of five (5) years from the date of this Agreement.

(c) Grantee shall require all eligible grantees receiving an Eligible Grant to (i) maintain records evidencing compliance with the requirements of the Eligible Grant for a period of five (5) years from the date of the Eligible Grant, and (ii) permit any duly authorized representative of the Department or the State to inspect and audit all records and documents of the eligible grantee relating to the Eligible Grant.

5. Compliance with Laws.

(a) Grantee will comply with all applicable federal, State and local laws.

(b) Grantee is in compliance with the State's policy concerning drug and alcohol-free workplaces, as set forth in COMAR 01.01.1989.18 and 21.11.08.

6. Certifications, Representations, and Covenants of Grantee.

(a) Grantee is: (i) duly organized and validly existing under the laws of the State; and (ii) has all requisite power and authority to enter into this Agreement.

(b) This Agreement has been duly executed and delivered by Grantee, in the manner and form which complies with all requirements necessary to make this Agreement the valid and legally binding and enforceable act and agreement of Grantee.

(c) This Agreement has been properly executed by Grantee and: (i) will not violate any provision of law, any order of any court or agency of government, or any provision of Grantee's charter; and (ii) constitutes the valid and legally binding obligations of Grantee, and is fully enforceable against Grantee, in accordance with its terms.

(d) No member, officer, or employee of Grantee, or any of its designees, agents, consultants, and no members of its governing body, who exercises or proceeds of the Grant during such person's tenure, shall have any interest, direct or has exercised any authority over any economic development projects funded with indirect, in any contract or its proceeds, in any activity, which is part of any economic development projects funded with proceeds of the Grant.

(e) Grantee shall not use any Grant proceeds to make contributions: (i) to any person who holds, or is a candidate for, elected office; (ii) to any political party, organization, or action committee; or (iii) in connection with any political campaign or referendum. In addition, if in any fiscal year ending during the term of this Agreement Grantee derives more than 50% of its operating funds from State funding, it shall not contribute any money or thing of value: (1) to any persons who hold, or are candidates for, elected office; (2) to any political party, organization, or action committee; or (3) in connection with any political campaign or referendum.

(f) Grantee agrees to take all actions requested by the Department which are necessary to meet the requirements or requests of other agencies of the State or the Maryland General Assembly.

7. Defaults, Repayment, and Remedies.

(a) A default under this Agreement shall have occurred if Grantee: (i) uses any proceeds of the Grant for any purpose other than authorized by this Agreement, (ii) breaches any covenant, agreement, provision, representation, or warranty made in this Agreement, or (iii) fails to promptly return proceeds of the Grant that were not used to make Eligible Grants by the date specified in Section 1.

(b) Upon the occurrence of a default under paragraphs 7(a)(i) or (ii) above, Grantee shall have thirty (30) days from the date Grantee receives written notice of the occurrence of such a default from the Department to cure the default. If Grantee

fails to cure the default within the thirty-day cure period, the Department may exercise any remedy specified in this Agreement.

(c) Upon the occurrence of a default under the terms of this Agreement, which default remains uncured beyond any applicable grace or cure period provided in this Agreement, the Department may (i) immediately demand repayment of all or a portion of the proceeds of the Grant and/or (ii) proceed to protect and enforce all rights and remedies available to the Department by suit in equity, action at law, or by any other appropriate proceedings, which rights and remedies shall survive the termination of this Agreement.

(d) All remedies provided for in this Agreement are cumulative and shall be in addition to any and all other rights and remedies available to the Department at law or in equity. The exercise of any right or remedy by the Department shall not in any way constitute a cure or waiver of any default by the Grantee, nor invalidate any act done pursuant to any notice of default, nor prejudice the Department in the exercise of those rights.

(e) The failure of the Department to insist upon performance of any term of this Agreement shall not be deemed to be a waiver of any term of this Agreement. No act of the Department shall be construed as an election to proceed under any one provision in this Agreement to the exclusion of any other provision.

8. Non-Discrimination. Grantee covenants and shall cause any recipient of Grant funds to covenant that it will not discriminate on the basis of race, color, sex, religion, or national or ethnic origin in its hiring of contractors to carry out any portion of the project funded by proceeds of the Grant. Grantee further covenants and shall cause any recipient of Grant funds to further covenant that it shall prohibit its contractors from engaging in such discrimination in the hiring of subcontractors to carry out any portion of the project funded by proceeds of the Grant.

9. Press Releases. The Department may issue press releases or other promotional materials describing the award of the Grant and the specific purposes for which the Grant was awarded.

10. Indemnification. Grantee releases the State and the Department from, agrees that the State and the Department shall not have any liability for, and, to the extent permitted by law and subject to appropriations, agrees to protect, indemnify and save harmless the State and the Department from and against, any and all liabilities, suits, actions, claims, demands, losses, expenses and costs of every kind and nature incurred by, or asserted or imposed against, the State and the Department, as a result of or in connection with the Grant or any Eligible Grants. To the extent permitted by law and subject to appropriations, money expended by the Department as a result of such

liabilities, suits, actions, claims, demands, losses, expenses or costs, together with interest at a rate not to exceed the maximum interest rate permitted by law from the date of such payment, shall constitute an indebtedness of Grantee and shall be immediately and without notice due and payable by Grantee to the Department. This Section 10 shall survive the termination of this Agreement.

11. Notices; Individual Responsible for Grantee Reports

_____(a) Any communication permitted or required under this Agreement shall be deemed effective for all purposes as of the date the communication is mailed, postage prepaid, by registered or certified mail, return receipt requested or sent by a reputable delivery service, to be delivered only to the office of the addressee, addressed as follows:

(i) Communications to the Department shall be sent to:

Finance Programs Accounting and Administration
Department of Commerce
401 East Pratt Street, 17th Floor
Baltimore, Maryland 21202
fpaaworkflowcoordinator.commerce@maryland.gov

(ii) Communications to Grantee shall be sent to:

Name: Jeffrey A. Cline,
Title: President, Board of County Commissioners of Washington County, MD
Address: 100 W. Washington St., Ste., 1101, Hagerstown, MD 21740
Email: jcline@washco-md.net

With a copy to

Name: Kirk C. Downey
Title: County Attorney
Address: 100 W. Washington St., Ste., 1101, Hagerstown, MD 21740
Email: kdowney@washco-md.net

(iii) The individual responsible for providing the report on behalf of Grantee described in Section 4 and Exhibit C of this Agreement will be:

Name: Susan Small
Title: Director, Washington County Department of Business Development
Address: 100 W. Washington St., Hagerstown, MD 21740
Email: ssmall@washco-md.net
Telephone: 240-313-2289

(b) Grantee and the Department may each change the information in (a) above by sending written notice to the other party.

12. Assignment. No right, benefit, or advantage inuring to Grantee under this Agreement and no burden imposed on Grantee hereunder may be assigned without the prior written consent of the Department.

13. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior oral and written agreements, representations, and negotiations between the parties hereto with respect to the Grant.

14. Amendment. This Agreement, or any part hereof, may be amended from time to time hereafter only in writing executed by the Department and Grantee.

15. Disclaimer of Relationships. Grantee acknowledges that the obligation of the Department is limited to providing the Grant in the manner and on the terms set forth in this Agreement. Nothing in this Agreement, nor any act of either the Department or of Grantee, shall be deemed or construed by either of them, or by third persons, to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, or joint venture, or of any association or relationship whatsoever involving Grantee and the Department.

16. Governing Law. This Agreement shall be governed by and construed according to the laws of the State.

17. Term of This Agreement. Unless sooner terminated by the mutual consent of Grantee and the Department, this Agreement shall terminate upon Grantee's satisfaction of its obligations under the terms of this Agreement.

18. Availability of Funds and Reduction of Grant. Disbursements of Grant proceeds are subject to the continuing availability of funds for such purpose, the State's fiscal position, the Department's financial resources, and compliance with all applicable laws.

19. Counterparts; Signatures. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which, when taken together, shall constitute one document. Signatures provided by facsimile or other electronic means, for example, and not by way of limitation, in Adobe .PDF sent by electronic mail, shall be deemed to be original signatures.

IN WITNESS WHEREOF, Grantee and the Department have caused this Agreement to be executed, sealed and delivered as of the day and year first above written.

DEPARTMENT OF COMMERCE

By: _____
Kelly M. Schulz
Secretary

GRANTEE:

BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND

By: Jeffrey A. Cline (SEAL)
Jeffrey A. Cline
President

GRANT AGREEMENT: EXHIBIT A
REQUEST FOR DEMOGRAPHIC INFORMATION FROM APPLICANTS UNDER
THE PROGRAM

EXHIBIT B
REQUEST FOR DISBURSEMENT

1. Grantee's Name and Address:

Board of County Commissioners of Washington County, Maryland

100 W. Washington St., Ste. 1101

Hagerstown, MD 21740

2. Grant Amount: \$250,328.17
3. Amount of Grant Funds Requested: \$250,328.17
4. FEIN: 52-6001037

GRANT AGREEMENT: EXHIBIT C
REPORT

GRANTEE: _____

Total Amount of Grant Funds Granted by Commerce to Grantee:
\$ _____

Total # of Eligible Grants Made by Grantee from Grant Funds: _____

Aggregate \$ Amount of Eligible Grants Made by Grantee from Grant Funds:
\$ _____

Grantee shall provide the following information either by using (1) a spreadsheet format provided by Commerce, or (2) a web portal established by Commerce for that purpose, as determined by Commerce:

- Name, location, and FEIN of each grantee
- Amount of grant received by grantee
- Use of grant proceeds
- Demographic information responses of each grantee

Certification:

Grantee hereby certifies that the information listed above is true and accurate:

By: _____(SEAL)

Name: _____

Title: _____

Date: _____

RETURN INFORMATION TO:

FPAA Workflow Coordinator
401 E. Pratt Street, Suite 1760
Baltimore, MD 21202

Or Email: darla.garrett@maryland.gov

County	Total Properties	Pop 2021	Percentage of Population	\$10,000,000 allocation based on population
Allegany	16	69,366	1.1%	\$114,363
Anne Arundel	85	586,656	9.7%	\$967,211
Baltimore	56	826,392	13.6%	\$1,362,461
Baltimore City	61	575,584	9.5%	\$948,957
Calvert	7	93,445	1.5%	\$154,061
Caroline	1	33,606	0.6%	\$55,406
Carroll	5	168,807	2.8%	\$278,310
Cecil	13	103,277	1.7%	\$170,271
Charles	19	166,819	2.8%	\$275,032
Dorchester	5	31,867	0.5%	\$52,539
Frederick	30	268,755	4.4%	\$443,092
Garrett	10	28,776	0.5%	\$47,443
Harford	34	258,559	4.3%	\$426,282
Howard	42	331,828	5.5%	\$547,080
Kent	7	19,398	0.3%	\$31,981
Montgomery	55	1,055,110	17.4%	\$1,739,545
Prince George's	83	908,743	15.0%	\$1,498,231
Queen Anne's	6	50,847	0.8%	\$83,831
Somerset	4	25,636	0.4%	\$42,266
St. Mary's	16	115,090	1.9%	\$189,747
Talbot	19	37,395	0.6%	\$61,653
Washington	27	151,835	2.5%	\$250,328
Wicomico	18	104,739	1.7%	\$172,682
Worcester	113	52,908	0.9%	\$87,229
Total	732	6,065,438	100%	\$10,000,000

GRANT AGREEMENT

THIS GRANT AGREEMENT (this "Agreement") is entered into as of the _____ day of _____, 2021, by and between the **DEPARTMENT OF COMMERCE**, a principal department of the State of Maryland (the "Department"), and the **Board of County Commissioners of Washington County, Maryland**, a body corporate and politic and a political subdivision of the State of Maryland ("Grantee").

RECITALS

1. Pursuant to subsections (f)(3) and (19) of Section 9, and Section 12, of Chapter 39 of the Acts of the Maryland General Assembly of 2021 (Senate Bill 496), known as the RELIEF Act, funds have been made available to the Maryland Economic Development Assistance Authority and Fund ("MEDAAF") to be used to provide grants to businesses to assist the businesses in setting up an online sales framework and offering employees telework opportunities, as further provided in this Agreement (the "Program").
2. The Department has distributed the funds authorized for the Program to local jurisdictions in the State, with the expectation that local jurisdictions are best positioned to effectively assist local businesses accomplish the goals of the Program.
3. The Department has awarded grant funds in the amount of \$12,516.41 to Grantee (the "Grant" or "Grant Funds"), to be used for the purposes more fully described below.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

1. Purpose of Grant; Applications.

(a) (i) The purpose of the Grant is to enable Grantee to make grants to businesses to assist the businesses in setting up an online sales framework and offering employees telework opportunities, and for the more specific purposes described in paragraph (b) below.

(ii) Grants to be made by Grantee under the Program are hereinafter referred to as "Eligible Grants". Grantee may only use Grant proceeds to fund Eligible Grants.

(iii) Grantee shall solicit grant applications for grants under the Program from eligible businesses within its jurisdiction.

(iv) Application Requirements. In all applications to be submitted by applicants to the Program, Grantee shall include a request for information about the

applicant's demographic information, in the form attached as Exhibit A to this Agreement.

(b) Eligible Grantees under the Program.

To be eligible for a grant under the Program, an applicant must:

- Have been established prior to March 9, 2020;
- Be registered and in good standing with Maryland SDAT;
- Applicants that did not receive a COVID-19 Business Relief Grant or Loan will be prioritized over applicants that received a COVID-19 Business Relief Grant or Loan from the Maryland Department of Commerce;
- Currently be in operation;
- Have a physical location within Grantee's jurisdiction; and
- Not have more than 20 total employees excluding the owner

(c) Costs that Grantee may permit Eligible Grantees to fund with grant proceeds from the Program may include: expenses incurred to establish or expand online sales and/or telework during COVID (after March 2020).

(d) Maximum Amount of Grants to Eligible Grantees.

No single business may receive more than \$5,000 of the Grant Funds in grant funding under the Program.

(e) Eligible Grants shall be disbursed to Eligible Grantees no later than June 30, 2021. Any Grant Funds that Grantee has not disbursed by that date shall be promptly returned to the Department.

2. Grant. Subject to the availability of funds for such purpose, as determined in the sole discretion of the Department, the Department hereby grants to Grantee, and Grantee hereby accepts from the Department, the Grant, to be used by Grantee for the purposes described in Section 1 of this Agreement. The Grant is made subject to the terms and conditions set forth in this Agreement.

3. Conditions for Disbursement. The Department will disburse the proceeds of the Grant to Grantee after execution of this Agreement by both parties and after Grantee submits a request for disbursement attached hereto as Exhibit B.

4. Reports.

(a) By July 31, 2021, Grantee shall submit to the Department:

(i) a report in the form attached hereto as Exhibit C, detailing the use of Grant Funds; and

(ii) copies of the results of the responses to the request for demographic information Grantee is required to request of each applicant for a grant from the Program under Section 1(a) of this Agreement, along with a summary of the results obtained from the responses.

(b) Grantee shall permit any duly authorized representative of the Department or the State of Maryland (the "State") to inspect and audit all records and documents of Grantee relating to the Grant. Any inspections and/or audits under this Agreement shall be made at reasonable times. Grantee shall maintain records and documents concerning the Grant for a period of five (5) years from the date of this Agreement.

(c) Grantee shall require all eligible grantees receiving an Eligible Grant to (i) maintain records evidencing compliance with the requirements of the Eligible Grant for a period of five (5) years from the date of the Eligible Grant, and (ii) permit any duly authorized representative of the Department or the State to inspect and audit all records and documents of the eligible grantee relating to the Eligible Grant.

5. Compliance with Laws.

(a) Grantee will comply with all applicable federal, State and local laws.

(b) Grantee is in compliance with the State's policy concerning drug and alcohol-free workplaces, as set forth in COMAR 01.01.1989.18 and 21.11.08.

6. Certifications, Representations, and Covenants of Grantee.

(a) Grantee is: (i) duly organized and validly existing under the laws of the State; and (ii) has all requisite power and authority to enter into this Agreement.

(b) This Agreement has been duly executed and delivered by Grantee, in the manner and form which complies with all requirements necessary to make this Agreement the valid and legally binding and enforceable act and agreement of Grantee.

(c) This Agreement has been properly executed by Grantee and: (i) will not violate any provision of law, any order of any court or agency of government, or any provision of Grantee's charter; and (ii) constitutes the valid and legally binding obligations of Grantee, and is fully enforceable against Grantee, in accordance with its terms.

(d) No member, officer, or employee of Grantee, or any of its designees, agents, consultants, and no members of its governing body, who exercises or proceeds of the Grant during such person's tenure, shall have any interest, direct or has exercised any authority over any economic development projects funded with indirect, in any contract or its proceeds, in any activity, which is part of any economic development projects funded with proceeds of the Grant.

(e) Grantee shall not use any Grant proceeds to make contributions: (i) to any person who holds, or is a candidate for, elected office; (ii) to any political party, organization, or action committee; or (iii) in connection with any political campaign or referendum. In addition, if in any fiscal year ending during the term of this Agreement Grantee derives more than 50% of its operating funds from State funding, it shall not contribute any money or thing of value: (1) to any persons who hold, or are candidates for, elected office; (2) to any political party, organization, or action committee; or (3) in connection with any political campaign or referendum.

(f) Grantee agrees to take all actions requested by the Department which are necessary to meet the requirements or requests of other agencies of the State or the Maryland General Assembly.

7. Defaults, Repayment, and Remedies.

(a) A default under this Agreement shall have occurred if Grantee: (i) uses any proceeds of the Grant for any purpose other than authorized by this Agreement, (ii) breaches any covenant, agreement, provision, representation, or warranty made in this Agreement, or (iii) fails to promptly return proceeds of the Grant that were not used to make Eligible Grants by the date specified in Section 1.

(b) Upon the occurrence of a default under paragraphs 7(a)(i) or (ii) above, Grantee shall have thirty (30) days from the date Grantee receives written notice of the occurrence of such a default from the Department to cure the default. If Grantee fails to cure the default within the thirty-day cure period, the Department may exercise any remedy specified in this Agreement.

(c) Upon the occurrence of a default under the terms of this Agreement, which default remains uncured beyond any applicable grace or cure period provided in this Agreement, the Department may (i) immediately demand repayment of all or a portion of the proceeds of the Grant and/or (ii) proceed to protect and enforce all rights and remedies available to the Department by suit in equity, action at law, or by any other appropriate proceedings, which rights and remedies shall survive the termination of this Agreement.

(d) All remedies provided for in this Agreement are cumulative and shall be in addition to any and all other rights and remedies available to the Department at law or in equity. The exercise of any right or remedy by the Department shall not in any way constitute a cure or waiver of any default by the Grantee, nor invalidate any act done pursuant to any notice of default, nor prejudice the Department in the exercise of those rights.

(e) The failure of the Department to insist upon performance of any term of this Agreement shall not be deemed to be a waiver of any term of this Agreement. No act of the Department shall be construed as an election to proceed under any one provision in this Agreement to the exclusion of any other provision.

8. Non-Discrimination. Grantee covenants and shall cause any recipient of Grant funds to covenant that it will not discriminate on the basis of race, color, sex, religion, or national or ethnic origin in its hiring of contractors to carry out any portion of the project funded by proceeds of the Grant. Grantee further covenants and shall cause any recipient of Grant funds to further covenant that it shall prohibit its contractors from engaging in such discrimination in the hiring of subcontractors to carry out any portion of the project funded by proceeds of the Grant.

9. Press Releases. The Department may issue press releases or other promotional materials describing the award of the Grant and the specific purposes for which the Grant was awarded.

10. Indemnification. Grantee releases the State and the Department from, agrees that the State and the Department shall not have any liability for, and, to the extent permitted by law and subject to appropriations, agrees to protect, indemnify and save harmless the State and the Department from and against, any and all liabilities, suits, actions, claims, demands, losses, expenses and costs of every kind and nature incurred by, or asserted or imposed against, the State and the Department, as a result of or in connection with the Grant or any Eligible Grants. To the extent permitted by law and subject to appropriations, money expended by the Department as a result of such liabilities, suits, actions, claims, demands, losses, expenses or costs, together with interest at a rate not to exceed the maximum interest rate permitted by law from the date of such payment, shall constitute an indebtedness of Grantee and shall be immediately and without notice due and payable by Grantee to the Department. This Section 10 shall survive the termination of this Agreement.

11. Notices; Individual Responsible for Grantee Reports

(a) Any communication permitted or required under this Agreement shall be deemed effective for all purposes as of the date the communication is mailed, postage

prepaid, by registered or certified mail, return receipt requested or sent by a reputable delivery service, to be delivered only to the office of the addressee, addressed as follows:

- (i) Communications to the Department shall be sent to:

Finance Programs Accounting and Administration
Department of Commerce
401 East Pratt Street, 17th Floor
Baltimore, Maryland 21202
fpaaworkflowcoordinator.commerce@maryland.gov

- (ii) Communications to Grantee shall be sent to:

Name: Jeffrey A. Cline,
Title: President, Board of County Commissioners of Washington County, MD
Address: 100 W. Washington St., Ste., 1101, Hagerstown, MD 21740
Email: jcline@washco-md.net

With a copy to

Name: Kirk C. Downey
Title: County Attorney
Address: 100 W. Washington St., Ste., 1101, Hagerstown, MD 21740
Email: kdowney@washco-md.net

(iii) The individual responsible for providing the report on behalf of Grantee described in Section 4 and Exhibit C of this Agreement will be:

Name: Susan Small
Title: Director, Washington County Department of Business Development
Address: 100 W. Washington St., Hagerstown, MD 21740
Email: ssmall@washco-md.net
Telephone: 240-313-2289

(b) Grantee and the Department may each change the information in (a) above by sending written notice to the other party.

12. Assignment. No right, benefit, or advantage inuring to Grantee under this Agreement and no burden imposed on Grantee hereunder may be assigned without the prior written consent of the Department.

13. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior oral and written agreements, representations, and negotiations between the parties hereto with respect to the Grant.

14. Amendment. This Agreement, or any part hereof, may be amended from time to time hereafter only in writing executed by the Department and Grantee.

15. Disclaimer of Relationships. Grantee acknowledges that the obligation of the Department is limited to providing the Grant in the manner and on the terms set forth in this Agreement. Nothing in this Agreement, nor any act of either the Department or of Grantee, shall be deemed or construed by either of them, or by third persons, to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, or joint venture, or of any association or relationship whatsoever involving Grantee and the Department.

16. Governing Law. This Agreement shall be governed by and construed according to the laws of the State.

17. Term of This Agreement. Unless sooner terminated by the mutual consent of Grantee and the Department, this Agreement shall terminate upon Grantee's satisfaction of its obligations under the terms of this Agreement.

18. Availability of Funds and Reduction of Grant. Disbursements of Grant proceeds are subject to the continuing availability of funds for such purpose, the State's fiscal position, the Department's financial resources, and compliance with all applicable laws.

19. Counterparts; Signatures. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which, when taken together, shall constitute one document. Signatures provided by facsimile or other electronic means, for example, and not by way of limitation, in Adobe .PDF sent by electronic mail, shall be deemed to be original signatures.

IN WITNESS WHEREOF, Grantee and the Department have caused this Agreement to be executed, sealed and delivered as of the day and year first above written.

DEPARTMENT OF COMMERCE

By: _____
Kelly M. Schulz
Secretary

GRANTEE:

BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND

By: Jeff A. Cline (SEAL)
Jeffrey A. Cline
President

GRANT AGREEMENT: EXHIBIT A
REQUEST FOR DEMOGRAPHIC INFORMATION FROM APPLICANTS UNDER
THE PROGRAM

EXHIBIT B
REQUEST FOR DISBURSEMENT

1. Grantee's Name and Address:

Board of County Commissioners of Washington County, Maryland

100 W. Washington St., Ste. 1101

Hagerstown, MD 21740

2. Grant Amount: \$12,516.41
3. Amount of Grant Funds Requested: \$12,516.41
4. FEIN: 52-6001037

GRANT AGREEMENT: EXHIBIT C
REPORT

GRANTEE: _____

Total Amount of Grant Funds Granted by Commerce to Grantee:
\$ _____

Total # of Eligible Grants Made by Grantee from Grant Funds: _____

Aggregate \$ Amount of Eligible Grants Made by Grantee from Grant Funds:
\$ _____

Grantee shall provide the following information either by using (1) a spreadsheet format provided by Commerce, or (2) a web portal established by Commerce for that purpose, as determined by Commerce:

- Name, location, and FEIN of each grantee
- Amount of grant received by grantee
- Use of grant proceeds
- Demographic information responses of each grantee

Certification:

Grantee hereby certifies that the information listed above is true and accurate:

By: _____ (SEAL)

Name: _____

Title: _____

Date: _____

RETURN INFORMATION TO:

FPAA Workflow Coordinator
401 E. Pratt Street, Suite 1760
Baltimore, MD 21202

Or Email: darla.garrett@maryland.gov



Agenda Report Form

Open Session Item

SUBJECT: Department of Housing & Community Development Non-Profit Recovery Grant Application Submittal

PRESENTATION DATE: April 20, 2021

PRESENTATION BY: Susan Small, Director of Business Development, Susan Buchanan, Director of Grant Management

RECOMMENDED MOTION: Move to approve the submittal of the Non-Profit Recovery grant application requesting \$499,692 to the Department of Housing and Community Development, accept funding as awarded, and execute associated grant agreement.

REPORT-IN-BRIEF: The Department of Housing and Community Development (DHCD) is providing funds to local jurisdictions to assist eligible non-profits during the economic recovery from the Covid-19 pandemic. Washington County is being allocated \$499,692. The County must submit an application describing the process the County will utilize to distribute the funds. Upon submission and subsequent grant award, the funds will be distributed by the Department of Business Development to local businesses via a grant application process.

DISCUSSION: The Department of Housing and Community Development (DHCD) has been authorized to distribute Maryland Recovery Now funds to local governments to provide grants to non-profit organizations with demonstrated need related to the coronavirus pandemic. Washington County has been allocated \$499,692. The County must submit an application describing the process the County will utilize to distribute the funds. Upon submission and grant award, the funds will be distributed by the Department of Business Development to local businesses via a grant application process.

The Office of Grant Management has reviewed the grant documents and there are no local matching funds required nor any other unusual requirements or conditions associated with this grant. The funds must be distributed to eligible grantees by September 1, 2021 and non-profit recipients must expend their awarded funds by December 31, 2021. The Department of Business Development will utilize up to 10% of the funds for administrative costs.

FISCAL IMPACT: Provides \$499,692 to develop and implement a program assisting eligible non-profits serving Washington County. The Department of Business Development will utilize up to 10% of these funds for administrative expenses.

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: N/A

AUDIO/VISUAL NEEDS: N/A



Agenda Report Form

Open Session Item

SUBJECT: ConAgra Foods Packaged Foods, LLC (*ConAgra*) – Conditional Loans for Pinnacle Foods Group, LLC (*Pinnacle*), As Original Borrower

PRESENTATION DATE: April 20, 2021

PRESENTATION BY: Susan Small, Director, Department of Business Development

RECOMMENDED MOTIONS: (1) Move to approve the County's execution of all modification documents acknowledging ConAgra as successor-in-interest to Pinnacle and obligor to the County, with all of the rights, duties, and obligations as set forth in the First County Loan documents, and (2) move to approve the County's execution of all documents awarding the Second County Loan to ConAgra as successor-in-interest to Pinnacle.

REPORT-IN-BRIEF: Pinnacle has been acquired by ConAgra. The County's conditional loan documents should be amended and restated to reflect this change.

DISCUSSION: On April 12, 2016, the Board of County Commissioners adopted Resolution No. RS-2016-04 endorsing two (2) conditional loans to Pinnacle from the Maryland Economic Development Assistance Authority and Fund (MEDAAF). By the same Resolution, the Board approved two (2) conditional loans from the County to Pinnacle in the same amounts and on essentially the same terms and conditions of the MEDAAF loans.

The First County Loan to Pinnacle, in the amount of \$312,500, closed on August 22, 2016. It is evidenced by a Promissory Note, is subject to the terms of a legally binding Loan Agreement, and is corporately guaranteed. The first MEDAAF loan from the Maryland Department of Commerce (*Commerce*) to Pinnacle closed on September 23, 2016.

As a result of corporate acquisition and restructuring of business entities in fall 2018 and spring 2019, Pinnacle was dissolved and its operations were assigned to ConAgra. To reflect this change in the existing loan documents and to complete the transactions for the second loans, the County and Commerce should amend and restate their respective loan documents with ConAgra which has assumed all rights, indebtedness, liabilities, and obligations of Pinnacle. ConAgra desires to receive the Second County Loan which will be in the amount of \$100,000 as determined by applicable provisions of the Loan Agreement. The Second County Loan must close before Commerce will close the second MEDAAF loan.

The Board's approval is requested for the County's execution of all documents modifying the First County Loan to reflect ConAgra as obligor. The Board's approval is also requested for the County's execution of all documents creating and disbursing the Second County Loan to ConAgra.

FISCAL IMPACT: N/A

CONCURRENCES: N/A

ALTERNATIVES: Deny the motion

ATTACHMENTS: Resolution No. RS-2016-04

AUDIO/VISUAL NEEDS: N/A

RESOLUTION NO. RS-2016-04

(Endorsement of MEDAAF Loans and Local Incentives)

RECITALS

The **DEPARTMENT OF COMMERCE** of the State of Maryland (the "Department") under the **MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND** ("MEDAAF") has agreed to provide assistance to **PINNACLE FOODS GROUP LLC**, in the form of two (2) conditional loans as follows: (1) Loan A - \$312,500, and (2) Loan B – up to \$187,500, from the **MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND** (the "MEDAAF Loans").

The proceeds of the MEDAAF Loans will be used by Pinnacle Foods Group LLC, for eligible project costs related to the construction or acquisition of a building or real property and the acquisition, construction, or installation of machinery, equipment, furnishings, fixtures, leasehold improvements, site improvements, or infrastructure improvements at the project site (the "Project").

In accordance with Sections 5-301 through 5-349 of the Economic Development Article of the Annotated Code of Maryland, the Board of County Commissioners of Washington County, Maryland (the "County"), is required to endorse the making of the MEDAAF Loans for the Project.

To complement the State of Maryland's offer of assistance, the County will also provide assistance in the form of two (2) conditional loans as follows: (1) Loan A - \$312,500, and (2) Loan B – up to \$187,500, on essentially the same terms and conditions of the MEDAAF Loans (the "County Loans").

The County has determined and expressly finds that it is in the best interest of the citizens of Washington County to endorse the making of the MEDAAF Loans for the Project.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Washington County, Maryland, that:

1. The County hereby fully endorses the making of the MEDAAF Loans for the Project.

2. The County hereby approves the County Loans for the Project.

3. This Resolution shall be effective upon its adoption in accordance with applicable law.

Adopted and effective this 12th day of April, 2016.

ATTEST:

BOARD OF COUNTY COMMISSIONERS OF
WASHINGTON COUNTY, MARYLAND

Vicki C. Lumm
Vicki C. Lumm, Clerk

Terry L. Baker
Terry L. Baker, President

Approved as to form
and legal sufficiency:

Kendall A. McPeak
Kendall A. McPeak
Assistant County Attorney

Mail to:

Office of the County Attorney
100 West Washington Street
Room 202
Hagerstown, MD 21740



Agenda Report Form

Open Session Item

SUBJECT: Resolution No. RS-2020-32, Restated, With Amendments – Wesel Boulevard Roadway Improvements and Reconstruction

PRESENTATION DATE: April 20, 2021

PRESENTATION BY: Susan Small, Director, Department of Business Development

RECOMMENDED MOTION: Move to adopt the proposed resolution, restating, with amendments, Resolution No. RS-2020-32, Endorsement of MEDAAF Bridge Loan.

REPORT-IN-BRIEF: The Maryland Department of Commerce requires that the County's repayment of the MEDAAF bridge loan must be guaranteed by the County's full faith and credit. This provision must be included in the resolution endorsing said loan.

DISCUSSION: On October 13, 2020, the Board of County Commissioners adopted Resolution No. RS-2020-32 endorsing a bridge loan in the amount of \$2,000,000 from the Maryland Economic Development Assistance Authority Fund (MEDAAF) to the Board of County Commissioners of Washington County, Maryland. The County will use the loan funds for eligible project costs related to roadway improvements and reconstruction of Wesel Boulevard in support of the larger development plan in that area recently undertaken by NorthPoint Development. On March 30, 2021, the Board approved the establishment of a new project budget for \$2.7M for the payment of invoices, \$2M of which is the MEDAAF bridge loan. The Maryland Department of Commerce has advised County staff that the County's repayment of the MEDAAF bridge loan must be guaranteed by the County's full faith and credit. The proposed resolution restates the County's endorsement of the MEDAAF bridge loan and pledges the County's full faith and credit to the loan's repayment, all effective as of October 13, 2020, the date on which the MEDAAF bridge loan was originally endorsed.

FISCAL IMPACT: N/A

CONCURRENCES: N/A

ALTERNATIVES: Deny the motion

ATTACHMENTS: Resolution No. RS-2020-32; draft proposed resolution, restated with amendments

AUDIO/VISUAL NEEDS: N/A

RESOLUTION NO. RS-2020-32
(Endorsement of MEDAAF Bridge Loan)

RECITALS

The **DEPARTMENT OF COMMERCE** of the State of Maryland (the "Department"), under the **MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY FUND ("MEDAAF")**, has agreed to provide assistance to the **BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, MARYLAND** (the "County"), in the form of a bridge loan in the amount of \$2,000,000 from the MEDAAF (the "MEDAAF Loan").

The proceeds of the MEDAAF Loan will be used by the County for eligible project costs related to roadway improvements and reconstruction of Wesel Boulevard (the "Project") in support of a larger development plan undertaken by NorthPoint Development (the "Company") which includes construction of four buildings and creation of an estimated 1,500 permanent full-time jobs.

In accordance with Sections 5-301 through 5-349 of the Economic Development Article of the Annotated Code of Maryland, the County is required to endorse the making of the MEDAAF Loan for the Project.


The County has determined and expressly finds that it is in the best interest of the citizens of Washington County to endorse the making of the MEDAAF Loan for the Project.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Washington County, Maryland, that:

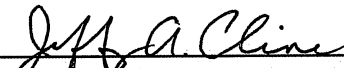
1. The County hereby fully endorses the making of the MEDAAF Loan for the Project.
2. This Resolution shall be effective upon its adoption in accordance with applicable law.

Adopted and effective this 13th day of October, 2020.

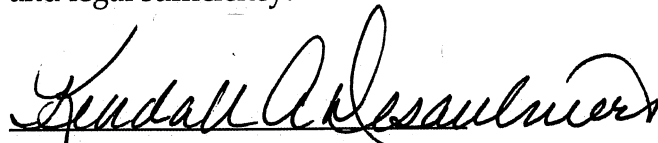
ATTEST:


Krista L. Hart, Clerk

BOARD OF COUNTY COMMISSIONERS OF
WASHINGTON COUNTY, MARYLAND


Jeffrey A. Cline, President

Approved as to form
and legal sufficiency:


Kendall A. Desaulniers
Deputy County Attorney

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

RESOLUTION NO. RS-2021-__

*(Restating, With Amendments, Resolution No. RS-2020-32,
Endorsement of MEDAAF Bridge Loan)*

RECITALS

The **DEPARTMENT OF COMMERCE** of the State of Maryland (the "Department"), under the **MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY FUND** ("MEDAAF"), has agreed to provide assistance to the **BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, MARYLAND** (the "County"), in the form of a bridge loan in the amount of \$2,000,000 from the MEDAAF (the "MEDAAF Loan").

The proceeds of the MEDAAF Loan will be used by the County for eligible project costs related to roadway improvements and reconstruction of Wesel Boulevard (the "Project") in support of a larger development plan undertaken by NorthPoint Development (the "Company") which includes construction of four buildings and creation of an estimated 1,500 permanent full-time jobs.

In accordance with Sections 5-301 through 5-349 of the Economic Development Article of the Annotated Code of Maryland, the County is required to endorse the making of the MEDAAF Loan for the Project.

As a condition of providing the MEDAAF Loan, the Department requires the County's repayment of the MEDAAF Loan to be guaranteed by the County's full faith and credit.

The County has determined and expressly finds that it is in the best interest of the citizens of Washington County to endorse the making of the MEDAAF Loan for the Project and to pledge the County's full faith and credit to the repayment of the MEDAAF Loan.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Washington County, Maryland, as follows:

1. The County hereby fully endorses the making of the MEDAAF Loan for the Project.

2. The County hereby guarantees repayment of the MEDAAF Loan and pledges the County's full faith and credit to the performance of this guarantee.

3. This Resolution shall be effective as of October 13, 2020, the adoption and effective date of Resolution No.RS-2020-32.

Adopted this ____ day of _____, 2021.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND

Krista L. Hart, Clerk

BY: _____
Jeffrey A. Cline, President

Approved as to form
and legal sufficiency:

Kendall A. Desaulniers
Deputy County Attorney

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



Agenda Report Form

Open Session Item

SUBJECT: FY22 Budget Discussion

PRESENTATION DATE: April 20, 2021

PRESENTATION BY: Sara Greaves, Chief Financial Officer

RECOMMENDATION: For informational purposes and feedback on proposed adjustments.

REPORT-IN-BRIEF: On April 13, 2021, the Office of Budget & Finance was directed to provide a FY22 General Fund budget based on a 2.8% income tax rate.

DISCUSSION: Staff will present potential cuts for FY22 and the impact on FY23 and beyond.

FISCAL IMPACT: \$17.1M

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: N/A

AUDIO/VISUAL NEEDS: Presentation



Agenda Report Form

Open Session Item

SUBJECT: County Income Tax Rate

PRESENTATION DATE: April 20, 2021

PRESENTATION BY: Kirk C. Downey, County Attorney

RECOMMENDED MOTION: I move to approve and adopt the resolution establishing the County's Income Tax Rate at 2.8% beginning January 1, 2022.

REPORT-IN-BRIEF: Pursuant to direction provided by the Board of County Commissioners, the resolution required by statute has been prepared for adoption.

DISCUSSION: Tax-General Article § 10-106 provides that a County may establish its income tax rate by ordinance or resolution. The prepared resolution: sets the county income tax rate at 2.8% beginning January 1, 2022; requires notification to the Comptroller in accordance with the statute; and repeals the former resolution setting the county income tax rate at 3.2%.

FISCAL IMPACT: Decreased income tax revenue

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: Draft Resolution

AUDIO/VISUAL NEEDS: N/A

RESOLUTION NO. RS-2021-_____

**SETTING THE INCOME TAX RATE FOR
WASHINGTON COUNTY, MARYLAND**

Recitals

Md. Code, Tax-General, §10-106 provides that each county may set a county income tax equal to at least 1% but not more than 3.20% of an individual's Maryland taxable income for a tax year beginning after December 31, 2001.

The Board of County Commissioners has determined that it would be in the best interests of the citizens of Washington County to reduce the county income tax rate from 3.2% to 2.8% for all taxable years, beginning on January 1, 2022.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, MARYLAND, that a county income tax is imposed at a rate of 2.8% for all taxable years, beginning on January 1, 2022.

IT IS FURTHER RESOLVED that notice be given to the Comptroller of the above rate reduction on or before July 1, 2021.

IT IS FURTHER RESOLVED that Resolution No. RS-2019-15, adopted June 4, 2019, setting the county income tax rate at 3.2% is repealed and of no further force or effect as of 11:59:59 P.M., December 31, 2021.

Adopted and effective this 20th day of April, 2021.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND

Krista L. Hart, Clerk

BY: _____
Jeffrey A. Cline, President

Approved as to form and
legal sufficiency:

Kirk C. Downey
County Attorney

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