

Terry L. Baker, *President*
Jeffrey A. Cline, *Vice President*



John F. Barr
Wayne K. Keefer
LeRoy E. Myers, Jr.

100 West Washington Street, Suite 1101 | Hagerstown, MD 21740-4735 | P: 240.313.2200 | F: 240.313.2201
WWW.WASHCO-MD.NET

BOARD OF COUNTY COMMISSIONERS
April 24, 2018
Agenda

- 08:00 A.M. WASHINGTON COUNTY GIVES KICK-OFF EVENT
Location: Herald Mail Press Room, 100 Summit Avenue, Hagerstown
- 08:55 A.M. DEPART FOR 901 NORTHERN AVENUE, HAGERSTOWN
- 09:15 A.M. EARTH DAY TREE PLANTING – FOUNTAINDALE ELEMENTARY
Location: 901 Northern Avenue, Hagerstown
- 09:55 A.M. DEPART FOR 100 WEST WASHINGTON STREET, SUITE 1113, HAGERSTOWN
- 10:10 A.M. INVOCATION AND PLEDGE OF ALLEGIANCE
CALL TO ORDER, *President Terry L. Baker*
APPROVAL OF MINUTES –April 10, 2018
- 10:15 A.M. COMMISSIONERS’ REPORTS AND COMMENTS
- 10:20 A.M. REPORTS FROM COUNTY STAFF
- 10:25 A.M. CITIZENS PARTICIPATION
- 10:30 A.M. **PUBLIC HEARING:** PROPOSED ESTABLISHMENT AND MODIFICATION TO CERTAIN LANDFILL USER FEES FOR FY2019 – *Dave Mason, Deputy Director of Solid Waste, Division of Environmental Management and Sara Greaves, Chief Financial Officer*
- 10:45 A.M. **PUBLIC HEARING:** PROPOSED MODIFICATION OF WATER AND SEWER RATES FOR FY2019 – *Daniel DiVito, Deputy Director of Operations, Division of Environmental Management and Sara Greaves, Chief Financial Officer*
- 11:00 A.M. 15TH ANNUAL MUSEUM RAMBLE IN MAY PROCLAMATION – *Board of County Commissioners*
- 11:05 A.M. YOUTH MERITORIOUS AWARD PRESENTATION – *Tiffany Miller & Board of County Commissioners*

- 11:10 A.M. WASHINGTON COUNTY COMMISSIONERS PUBLIC IMPROVEMENT BONDS OF 2018 AUTHORIZING RESOLUTION – *Lindsey Rader, Bond Counsel for Washington County and Kim Edlund, Director of Budget & Finance*
- 11:20 A.M. PRESENTATION OF DRAFT 3 OF THE FY2019 GENERAL FUND BUDGET AND 2019 – 2028 CAPITAL BUDGET – *Sara Greaves, Chief Financial Officer and Kim Edlund, Director of Budget and Finance*
- 11:40 A.M. FLOW TRANSFER AGREEMENT CONSTRUCTION RESERVE FUND – *Mark Bradshaw, P.E., Deputy Director of Engineering, Division of Environmental Management*
- 12:00 P.M. DEPART FOR 535 EAST FRANKLIN STREET, HAGERSTOWN, MARYLAND
- 12:30 P.M. LUNCHEON: COMMISSION ON AGING
Location: 535 East Franklin Street, Hagerstown, MD
- 01:30 P.M. DEPART FOR 100 WEST WASHINGTON STREET, SUITE 1113, HAGERSTOWN
- 02:00 P.M. CLOSED SESSION
(To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; or any other personnel matter that affects one or more specific individuals.)

RECONVENE IN OPEN SESSION

- 02:20 P.M. DELIBERATION / CONSENSUS DECISION ON APPLICATION FOR ZONING MAP AMENDMENT RZ-17-003, DOWNSVILLE PIKE LAND LLC – *Travis Allen, Comprehensive Planner, Washington County Department of Planning and Zoning*
- 02:30 P.M. BID AWARD (PUR-1380) JANITORIAL SERVICES FOR WASHINGTON COUNTY – *Brandi Naugle, Buyer, Purchasing Department and John Pennesi, Deputy Director of Parks and Facilities Department*
- 02:35 P.M. REJECTION OF BIDS (PUR-1377) – BRUMBAUGH-KENDLE-GROVE FARMSTEAD DEMOLITION – *Brandi Naugle, Buyer, Purchasing Department and Phil Ridenour, Director of the Hagerstown Regional Airport*
- 02:40 P.M. CONSIDER REINSTATEMENT OF THE HEALTH ADVISORY BOARD TO THE BOARD OF HEALTH UNDER THE AUSPICES OF THE WASHINGTON COUNTY BOARD OF COUNTY COMMISSIONERS – *Julie Rohm, Chair and Gary Bockrath, Vice Chair, Wash. Co. Economic Development Commission*
- 02:45 P.M. MEDICAL SUPPLY AGREEMENT – *David Chisholm, Assistant Director and David Hays, Director – Division of Emergency Services*

- 02:50 P.M. HAGERSTOWN URBAN IMPROVEMENT PROJECT – GRANT AGREEMENT AND SUB-RECIPIENT AGREEMENT REVIEW AND APPROVAL – *Susan Buchanan, Director, Office of Grant Management*
- 02:55 P.M. CONTRACT AWARD (PUR-1376) INDEPENDENT AUDITING SERVICES – *Rick Curry, CPPO, Director of Purchasing and Kim Edlund, Director of Budget and Finance*
- 03:00 P.M. POSITION REVIEW PROCEDURES – *Stephanie Stone, Director of Health and Human Services and Deb Peyton, Deputy Director of Human Resources*
- 03:10 P.M. MERITUS MEDICAL CENTER AGREEMENT FOR LAW ENFORCEMENT COVERAGE – *Sheriff Doug Mullendore and Lee Shaver, Vice President – Meritus*
- 03:20 P.M. COUNTY ADMINISTRATION BUILDING – PROJECT CLOSEOUT CHANGE ORDERS – *Scott Hobbs, Director of Engineering*
- 03:25 P.M. ADJOURNMENT



Open Session Item

SUBJECT: PUBLIC HEARING – Proposed Establishment and Modification to Certain Landfill User Fees for FY2019

PRESENTATION DATE: Tuesday, April 24, 2018; 10:45 a.m.

PRESENTATION BY: Dave Mason, Deputy Director, Department of Solid Waste; Sara Greaves, Chief Financial Officer

RECOMMENDED MOTION: *[Note: The Commissioners may move to adopt the proposed fee schedule for FY2019, as presented or as modified, at any point after the closure of the public hearing.]*

REPORT-IN-BRIEF: The Board of County Commissioners will conduct a public hearing to permit any member of the public to appear and testify concerning the proposed establishment and modification of certain landfill user fees for FY 2019.

DISCUSSION: The proposed fee schedule as presented is requested as one facet of the overall proposal to help address the projected FY 2019 Solid Waste Department Operational Budget shortfall. The proposed rates more closely reflect the current and projected cost of landfill and recycling operations, and are also in line with landfill user rates at other facilities in our local region.

FISCAL IMPACT: Based on the proposed fee schedule, revenue will increase by \$439,920.

CONCURRENCES: Not applicable.

ALTERNATIVES: Not applicable.

ATTACHMENTS: Proposed changes to fee schedule for FY 2019.

AUDIO/VISUAL NEEDS: Not applicable.

WASHINGTON COUNTY SOLID WASTE DEPARTMENT

**LANDFILL AND CONVENIENCE BOX
PROPOSED FEE SCHEDULE FOR FY2019**

(To be effective July 1, 2018)

INBOUND MATERIAL:	
Minimum scale charge	\$10.00 15.00 (320 lbs)
General Refuse/Municipal Solid Waste	\$52.00 55.00/ton
Large haulers (with contract) – 1,000 tons or more annually	\$45.00/ton
Large haulers (with contract) – 10,000 tons or more annually	\$40.00/ton
Rubble, Building Debris	\$75.00/ton
Yard Debris (grass, leaves, brush)	\$63.00/ton
Auto and Light Truck (less than 22")	(1-5 tires) \$3.00 5.00 each (6 or more tires) \$162.00 250.00/ton
Equipment and Agriculture Tires	\$250.00 350.00/ton
Domestic Sludge	\$60.00/ton
Industrial Sludge	\$60.00/ton
High Volume/Low Weight	\$120.00/ton
Asbestos	\$130/ton \$25 minimum charge
Dirt (Clean Fill)	\$20.00/ton
Recycling	\$52.00/ton
Mattresses	\$10.00/Each
Animal Carcasses	\$200.00/ton
OUTBOUND MATERIAL:	
Minimum scale charge	\$10.00
Fill Dirt	\$4.00/ton
Mulch	\$30.00/ton
Soil Amendment (compost)	\$20.00/ton
OTHER FEES:	
Appliances that used refrigeration	\$5.00/unit
Management/Inspection Fee	\$50.00/load asbestos
Solid Waste Collection License Fee	\$100.00/fiscal year (>5 employees) \$10.00/ fiscal year (<5 employees)

PERMIT FEES FOR RESIDENTIAL DROP-OFF:	
Regular Residential Permit (<i>Permits purchased between January 1 and May 1 will be half price - \$70.00</i>)	\$130.00 140.00/annual
Regular Residential Permit (<i>with permit for unlimited disposal of yard debris</i>)	\$145.00 160.00/annual
Senior Citizens (Age 62 & over) and Disabled American Veterans (Under Age 62) (<i>Permits purchased between January 1 and May 1 will be \$70.00</i>)	\$95.00/annual
Senior Citizens (Age 62 & over) and Disabled American Veterans (Under Age 62) (<i>with permit for unlimited disposal of yard debris</i>)	\$110.00/annual
Second Permit – Same Residence	\$65.00 70.00/annual
Yard Debris Permit (stand alone permit)	\$50.00/annual
Recycling Permit	\$36.00/annual



Open Session Item

SUBJECT: PUBLIC HEARING – Proposed modification of Water and Sewer Rates for FY2019

PRESENTATION DATE: Tuesday, April 24, 2018; 10:30 a.m.

PRESENTATION BY: Daniel DiVito, Deputy Director of Operations, Division of Environmental Management; Sara Greaves, Chief Financial Officer

RECOMMENDED MOTION: *[Note: The Commissioners may move to adopt the proposed water and sewer rate schedule for FY2019, as presented or as modified, at any point after the closure of the public hearing.]*

REPORT-IN-BRIEF: The Board of County Commissioners will conduct a public hearing to permit any member of the public to appear and testify concerning the proposed modification of water and sewer rates.

DISCUSSION: Water and Sewer revenue requirements show that an increase in water and sewer revenue is necessary to facilitate the Department of Water Quality's long-range financial plans. The presented rate schedule for FY 2019 is based on this requirement.

FISCAL IMPACT: Approximately \$275,000 in revenue will be generated from the proposed sewer rates and \$19,700 from the proposed water rates.

CONCURRENCES: Not applicable.

ALTERNATIVES: Not applicable.

ATTACHMENTS: Summary of Proposed Schedule of Utility Rates for FY 2019.

AUDIO/VISUAL NEEDS: Not applicable.

WASHINGTON COUNTY DEPARTMENT OF WATER QUALITY
SUMMARY OF PROPOSED UTILITY RATES AND OTHER CHARGES FOR FY2019

SCHEDULE OF UTILITY RATES FOR FY 2019 (to be effective July 1, 2018)								
	Current Quarterly Sewer Rates	Proposed Quarterly Sewer Rates	% Increase	\$	Current Quarterly Water Rates	Proposed Quarterly Water Rates	% Increase	\$
FULL SERVICE								
Base for 6,000 Gal Per Account								
Residential Full Service	118.40	122.20	3.2%	3.80	101.76	104.76	2.9%	3.00
Commercial I Full Service	120.58	125.00	3.7%	4.42	101.76	104.76	2.9%	3.00
Commercial II Full Service	122.75	127.59	3.9%	4.84	123.75	129.40	4.6%	5.65
Commercial III Full Service	122.75	127.59	3.9%	4.84	n/a	n/a	n/a	n/a
Volunteer Service	118.40	123.05	3.9%	4.65	101.76	104.78	3.0%	3.02
Residential/Commercial Collection Service - per EDU	55.40	56.30	1.6%	0.90	n/a	n/a	n/a	n/a
Volume per 1,000 gal								
Residential Full Service	6.78	7.08	4.4%	0.30	11.28	11.78	4.4%	0.50
Commercial I Full Service	7.61	7.88	3.5%	0.27	11.54	12.05	4.4%	0.51
Commercial II Full Service	8.70	8.96	3.0%	0.26	9.05	9.30	2.8%	0.25
Commercial III Full Service	5.93	6.15	3.7%	0.22	n/a	n/a	n/a	n/a
Volunteer Service	6.78	7.04	3.8%	0.26	11.28	11.82	4.8%	0.54
Residential/Commercial Collection Service - per EDU	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-Metered Accounts								
	159.08	164.68	3.5%	5.60	169.44	175.44	3.5%	6.00
SEWER WHOLESALE								
Per 1,000 gallons	6.93	7.27	4.9%	0.34	n/a	n/a	n/a	n/a

FY18
SEWER: Charge for 12,000 gal Per Qtr – Avg. Res. Customer

Base Charge (6,000 gal)	118.40
Vol Charge (6,000 gal)	<u>40.68</u>
Total Bill	159.08

FY19

SEWER: Charge for 12,000 gal Per Qtr – Avg. Res. Customer	122.20	3.2	3.80
Base Charge (6,000 gal)	122.20		
Vol Charge (6,000 gal)	<u>42.48</u>	4.4	1.80
Total Bill	164.68	3.5	5.60

FY18
WATER: Charge for 12,000 gal Per Qtr – Avg. Res. Customer

Base Charge (6,000 gal)	101.76
Vol Charge (6,000 gal)	<u>67.68</u>
Total Bill	169.44

FY19

WATER: Charge for 12,000 gal. Per Qtr – Avg. Res. Customer	104.76	2.9	3.00
Base Charge (6,000 gal)	104.76		
Vol Charge (6,000 gal)	<u>70.68</u>	4.4	3.00
Total Bill	175.44	3.5	6.00

ALL OTHER FEES AND CHARGES - NO CHANGE



Open Session Item

SUBJECT: Washington County Museum Ramble

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Anna Cueto, President, Washington County Museums & Historical Sites Association (and Curator of the Miller House) and Betsy DeVore, Visit Hagerstown & Washington County Convention & Visitors Bureau (CVB)

RECOMMENDED MOTION: N/A

REPORT-IN-BRIEF: To make BOCC aware of the 15th Annual Museum Ramble that highlights the museums and historical sites of Washington County; sponsored by the CVB. Event takes place for the entire month of May

DISCUSSION: Open to BOCC for questions, Presentation of Annual Proclamation

FISCAL IMPACT: The Museums and Historical Sites will receive more visitation because of this promotion. The CVB pays all related costs such as brochure production, marketing/advertising.

WHEREAS, there are more than 30 museums and historical sites throughout Washington County that hold treasures of historical interest and display our art and heritage; many of our museums are nationally recognized and privately held, most of which are staffed by volunteers; and

WHEREAS, Washington County is rich in opportunities for residents and visitors alike, it is significant in its heritage and attractions and offers more than 38 national, state, county and city parks, which enhances our community because of our culture of hospitality, in addition to honoring our history and celebrating our past, the Museum Association of Historical Society contributes to our prosperous future; and

WHEREAS, The Washington County Association of Museums and Historical Sites and the Historical Society work on behalf of all citizens of Washington County to help attract visitors here. The seventh annual Washington County Museum Ramble is scheduled for May 1 – 31, 2018. This special event, co-sponsored by the Visit Hagerstown & Washington County Convention & Visitors Bureau, is a special tour of many of the museums throughout the county; and

NOW THEREFORE, we the Board of County Commissioners of Washington County, Maryland, hereby praise the efforts of the Historical Society and the Association of Museums and Historical Sites and do hereby celebrate May 1 – May 7, 2018 as Washington County History Week, in Washington County, Maryland.



Agenda Report Form

Open Session Item

SUBJECT: Youth Meritorious Award Presentation

PRESENTATION DATE: Tuesday, April 24, 2018

PRESENTATION BY: Tiffany Miller & Board of County Commissioners

RECOMMENDED MOTION: No motion or action is requested or recommended.

REPORT-IN-BRIEF: The following individuals have been selected for the Youth Meritorious Award for the month of April. They were selected based on their scholastic achievement, leadership qualities, community service performed or other positive contributions to their school or community.

April 2018 – Gretchen Stenger – 12th Grade – Clear Spring High School
Parent(s) – Mickey & Amy Stenger
Hometown – Hagerstown, MD
Nominated by Nancy Armstrong

April 2018 – Lauren Moore – 11th Grade – Boonsboro High School
Parent(s) – Douglas & Paula Moore
Hometown – Boonsboro, MD
Nominated by Paula Moore

DISCUSSION: N/A

FISCAL IMPACT: N/A

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: Student Summaries

AUDIO/VISUAL NEEDS: N/A

Youth Meritorious Award Summary for:

Gretchen Stenger
12th Grade Student
Clear Spring High School
Nominated By: Nancy Armstrong

Parent(s) – Mickey & Amy Stenger

Nancy Armstrong endorsed the following:

I am nominating Gretchen Stenger because she is such a well-rounded student. Gretchen plays both Volleyball and Basketball for Clear Spring. Academically she is an honor student and a member of the National Honor Society. She was recently crowned 2017 Miss Washington County Outstanding Teen. She is a student member on the board at Breast Cancer Awareness of Cumberland Valley and has a wonderful platform called Hats for Hope. Hats for Hope was started because when Gretchen was 5 years old she had a brain tumor. It was benign, however they had to shave her head. Her parents gave her hats to wear which made her smile. She has made donations of hats to both Hospice and Breast Cancer Awareness of Cumberland Valley. She is a member of Student Government and is also a "Best Buddy" at Clear Spring where she has lunch with a special need student each week. She always has a smile on her face and she always tries to make time to talk to everyone.

Youth Meritorious Award Summary for:

Lauren Moore
11th Grade Student
Boonsboro High School
Nominated By: Paula Moore
Parent(s) – Douglas & Paula Moore

Paula Moore endorsed the following:

Lauren Moore has a kind heart, a drive to succeed and compassion to help others. She sets goals for herself, has high self-expectations, and works hard to achieve her goals. As a member of the Boonsboro HS varsity soccer team, indoor track and field team, and outdoor track and field team, she has kept her academic focus in order to earn a GPA over 4.0. She has earned team state titles in track and earned the state semifinal title in soccer. In addition to high school sports, she also played soccer through the Antietam United Travel Soccer Club and Boonsboro AYSO outside of school. She has been the president of the French Honor Society for the past two years and is a member of the National Honor Society. She helps other students transition to high school through the Link Leader program where she welcomes new students, shows them how to succeed in high school, and helps new students be successful. She has been a member of the Student Government Association, Boonsboro Literary Arts Magazine and Class Cabinet. Lauren enjoys playing the cello in the Boonsboro Orchestra during the school, and after hours she is a member of the Boonsboro Alternative String Orchestra. She has achieved the leadership role of 1st chair cello in both orchestras.

Outside of school, she helps mentor an elementary student by volunteering. She has become a member of the Meritus Medical Center Volunteer and Auxiliary and she has shadowed Physician Assistants in Urgent Care, Orthopedics and Family Practice to help pursue her goal of becoming a Physician Assistant. She has volunteered at the American Odyssey Relay, Washington County Free Library, and Antietam National Battlefield Memorial Illumination.



Open Session Item

SUBJECT: County Commissioners of Washington County Public Improvement Bonds of 2018 Authorizing Resolution

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Lindsey A. Rader, Bond Counsel for Washington County and Kim Edlund, Director of Budget & Finance

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 \$14,485,000 for the purpose of financing or reimbursing costs of certain public facilities and projects, as presented.

REPORT-IN-BRIEF: Certain Chapter Laws of Maryland, County Code provisions and provisions of the Annotated Code of Maryland, as applicable, authorize the County to issue and sell at public sale, upon its full faith and credit, a series of general obligation bonds for the purpose of financing or reimbursing the cost of certain public facilities and projects (see attachment). The contemplated bonds will not exceed \$14,485,000 in original aggregate principal amount (\$12,000,000 tax-supported and \$2,485,000 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.

DISCUSSION: Proceeds from the bonds will be used to fund costs of certain infrastructure, public safety, public facilities and environmental public facilities and projects. Bond proceeds have been re-allocated to certain projects included in the 2018 Capital Budget. The amount of bond funding has been reduced by \$101,000 from the amount originally anticipated, the educational project originally expected to be funded from bond proceeds has been eliminated from the financing, and the amount of bond funds has been re-allocated among certain of the projects since adoption of the 2018 Capital Budget. Issuance costs are expected to be funded from pay-go funds or from the net premium received from the successful bidder for the bonds.

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 our Budget and Finance Department).

AUDIO/VISUAL NEEDS: N/A

RESOLUTION NO. RS-2018-

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 2018”, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$14,485,000, SUBJECT TO ADJUSTMENT AS PROVIDED HEREIN, PURSUANT TO THE PROVISIONS OF, AS APPLICABLE, CHAPTER 60 OF THE LAWS OF MARYLAND OF 2013, AND TITLE 6 OF THE CODE OF PUBLIC LOCAL LAWS OF WASHINGTON COUNTY (2007), 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 FACILITIES 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 INCIDENTAL DETAILS WITH RESPECT THERETO; PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE COUNTY TO THE PAYMENT OF THE BONDS AND PROVIDING THAT, IN THE EVENT THAT FUNDS AVAILABLE TO THE COUNTY ARE INSUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS THAT 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 60 of the Laws of Maryland of 2013 (the “2013 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 \$60,000,000 to provide funds to finance the cost of the construction, improvement or development (within the meaning of such Act) of certain public facilities in Washington County. The County has previously issued \$10,162,278 of its County Commissioners of Washington County Public Improvement Bonds of

2015, \$12,103,000 of its County Commissioners of Washington County Public Improvement Bonds of 2016, and \$13,142,000 of its County Commissioners of Washington County Public Improvement Bonds of 2017 pursuant to the authority of the 2013 Act.

Title 6 of the Code of Public Local Laws of Washington County, Maryland (2007), as amended (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 2013 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 \$14,485,000 (the “New Money Bonds”) to finance the cost of the construction, improvement or development (within the meaning of the 2013 Act) of certain public facilities in Washington County and the cost of certain projects (within the meaning of the Water and Sewer Act). The New Money Bonds are being issued to finance the cost of certain public facilities and projects as more particularly described in Section 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 2013 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 2013 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 2013 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 \$14,485,000 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 2013 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 \$14,485,000

and designated “County Commissioners of Washington County Public Improvement Bonds of 2018” (the “Bonds”).

The Chief Financial Officer of the County (who constitutes the Director of the Office of Budget and Finance for purposes of the County Code, the “Chief Financial Officer”), on behalf of the County, with the advice of the financial advisor to the County and bond counsel to the County, is hereby authorized from time to time prior to the sale of the 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 \$14,485,000), to eliminate one or more of the maturities of the Bonds provided for in Section 3 hereof and/or to adjust the 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 and/or in order 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, and 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.

Section 2. Subject to net original issue discount, if any, and adjustments made in connection with the sale of the Bonds (including as contemplated in Section 1 hereof), the projects 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>
\$8,862,000	Infrastructure Projects – Bonds
2,628,000	Public Safety Projects –Bonds
510,000	Public Facilities Projects –Bonds
2,485,000	Environmental Projects – Bonds

Notwithstanding the foregoing allocation, the County, without notice to or the consent of the registered owners of the Bonds, may reallocate the approximate amount of the par value of the proceeds 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 of County Commissioners of Washington County (the “Board”) or in resolutions of the Board) in compliance with applicable County budgetary procedures or 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, 2019 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:

<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>
2019	\$455,000	2029	\$ 745,000
2020	475,000	2030	770,000
2021	500,000	2031	795,000
2022	525,000	2032	825,000
2023	555,000	2033	855,000
2024	585,000	2034	885,000
2025	615,000	2035	915,000
2026	645,000	2036	950,000
2027	675,000	2037	985,000
2028	710,000	2038	1,020,000

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, 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 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, Sunday or day on which the Bond Registrar and Paying Agent is authorized or obligated by law or required by executive order to remain closed.

The interest on any Bond which is payable, but is not punctually paid or duly provided for, on the appropriate Interest Payment Date shall forthwith cease to be payable to the Registered Owner thereof by virtue of having been such Registered Owner on the relevant Record Date; and such interest shall be paid by the Bond Registrar and Paying Agent to the person in whose name the Bond (or its predecessor Bond) is registered at the close of business on a date to be fixed by the Bond Registrar and Paying Agent for the payment of such interest, notice thereof being given by first class mail (postage prepaid) to said person not fewer than 30 days prior to such record date, at the address of such person appearing on the 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 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, New York, New York (“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 set forth 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, New York, New York.

Section 6. (a) The Bonds that mature on or before July 1, 2027 are not subject to redemption at the option of the County prior to their maturities. The Bonds maturing on and after July 1, 2028 shall be redeemable at the option of the County, in whole or in part, on any date on or after July 1, 2027, 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 thereon 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 manual or facsimile signature of the President or the Vice President of the Board and the seal of, or a facsimile of the seal of, the County shall be imprinted thereon, and the Bonds shall be attested by the manual or facsimile signature of the County Clerk and authenticated by the manual signature of the Bond Registrar and Paying Agent.

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

There shall be printed on or attached to each of the Bonds the text of the approving legal opinion of Bond Counsel with respect to the Bonds. Such printed text 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 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.

No. R-____ \$ _____

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

PUBLIC IMPROVEMENT BOND OF 2018

<u>Annual Interest Rate</u>	<u>Maturity Date</u>	<u>Bond Date</u>	<u>Cusip Number</u>
	July 1, ____	_____, 2018	937751____

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, 2019 and semiannually thereafter on July 1 and January 1 in each year (the "Interest Payment Dates") until payment of such Principal Amount shall be discharged as provided in the Resolution (as hereinafter defined). Such interest shall be paid to the person in whose name this bond is registered on the registration books for the series of bonds of which this bond is one (the "Bond Register") maintained by the Bond Registrar and Paying Agent (as hereinafter defined) at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date (the "Record Date"). Interest shall be calculated on a 30-day month/360-day year basis.

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

Principal or redemption price of and interest on this bond are payable in such money of the United States of America as is lawful at the time of payment.

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 2018” (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 (July 1)	Principal <u>Amount</u>	Interest <u>Rate</u>	Maturing (July 1)	Principal <u>Amount</u>	Interest <u>Rate</u>
----------------------	----------------------------	----------------------	----------------------	-------------------------	----------------------

[COMPLETE AMORTIZATION SCHEDULE FOR THE BONDS]

*[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:

<u>Redemption Date</u>	<u>Mandatory Sinking Fund Installment]</u>
------------------------	--

The Bonds that mature on or before July 1, 2027 are not subject to redemption at the option of the County prior to their respective maturities. The Bonds maturing on and after July 1, 2028 shall be subject to redemption prior to their respective maturities, at the option of the County, in whole or in part on any date on or after July 1, 2027, in such order as shall be determined by the County, at a redemption price of the principal amount of the Bonds (or portions thereof) to be redeemed, plus accrued interest thereon 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 or portion thereof to be redeemed at the address of such registered owner appearing on the Bond Register. The failure to mail the redemption notice or any defect in the notice so mailed shall not affect the validity of the redemption proceedings. The County may, but shall not be obligated to, publish such notice of redemption at least once not fewer than 30 days prior to the date fixed for redemption in a newspaper circulating in the City of Baltimore, Maryland and also in a financial journal or daily newspaper of general circulation published in the City of New York, New York. The redemption notice shall state (i) whether the Bonds are to be redeemed in whole or in part and, if in part, the maturities, numbers and CUSIP numbers of the Bonds to be redeemed, (ii) in the case of a partial redemption of any Bond, the portion of the principal amount which is to be redeemed, (iii) that interest shall cease to accrue on the Bonds (or portions thereof) called for redemption on the date fixed for redemption, (iv) the date fixed for redemption and the redemption price, (v) the address of the Bond Registrar and Paying Agent with a contact person and phone number, and (vi) that the Bonds to be redeemed in whole or in part shall be presented for redemption and payment on or after the date fixed for redemption at the designated corporate trust office of the Bond Registrar and Paying Agent. Any such notice may be conditioned upon receipt by the Bond Registrar and Paying Agent of sufficient funds to effect such redemption.

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

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

*[TO BE USED FOR BONDS IN BOOK-ENTRY FORM ONLY THAT ARE SUBJECT TO REDEMPTION--*So long as all of the Bonds shall be maintained in book-entry form with a Depository (as defined in the Resolution) in accordance with Section 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 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 60 of the Laws of Maryland of 2013, and Title 6 of the Code of Public Local Laws of Washington County (2007), each as amended (collectively, the “Act”), and in accordance with Resolution No. RS-2018-__ of the Board of County Commissioners of the County adopted on _____, 2018 (the “Resolution”).

The Bonds will be transferable only upon the Bond Register by the Bond Registrar and Paying Agent. Any Bond presented for transfer, exchange, registration, redemption or payment (if so required by the Bond Registrar and Paying Agent) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner thereof or by his duly authorized attorney. Upon any transfer or exchange, the County shall execute and the Bond Registrar and Paying Agent shall authenticate and deliver in the name of the registered owner or the transferee or transferees, as the case may be, a new registered Bond or Bonds, 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 2018".

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

By: _____
Authorized Signatory

[BONDS IN BOOK-ENTRY FORM ONLY] -
PAYMENT GRID

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

ASSIGNMENT

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

Dated:

Signature Guaranteed:

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

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

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the 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: _____
[President][Vice President], Board of
County Commissioners of Washington County

(Insert or Attach Opinion of Bond Counsel)

(End of Form of Bond)

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, 6, 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 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"). Electronic bids for the Bonds shall be received by the Chief Financial Officer on May 8, 2018, 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, 3 or 6 hereof) 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, modifying or eliminating the maximum interest rate for the Bonds, modifying or eliminating the 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 shall

constitute the official Notice of Sale, subject to modification in accordance with the provisions thereof.

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 8, 2018, and to reschedule said sale without publishing a new Notice of Sale or advertisement, if (i) the financial advisor to the County has advised her that market conditions are such that it is in the best interest of the County to do so, and (ii) she concurs in such recommendation to cancel and/or reschedule the sale. The Chief Financial Officer may cancel and reschedule any rescheduled sale in accordance with phrases (i) and (ii) of the preceding sentence. If the date of sale is rescheduled as provided above, the Chief Financial Officer may also postpone the expected date of delivery of the Bonds. If the sale is postponed to a date later than May 31, 2018, then the Chief Financial Officer may also change the dated date of the Bonds (and hence the date from which interest shall accrue), the dates of the semi-annual interest payments and annual principal payments, the optional redemption dates, and the mandatory sinking fund redemption dates, if any, accordingly.

The Notice of Sale authorized by this Resolution shall be substantially in the form set forth in Appendix C to the Preliminary Official Statement, and the terms, provisions and conditions set forth in the final form of the Notice of Sale 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, 6 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 said Notice of Sale, as well as the Preliminary Official Statement hereinafter authorized. The Chief Financial Officer or her designee is hereby authorized and directed to handle all inquiries in connection with the sale authorized hereby and the Official Statement hereafter referred to and is further authorized to reschedule any postponed sale with or without the republication of the Notice of Sale or advertisement.

Section 12. Promptly after the sale of 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 the 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 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, may be paid from the net premium constituting a portion of the gross proceeds received from the sale of the Bonds or from any other funds available to the County. 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, any accrued interest received on the sale of the Bonds shall be applied to the first interest payment on the Bonds. Any net premium received from the sale of the Bonds shall be applied in such manner as shall be determined by the Chief Financial Officer, subject to applicable limits of the Internal Revenue Code of 1986, as amended (the "Code") or other applicable law. After providing for payment of costs of issuance from net premium, if applicable, and making such provision relating to net premium and accrued interest thereon, as applicable, the balance of the proceeds of the sale of the Bonds shall be deposited in separate 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.

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 and 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.

(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 and 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.

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 Act, 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 or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the County or the Bond Registrar and Paying Agent. If any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, instead of issuing a Bond in exchange or substitution therefor, the County may pay or authorize the payment of such Bond (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the County and to the Bond Registrar and Paying Agent such security or indemnity as they may require to save them harmless, and evidence to the satisfaction of the County and the Bond Registrar and Paying Agent of the mutilation, destruction, loss or theft of such Bond.

Section 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 incurred by the County pursuant to the authority of the 2013 Act is a \$10,162,278 principal portion of the County's Public Improvement Bonds of 2015, a \$12,103,000 principal portion of the County's Public Improvement Bonds of 2016, and a \$13,142,000 principal portion of the County's Public Improvement Bonds of 2017.

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, as evidenced by a copy of such Preliminary Official Statement certified by the County Clerk and filed among the permanent records of the County. With the exception of such changes therein as may be required or deemed appropriate by the President of the Board or the Chief Financial Officer, upon the advice of bond counsel to the County or the financial advisor to the County, including to reflect the provisions of or to conform to the provisions of this Resolution, certain changes dictated by the terms of the official Notice of Sale, and certain information to be supplied by the successful bidders for the Bonds, the Preliminary Official Statement is deemed final by the County for the purpose of Rule 15c2-12 of the Securities and Exchange Commission. The County authorizes the distribution of said Preliminary Official Statement in connection with its solicitation of bids for the sale of the Bonds. The County hereby approves the Official Statement in the form of the final Preliminary Official Statement with such changes therein as may be required or deemed appropriate by the President of the Board or the Chief Financial Officer, upon the advice of bond counsel to the County or the financial advisor to the County, including, without limitation, to reflect matters determined in accordance with this Resolution. The execution of the Official Statement by the President of the Board shall be conclusive evidence of the approval of the County of any and all such changes or modifications in said Official Statement in connection with the issuance, sale and delivery of the Bonds. The Preliminary Official Statement and the Official Statement shall each be disseminated in electronic and/or printed form as determined by the Chief Financial Officer, on behalf of the County, with the advice of the financial advisor to the County. The Preliminary Official Statement and/or the Official Statement may be amended or supplemented in such form as determined by the President of the Board or the Chief Financial Officer, with the advice of bond counsel to the County or the financial advisor to the County, and any such amendment or supplement may be disseminated in electronic and/or printed form as determined by the Chief Financial Officer, on behalf of the County, with the advice of the financial advisor to the County.

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

“Participating Underwriter” shall have the meaning ascribed thereto in SEC Rule 15c2-12.

Section 21. 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, 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.

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 _____, 2018.

(SEAL)

ATTEST:

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY

Vicki C. Lumm, County Clerk

By: _____
Terry L. Baker, President
Board of County Commissioners
of Washington County

Approved as to form and legal sufficiency:

John M. Martirano
County Attorney

#203286;50052.035

EXHIBIT A

Form of Advertisement

SUMMARY NOTICE OF BOND SALE

**WASHINGTON COUNTY, MARYLAND
(County Commissioners of Washington County)
Public Improvement Bonds of 2018**

NOTICE IS HEREBY GIVEN that County Commissioners of Washington County (the “County”) will receive electronic bids via Parity® for the purchase of the above-referenced general obligation bonds (the “Bonds”) on

Tuesday, May 8, 2018

at the offices of the County, 100 West Washington Street, Hagerstown, Maryland 21740, Room 3100. Bids for the Bonds will be received 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 July and January, commencing on January 1, 2019, until maturity or 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 such Bonds.

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 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 \$14,485,000.

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, Hagerstown, Maryland 21740, (240) 313-2300 or from the financial advisor to the County, Public Advisory Consultants, Inc., 25 Crossroads Drive, Suite 402, Owings Mills, Maryland 21117, (410) 581-4820.

Terry L. Baker, President
Board of County Commissioners of Washington County, Maryland

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

Dated: _____, 2018 [TO BE PUBLISHED AT LEAST 10 DAYS
PRIOR TO DATE OF SALE]

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Date of Issuance]

County Commissioners of Washington County
Hagerstown, Maryland

Dear County Commissioners:

We have acted as Bond Counsel to County Commissioners of Washington County (the “Issuer”) in connection with the issuance of its \$_____ County Commissioners of Washington County Public Improvement Bonds of 2018 (the “Bonds”), dated the date hereof. All capitalized terms not defined herein shall have the meanings set forth in the Bonds.

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

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

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

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

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

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

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

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

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

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

(d) Under existing statutes, regulations and decisions, and assuming the accuracy of certifications of the County, interest on the Bonds is excludable from gross income for federal income tax purposes. Under existing statutes, regulations and decisions, interest on the Bonds is not a tax preference item directly subject to the alternative minimum tax imposed on individuals and corporations pursuant to the Internal Revenue Code of 1986, as amended (the "Code"); however, for tax years beginning prior to January 1, 2018, interest on the Bonds held by certain corporations may be indirectly subject to federal alternative minimum tax because of its inclusion in the "adjusted current earnings" of a corporate holder. Interest on the Bonds held by foreign corporations engaged in a trade or business in the United States may be subject to the branch profits tax imposed by the Code.

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

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

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

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

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

Very truly yours,

NOTICE OF SALE

WASHINGTON COUNTY, MARYLAND
(County Commissioners of Washington County)

\$14,485,000* PUBLIC IMPROVEMENT BONDS OF 2018

**(Full Faith and Credit Obligations of the
County Commissioners of Washington County)**

Dated Date of Delivery

DTC Book-Entry

Overview and Amortization

Electronic proposals will be received via **Parity®** on behalf of County Commissioners of Washington County (the “County”) by the Chief Financial Officer of Washington County, Maryland (the “CFO”), at Room 3100, 100 West Washington Street, Hagerstown, Maryland 21740 until 11:00 a.m. Prevailing Eastern Time on Tuesday, May 8, 2018 (the “Bid Date”, unless postponed as described in this Notice of Sale) for the purchase of all (but not less than all) of the County’s Public Improvement Bonds of 2018 (the “Bonds”). The Bonds will be dated their date of delivery. Interest on the Bonds will be payable on January 1, 2019 and semiannually thereafter on July 1 and January 1 until maturity or earlier redemption. The Bonds are issued under the provisions of Chapter 60 of the Laws of Maryland of 2013 (“Chapter 60”) and Title 6 of the Code of Public Local Laws of Washington County, Maryland (2007), as amended (the “Water and Sewer Act”), as applicable. The Bonds are issued in accordance with a Resolution adopted by the Board of County Commissioners of Washington County (the “Board”) on April 24, 2018.

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

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

<u>Maturing July 1*</u>	<u>Principal Amount*</u>	<u>Maturing July 1*</u>	<u>Principal Amount*</u>
2019		2029	
2020		2030	
2021		2031	
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	

*Preliminary; subject to change

Adjustments to Principal Amounts

Pre-sale, the County reserves the right to change the Preliminary Amounts from time to time up until 9:30 a.m. Prevailing Eastern Time on the Bid Date, by changing the aggregate principal amount of the Bonds and/or the principal amount of one or more of the maturities of the Bonds. Should a revision to the aggregate principal amount of the Bonds and/or the principal amortization schedule for the Bonds be made (the "Revised Amounts"), such revision will be published on BiDCOMP/Parity@/www.i-dealprospectus.com or www.TM3.com ("TM3") not later than 9:30 a.m. Prevailing Eastern Time on the Bid Date. In the event that no revisions are made or that such revisions are not published on BiDCOMP/Parity@/www.i-dealprospectus.com or TM3 before 9:30 a.m. Prevailing Eastern Time on the Bid Date, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts, and the Revised Amounts will be used to compare bids for the Bonds and to select a winning bidder.

After selecting the winning bid for the Bonds, the maturity schedule of the Bonds may be adjusted as necessary in the determination of the County's financial advisor in increments of \$5,000. Such adjustments will not reduce or increase the aggregate principal amount of the Bonds from the corresponding Revised Amounts by more than 10%. The dollar amount bid for the principal of the Bonds by the successful bidder will be adjusted proportionately to reflect any reduction or increase in the aggregate principal amount of the Bonds, but the coupon rates specified by the successful bidder for all maturities of the Bonds will not change. Any such maturity schedule adjustments will be communicated to the successful bidder for the Bonds within six hours of the opening of the bids therefor. Any such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the underwriter's discount per \$1,000 of par amount of the Bonds from the underwriter's discount that would have been received based on the purchase price in the winning bid, the coupon rates or initial offering prices specified by the successful bidder. **The successful bidder for the Bonds as so adjusted may not withdraw its bid or change the interest rates bid or initial offering prices as a result of any changes made to the principal amounts of the Bonds within these limits.** ALL BIDS SHALL REMAIN FIRM FOR 6 HOURS AFTER THE TIME SPECIFIED FOR OPENING OF BIDS.

Serial Bonds and/or Term Bonds

A bidder may designate in its proposal two or more consecutive principal amounts shown in the amortization schedule above as a term bond, which matures on the maturity date of the last included principal amount of the sequence. More than one such sequence of principal amounts may be designated as term bonds. Any term bond so designated shall be subject to mandatory redemption in each year on the principal payment date and in the entire amount of each serial maturity designated for inclusion in such term bond.

Purpose of Issue

The Bonds are to be issued to provide a portion of the financing for infrastructure projects, environmental projects, public safety projects, public facilities and educational projects.

Bid Specifications

Each proposal must be submitted electronically as described below. No bid of less than 100% of par, no bid greater than 120% of par, no bid for less than all of the Bonds, and no oral or written bid except as described in this Notice of Sale will be considered by the CFO.

Each bidder shall submit one proposal on an "all or none" basis for the Bonds. Each proposal must specify the amount bid for the Bonds, which amount (i) may not be less than 100% of par, and (ii) may not be more than 120% of par. Each proposal must specify in multiples of one-eighth ($\frac{1}{8}$) or one-twentieth ($\frac{1}{20}$) of one percent (1%) the rate or rates of interest per annum which the Bonds are to bear but shall not specify (a) more than one interest rate for any Bonds having the same maturity, (b) a zero rate of interest, or (c) any interest rate for any Bonds which exceeds the interest rate stated in such proposal for any other Bonds by more than three percent (3%).

Electronic Bids Only

Bid proposals must be submitted by electronic bidding via **Parity®**, in the manner described below, and must be received on the Bid Date by 11:00 a.m. Prevailing Eastern Time. No bid will be accepted after the time for receiving bids specified above. To the extent any instructions or directions set forth in **Parity®** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **Parity®**, potential bidders may contact **Parity®** at (212) 849-5021.

Disclaimer

Each prospective electronic bidder shall be solely responsible to submit its bid via **Parity®** as described above. Each prospective electronic bidder shall be solely responsible to make necessary arrangements to access **Parity®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor **Parity®** shall have any duty or obligation to provide or assure access to **Parity®** to any prospective bidder, and neither the County nor **Parity®** shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by **Parity®**. The County is using **Parity®** as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. The County is not bound by any advice and determination of **Parity®** to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid parameters specified in this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their submission of bids via **Parity®** are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, such bidder should telephone **Parity®** at (212) 849-5021 and notify the County's financial advisor, Public Consultants, Inc. by facsimile at (410) 581-9808 and by telephone at (410) 581-4820.

Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of the Bonds via **Parity®**. Bids will be communicated electronically to the County on May 8, 2018 (or such later Bid Date as announced in accordance with this Notice of Sale) at 11:00 a.m. Prevailing Eastern Time. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via **Parity®**, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via **Parity®** to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided, subject to this Notice of Sale. The County shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **Parity®**, the use of such facilities being the sole risk of the prospective bidder. For purposes of the electronic bidding process, the time as maintained on **Parity®** shall constitute the Prevailing Eastern Time.

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

Basis of Award

Proposals will be communicated electronically on the Bid Date at 11:00 a.m. Prevailing Eastern Time. Proposals will be awarded on behalf of the County by the CFO. The successful bidder will be determined based on the lowest interest cost to the County. The lowest interest cost shall be determined in accordance with the true interest cost ("TIC") method by doubling the semiannual interest rate (compounded semi-annually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid. If two or more bidders offer to purchase the Bonds at the same lowest interest cost, then such award will be made to the bidder offering the highest purchase price. If two or more bidders offer to purchase the Bonds at the same lowest interest cost, with the same purchase price, the County shall have the right to award all of the Bonds to one bidder. The CFO will execute and deliver an order or orders of award promptly after the apparent successful bidder for the Bonds pays the Good Faith Deposit therefor provided for herein by federal funds wire transfer (see "Good Faith Deposits and Award" below). Notwithstanding the foregoing, the County, by the CFO, reserves the right to reject any and all proposals for the Bonds and to waive any informality or irregularity in any proposal and the judgment of the CFO with respect to such matters shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received for the Bonds and as to its conformity to the terms of this Notice of Sale or with respect to the determination to reject any and all bids for the Bonds.

Good Faith Deposit and Award

The apparent successful bidder for the Bonds shall submit a good faith deposit in the amount of \$144,850 (the "Good Faith Deposit") as provided below. A Good Faith Deposit will secure the County from any loss resulting from the failure of the apparent successful bidder to comply with the terms of its bid. The apparent successful bidder shall transfer the Good Faith Deposit by wire transfer directly to the County upon notification of the preliminary award of the Bonds, but in any case no later than 3:00 p.m. Prevailing Eastern Time on the Bid Date (the "Deposit Deadline"). Wire instructions will be provided to the apparent successful bidder by the County's financial advisor upon notification of the preliminary award.

The apparent successful bidder will provide as quickly as it is available evidence of the wire transfer to the County's financial advisor by providing to the County's financial advisor the federal funds reference number. The formal award of the Bonds, if made, will be indicated on **Parity®** and shall not be made until the County's financial advisor has confirmation of receipt of the Good Faith Deposit therefor, and if the apparent successful bidder fails to so deliver the Good Faith Deposit by the Deposit Deadline, the County will have the option to withdraw the preliminary award without any liability to the apparent successful bidder and the apparent successful bidder shall be responsible to the County for all consequential damages arising from such withdrawal.

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

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

Establishment of Issue Price

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

By submitting a bid, each bidder (i) confirms that its bid is a firm offer for the purchase of the Bonds, on the terms set forth in its bid and this Notice of Sale (as this Notice of Sale may be modified in accordance with its terms), except as permitted by this Notice of Sale, and (ii) represents that it has an established industry reputation for underwriting new issuances of municipal bonds.

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

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

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

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

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

For a Nonqualified Competitive Bid, until the 10% test has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to the County the prices at which the unsold Bonds of that maturity have been sold. The reporting obligation shall continue, whether or not the closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

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

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

such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

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

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

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

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

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

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

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

Security

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

Book-Entry Only

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

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

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

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

Optional Redemption

The Bonds that mature on or before July 1, 2027, are not subject to redemption at the option of the County prior to their maturities. The Bonds that mature on or after July 1, 2028, are subject to redemption at the option of the County in whole or in part on any date on or after July 1, 2027, 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 thereon to the date fixed for redemption, without premium or penalty.

Legal Opinion

The Bonds will be issued and sold subject to approval as to legality by Funk & Bolton, P.A., Baltimore, Maryland, bond counsel. The approving opinion of Funk & Bolton, P.A. will be delivered, upon request, to the successful bidder for the Bonds, without charge, and the text of the approving opinion will also be printed on, or attached to, each Bond.

Undertakings of the Successful Bidder

Upon the preliminary award of the Bonds, the successful bidder shall promptly advise the County of the initial reoffering prices to the public of each maturity of the Bonds. Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the County a certificate in form and substance acceptable to bond counsel (a) certifying that a bona fide offering of the Bonds has been made to the public (excluding bond houses, brokers, and other intermediaries), and (b) stating that a substantial portion of each maturity of the Bonds has been sold to the public (excluding bond houses, brokers, and other intermediaries) at the respective initial offering prices. Such certifications shall be based on actual facts known to the successful bidder as of the Bid Date. For purposes of the successful bidder's certificate, a substantial portion of the Bonds is at least 10% in par amount of each maturity.

If the successful bidder cannot deliver the certificate as described above, the County's bond counsel will be required to evaluate the facts and circumstances of the offering and sale of the Bonds to confirm compliance with statutory requirements of avoiding the establishment of an artificial price.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print any such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale.

Official Statement

Within seven business days after the award of the Bonds to the successful bidder therefor on the Bid Date, the County will authorize its Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. The Preliminary Official Statement has been deemed final by the County for the purpose of Rule 15c2-12 of the Securities and Exchange Commission, subject to revision, amendment and completion in a final Official Statement. The County will also issue any supplement or amendment to the Official Statement that may be necessary between the date of the Official Statement and the date of delivery of the Bonds. If requested and furnished to the County in writing by the successful bidder at or before the close of business on the Bid Date, the County will include in the Official Statement such pricing and other information relating to the reoffering of the Bonds, if any, as may be so furnished. If the successful bidder furnishes no such information, the Official Statement will include the interest rates on the Bonds resulting from the proposal of the successful bidder therefor and the other statements with respect to reoffering contained in the Preliminary Official Statement. Whether or not any such information is included in the Official Statement, the successful bidder shall be responsible to the County and its officials in all respects for the accuracy, fairness

and completeness of such information, and for all decisions made with respect to the use or omission of such information in any reoffering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. Within seven business days after the award of the Bonds, the successful bidder will also be furnished, without cost, with a reasonable number of copies of the Official Statement. The successful bidder will also be furnished with any amendment or supplement to the Official Statement, without cost, except to the extent any such amendment or supplement is required due to a change in the reoffering information or other information provided by or on behalf of a successful bidder.

Continuing Disclosure

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

Delivery of the Bonds

Delivery of the Bonds will be made to the successful bidder through the facilities of DTC on or about May 22, 2018. Payment for the Bonds shall be made in immediately available funds.

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

Amendment and Postponement

The County reserves the right to modify or amend this Notice of Sale prior to the Bid Date including, but not limited to, adjusting and changing the aggregate principal amount of the Bonds being offered, and/or changing the bid specifications for the Bonds; however, such modifications or amendments shall be made not later than 9:30 a.m. Prevailing Eastern Time on the Bid Date and communicated through BiDCOMP/Parity@/www.i-dealprospectus.com or TM3.

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

Any proposal submitted shall be made in accordance with this Notice of Sale, including any modifications, amendments or changes communicated via BiDCOMP/Parity@/www.i-dealprospectus.com or TM3 in accordance with the provisions of this Notice of Sale.

Additional Information

The Preliminary Official Statement dated May 1, 2018, together with this Notice of Sale, will be supplied to prospective bidders upon request made in writing to the County's financial advisor, Public Advisory Consultants, Inc., 25 Crossroads Drive, Suite 402, Owings Mills, Maryland 21117, or by telephone, (410) 581-4820 or by facsimile transmission, (410) 581-9808, or by email, pac@paconsults.com.

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY

By: _____ /s/ Terry L. Baker
Terry L. Baker, President
Board of County Commissioners
of Washington County

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

\$ _____
**COUNTY COMMISSIONERS OF WASHINGTON COUNTY
PUBLIC IMPROVEMENT BONDS OF 2018**

ISSUE PRICE CERTIFICATE (Qualified Competitive Bid)

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

1. Reasonably Expected Initial Offering Price.

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

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

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

2. Defined Terms.

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

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

“Sale Date” means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is May 8, 2018.

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

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

_____, as Purchaser

By: _____
Name:
Title:
(Authorized Signatory)

Dated: _____, 2018

SCHEDULE A

EXPECTED OFFERING PRICES

[To be Attached]

SCHEDULE B

COPY OF PURCHASER'S BID

[To be Attached]

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

\$ _____
**COUNTY COMMISSIONERS OF WASHINGTON COUNTY
PUBLIC IMPROVEMENT BONDS OF 2018**

ISSUE PRICE CERTIFICATE (Nonqualified Competitive Bid)

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

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

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

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

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

3. ***Defined Terms.***

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

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

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

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

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or related party to an Underwriter. The term “related party” for purposes of

this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

“Sale Date” means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is May 8, 2018.

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

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

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

By: _____
Name:
Title:
(Authorized Signatory)

Dated: _____, 2018

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES

[To be Inserted or Attached]

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

[To be Inserted or Attached]

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

[To be Attached]

§ _____
**COUNTY COMMISSIONERS OF WASHINGTON COUNTY
 PUBLIC IMPROVEMENT BONDS OF 2018**

**PROPOSED FORM OF
 CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by **COUNTY COMMISSIONERS OF WASHINGTON COUNTY** (the “Issuer”) in connection with the issuance of its § _____ Public Improvement Bonds of 2018 (the “Bonds”). The Bonds are being issued pursuant to a Resolution adopted on April 24, 2018. The Issuer covenants and agrees as follows:

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

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

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

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

“**Official Statement**” shall mean the Official Statement dated May __, 2018 relating to the Bonds.

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

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

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

(a) The Issuer shall provide to the MSRB annual financial information and operating data generally consistent with the information contained under the headings “General Fund Revenues and Expenditures”, “General Fund Balance Sheet” and “General Obligation and Revenue Bonds” in the Official Statement, such information to be made available within 240 days after the end of the Issuer’s fiscal year, commencing with the fiscal year ending June 30, 2018.

(b) The Issuer shall provide to the MSRB annual audited combined financial statements for the Issuer, such information to be made available within 240 days after the end of the Issuer’s fiscal year, commencing with the fiscal year ending June 30, 2018, unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 240 days after the end of the Issuer’s fiscal year (commencing with the fiscal year ending June 30, 2018), the Issuer will provide unaudited financial statements within said time period.

(c) The presentation of the financial information referred to in paragraph (a) and in paragraph (b) shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the Official Statement, provided, that the Issuer may modify the accounting

principles utilized in the presentation of financial information by amending this Disclosure Agreement pursuant to the provisions of Section 7 hereof. Changes in Generally Accepted Accounting Principles, where applicable to financial information to be provided by the Issuer, shall not require the Issuer to amend this Disclosure Agreement.

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

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

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

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

SECTION 4. Reporting of Listed Events.

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

- i) principal and interest payment delinquencies;
- ii) non-payment related defaults, if material;
- iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- v) substitution of credit or liquidity providers, or their failure to perform;
- vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- vii) modifications to rights of Bond holders, if material;
- viii) Bond calls, if material, and tender offers;
- ix) defeasances;
- x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- xi) rating changes;
- xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

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

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event.

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

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

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

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

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

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

Date: _____, 2018

(SEAL)

ATTEST:

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY

Vicki C. Lumm, County Clerk

By: _____
Terry L. Baker, President
Board of County Commissioners
of Washington County

**Washington County, Maryland
Description of 2018 Projects**

Project Name	Tax-Supported Approved Amount 2018 Bond	Self-Supported Approved Amount 2018 Bond	Project Type
<u>Infrastructure</u>			
Bridges:			
Crystal Falls Drive Bridge W3051	\$474,000		
Halfway Blvd Bridges W0912	115,000		
Roads:			
Colonel Henry K. Douglas Drive Ext Phase I	1,200,000		
Crayton Blvd Extended	800,000		
Eastern Blvd at Antietam Drive	250,000		
Halfway Blvd Extended Phase 1	523,000		
Pavement Maintenance and Rehabilitation Program	1,904,000		
Professional Ct Ext-Phase I Bridge over Antietam	759,000		
Showalter Rd Extended East	510,000		
Southern Blvd Phase I	1,378,000		
Drainage:			
Hoffmaster and Harpers Ferry Road Drainage	428,000		
Stormwater Retrofits	<u>521,000</u>		\$8,862,000
<u>Public Safety Projects</u>			
Police, Fire and Emergency Services Training Facility	<u>2,628,000</u>		2,628,000
<u>Public Facilities</u>			
County Building Renovations 33-35 W. Washington	<u>510,000</u>		510,000
<u>Environmental Projects</u>			
Capacity Management Project		510,000	
Collection System Rehabilitation Project		357,000	
Laboratory Rehab of Ventilation System		154,000	
Sharpsburg Water Treatment Plant		204,000	
Smithsburg WwTP - ENR Upgrade		408,000	
Gas Mitigation System		<u>852,000</u>	<u>2,485,000</u>
	<u>\$12,000,000</u>	<u>\$2,485,000</u>	<u>\$14,485,000</u>

DRAFT

PRELIMINARY OFFICIAL STATEMENT DATED MAY 1, 2018

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, and (b) is not includable in corporate or individual alternative minimum taxable income as an enumerated item of tax preference, provided that, for tax years beginning before January 1, 2018, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations, and 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, county, municipal, or other taxation of every kind and nature whatsoever within the State, but no opinion is expressed as to Maryland estate or inheritance taxes or any other Maryland taxes not levied directly on the Bonds, their transfer, the interest thereon or the income therefrom. See the information contained herein under the caption "THE BONDS—Tax Matters".

RATINGS: Fitch:
Moody's:
S&P:

\$14,485,000*
WASHINGTON COUNTY, MARYLAND
(COUNTY COMMISSIONERS OF WASHINGTON COUNTY)
PUBLIC IMPROVEMENT BONDS OF 2018

Dated: Date of delivery
Due: July 1, as shown below
Interest Payable: January 1 and July 1
First Interest Payment Due: January 1, 2019
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, 2028 are redeemable prior to maturity at the County's option as set forth in "THE BONDS—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).

\$14,485,000*
County Commissioners of Washington County
Public Improvement Bonds of 2018

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
2019	\$ 455,000				2029	\$ 745,000			
2020	475,000				2030	770,000			
2021	500,000				2031	795,000			
2022	525,000				2032	825,000			
2023	555,000				2033	855,000			
2024	585,000				2034	885,000			
2025	615,000				2035	915,000			
2026	645,000				2036	950,000			
2027	675,000				2037	985,000			
2028	710,000				2038	1,020,000			

**The interest rates and prices or yields shown above are those resulting from the successful bid for the Bonds on May 8, 2018 and were furnished by _____, the successful bidder. Other information concerning the terms of the reoffering of the Bonds, if any, should be obtained from the successful bidder and not from the County. (See "MISCELLANEOUS--Sale at Competitive Bidding" herein.)

Conditions Affecting Issuance: The Bonds are offered when, as and if issued, subject to, among other conditions, the delivery of the Bonds and the approving legal opinion of Funk & Bolton, P.A., Bond Counsel, with respect thereto and other conditions specified in the official Notice of Sale. Delivery will occur through the facilities of DTC on or about May 22, 2018.

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.

*Preliminary; subject to change

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 any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of 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.

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

Terry L. Baker, President
Jeffrey A. Cline, Vice President
LeRoy E. Myers, Jr., Commissioner
John F. Barr, Commissioner
Wayne K. Keefer, Commissioner

ADMINISTRATION

Robert J. Slocum, County Administrator
Vicki C. Lumm, County Clerk
John M. Martirano, County Attorney
Sara L. Greaves, C.P.A., Chief Financial Officer

COUNTY TREASURER

Todd L. Hershey

FINANCIAL ADVISOR

Public Advisory Consultants, Inc.
Owings Mills, Maryland

BOND COUNSEL

Funk & Bolton, P.A.
Baltimore, Maryland

INDEPENDENT AUDITOR

SB & Company, LLC
Hunt Valley, Maryland

BOND REGISTRAR AND PAYING AGENT

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

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
I. THE BONDS		IV. FINANCIAL INFORMATION	
Introduction.....	1	Accounting System.....	29
Description of Bonds.....	1	Fund Structure.....	29
DTC and Book-Entry Only System.....	2	Basis of Accounting, Measurement Focus, and Financial Statement Presentation.....	29
Book-Entry Only System—Miscellaneous.....	3	Accounting Enterprise System.....	29
Authorization.....	4	Capital Budget Preparation Software.....	30
Application of Proceeds.....	4	Distinguished Budget Presentation Award.....	30
Redemption.....	4	Budget Process and Schedule.....	30
Sources of Payment.....	5	General Fund Revenues and Expenditures.....	32
Bondholders’ Remedies.....	5	Anticipated Results for Fiscal Year 2017.....	34
Tax Matters.....	6	Sources of Tax Revenue.....	34
		General Fund Balance Sheet.....	39
		Key Financial Statistics.....	40
II. GOVERNMENT AND ADMINISTRATION		DEBT AND CAPITAL REQUIREMENTS	
Location.....	8	V. Debt Management Policy.....	41
Form of Government.....	8	General Obligation and Revenue Bonds.....	41
Legislative and Administrative Officials.....	9	Water and Sewer Bonds.....	42
Washington County Government Organizational Chart.....	11	Capital Lease Obligations and Other Contracts.....	44
County Employment.....	11	Special Obligation Bonds.....	44
Pension and Retirement System.....	11	Bonded Indebtedness of Incorporated Municipalities.....	45
Other Post-Employment Benefits.....	12	Direct and Underlying Debt.....	45
Insurance.....	13	Debt Service Requirements on County Debt.....	46
Certain Services and Responsibilities.....	13	Bond Issuance in Fiscal Year 2018.....	49
		Anticipated Future Financing.....	49
		Capital Requirements.....	49
III. ECONOMIC AND DEMOGRAPHIC INFORMATION		MISCELLANEOUS	
Department of Business Development.....	20	VI. Litigation.....	50
Business Development.....	21	Ratings.....	50
Foreign Trade Zone.....	23	Continuing Disclosure Undertaking.....	50
Utilities, Transportation, and Communication.....	23	Sale at Competitive Bidding.....	50
Population.....	24	Legal Matters.....	51
Income.....	25	Independent Auditors.....	51
Area Labor Supply.....	25	Financial Advisor.....	51
Employment.....	26		
Unemployment Rate.....	26	Appendix A - General Purpose Financial	
Construction Activity.....	27	Statements.....	A
Housing Starts.....	27	Appendix B - Proposed Form of Opinion of Bond	
Agriculture.....	28	Counsel.....	B
		Appendix C - Notice of Sale	C
		Appendix D - Proposed Form of Continuing Disclosure	
		Agreement.....	D

I. The Bonds

Introduction

The purpose of this Official Statement, including the cover page and appendices, is to provide information for prospective purchasers and others regarding County Commissioners of Washington County (the “County”) and its \$14,485,000* Public Improvement Bonds of 2018 (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. 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 cover page of this Official Statement on January 1, 2019, and semiannually thereafter on the first day of July and January of each year until the date of maturity unless redeemed prior to that date. Interest payments will be made to the persons who are registered owners of record as of the 15th day of the month next preceding each such interest payment date. Each Bond shall bear interest from the most recent date to which interest has been paid or, if no interest has been paid, from its date of delivery.

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, New York, New York (“DTC”), will act as securities depository for the Bonds and the Bonds will be registered in the name of DTC’s partnership nominee, Cede & Co. (See “THE BONDS—DTC and Book-Entry Only System” herein).

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”).

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

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

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

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

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

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

DTC may discontinue providing its services as securities depository for 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 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 60 of the Laws of Maryland of 2013 (“Chapter 60”) and Title 6 of the Code of Public Local Laws of Washington County, Maryland (2007), as amended (the “Water and Sewer Act”), as applicable, and in accordance with Resolution No. RS-2018___ adopted by the Board of County Commissioners of Washington County (the “Board”) on April 24, 2018 (the “Resolution”).

Chapter 60 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

Proceeds of the Bonds, exclusive of any premium paid by the successful bidder therefor, will be applied to costs of the following projects:

Use*	Amount*
Infrastructure Projects	\$ 8,862,000
Public Safety Projects	2,628,000
Environmental Projects	2,485,000
Public Facilities	510,000
	\$ 14,485,000

*Preliminary; subject to change

Any premium received by the County will be applied to costs of issuance of the Bonds or additional costs of the projects, or a combination thereof.

Redemption

Optional Redemption

The Bonds that mature on or before July 1, 2027 are not subject to redemption at the option of the County prior to their maturities. The Bonds that mature on or after July 1, 2028 are subject to redemption at the option of the County as a whole or in part at any time on or after July 1, 2027, 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 thereon to the date fixed for redemption, without premium or penalty.

[Mandatory Sinking Fund Redemption]

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

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

The foregoing subsection will be completed 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

If fewer than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds 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 in accordance with DTC's then existing procedures.

If all or a portion of the Bonds outstanding are to be redeemed by redemption, 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 by the Bond Registrar and Paying Agent, provided, however, that the failure to mail the redemption notice or any defect in the notice so mailed shall not affect the validity of the redemption proceedings. The County may, but shall not be obligated to, also publish such notice of redemption at least once not less than thirty (30) days prior to the date fixed for redemption in a newspaper circulating in the City of Baltimore, Maryland, and also in a financial journal or daily newspaper of general circulation in the City of New York, New York. The redemption notice shall state (i) whether the applicable Bonds are to be redeemed in whole or in part and, if in part, the maturities, numbers and CUSIP numbers of the Bonds to be redeemed, (ii) in the case of a partial redemption of any Bond, the portion of the principal amount which is to be redeemed, (iii) that 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., Baltimore, Maryland, 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, 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 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 is not a tax preference item directly subject to the alternative minimum tax imposed on individuals or corporations pursuant to the Code; however, for tax years beginning prior to January 1, 2018, interest on the Bonds held by certain corporations may be indirectly subject to federal alternative minimum tax because of its inclusion in the adjusted current earnings of a corporate holder. 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'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 central telephone number is (240) 313-2210 and its website is www.washco-md.net.

Under the Code of the Public Local Laws of Washington County (2007 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***

TERRY L. BAKER, a third-term County Commissioner, was first elected in 2006, and serves as President of the Board of County Commissioners. He 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.

JOHN F. BARR, a third-term County Commissioner, was first elected in 2006. He was raised in Boonsboro, Maryland and is a Master Electrician in five states. In high school, Mr. Barr worked for his father as a field electrician at M/L Electric, Inc., founded in 1927. In 1979 he formed the management team overseeing the service department. In 1984 Mr. Barr bought the company from his father and changed the name to Ellsworth Electric, Inc. He has built the company from 75 to 150 employees. Mr. Barr is active in various service organizations and community projects. He served a one-year term as President of the Maryland Association of Counties in 2016 and currently serves as Past President.

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

LEROY E. MYERS, JR., a first-term County Commissioner, was born in Washington County and has lived in the Clear Spring, Maryland, area his entire life. He is a three term Maryland State Delegate serving District IC from 2003-2014. He graduated from Clear Spring High School and attended Hagerstown Community College for two years. Mr. Myers is the owner and president of Myers Building Systems, Inc., a general contracting firm.

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

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

ROBERT J. SLOCUM, County Administrator, holds a Bachelor of Science degree in Civil Engineering from the University of Arizona and is a licensed professional engineer in the State of Maryland. He was appointed as County Administrator effective March 28, 2017 after serving Washington County for 15 years in various capacities. His first position with the County was Deputy Chief Engineer, where he was primarily responsible for capital improvement projects. In 2008, Mr. Slocum was promoted to Deputy Director of Public Works and in 2013 he was promoted to Director of the Division of Engineering and Construction where he was responsible for the Engineering, Construction Management and Inspections, and Plan Review and Permitting Departments. He remains a member of the County Engineers Association of Maryland, the American Society of Civil Engineers, the Institute of Transportation Engineers, the Maryland Traffic Engineers Council, and the National Society of Professional Engineers. Mr. Slocum participated in the Leadership Washington County and received a Certificate in Management from Hagerstown Community College. He currently serves on the Boards of the Maryland Theatre, the United Way and the Economic Development Commission.

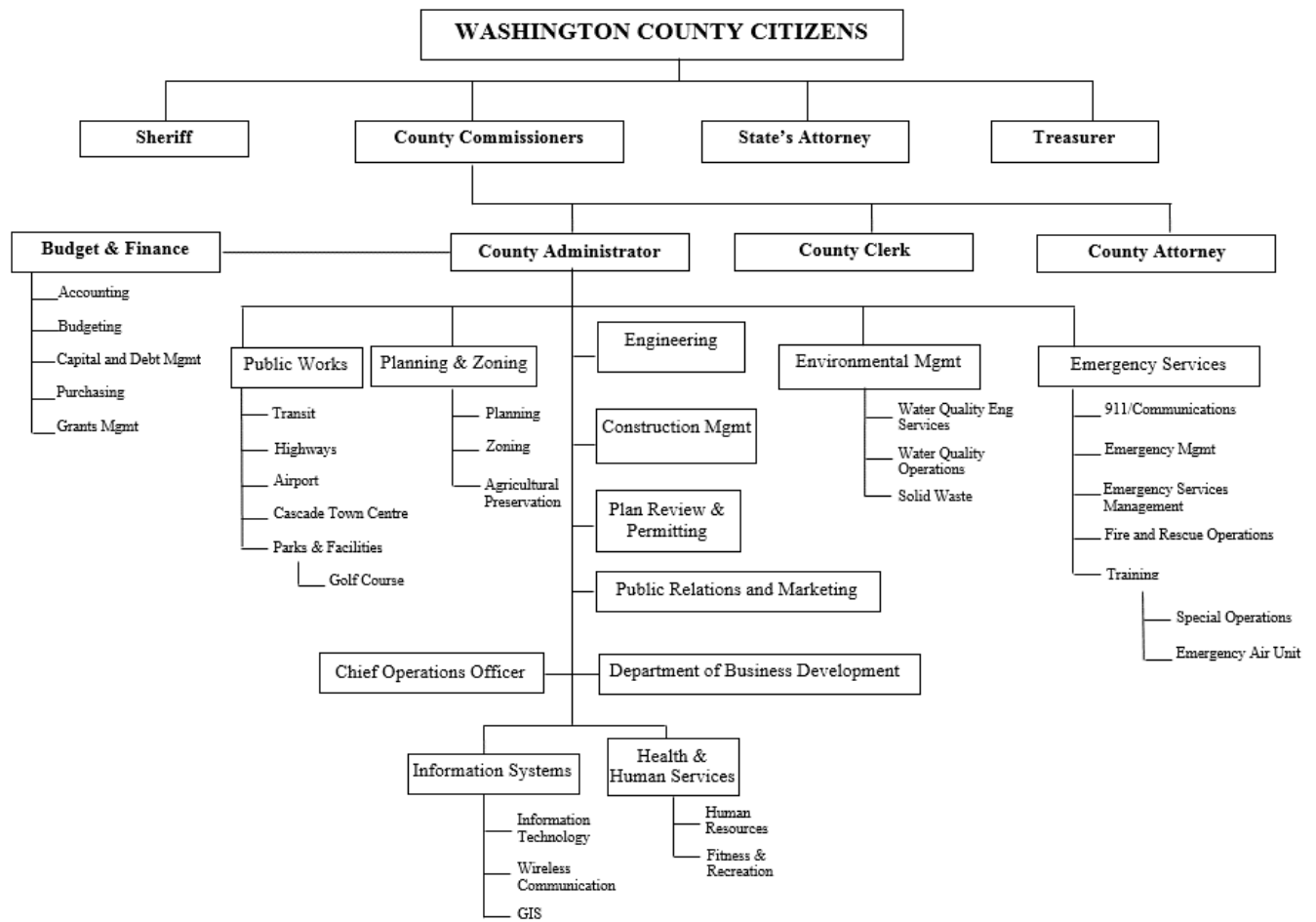
JAMES B. HOVIS, Chief Operations Officer, has held different positions with Washington County starting in 2004, when he took the position of Gaming Inspector following his retirement from the Maryland State Police. He was soon promoted to Director of Gaming. In 2012 he became Director of Grant Management when the Grants and Gaming department merged. Mr. Hovis moved into his current position in December 2017.

SARA L. GREAVES, C.P.A., Chief Financial Officer, holds a B.S. degree in Accounting from the University of Maryland University College. She earned a Master of Business Administration degree from Frostburg State University. Mrs. Greaves was hired by Washington County in 2012 as an accountant and was promoted to Deputy Director in 2014. She is a member of the American Institute of Certified Public Accountants, the Maryland Association of Certified Public Accountants, and the Maryland Government Finance Officers Association. She currently serves on the board of Together with Families, Inc., a local non-profit organization.

KIMBERLY K. EDLUND, C.P.A., Director of Budget and Finance, is a summa cum laude graduate from 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. She is a member of the American Institute of Certified Public Accountants, the Maryland Association of Certified Public Accountants, and the Maryland Government Finance Officers Association.

JOHN M. MARTIRANO, County Attorney, holds a B.A. degree, *cum laude*, from West Virginia University and a J.D. degree from the University of Pittsburgh School of Law. He was admitted to the Maryland Bar in 1990 and to the West Virginia Bar in 1994. He was in private practice with Miles & Stockbridge from 1990 to 1993 and with Steptoe & Johnson from 1993 to 1996. He was a Senior Surety Claim Attorney with The St. Paul Companies, Inc. (formerly USF&G) from 1996 to 1999. Mr. Martirano was appointed Assistant County Attorney for Washington County in 1999 and Deputy County Attorney in 2004. He was appointed County Attorney in 2005. He is a 2010 graduate of Leadership Maryland and a 2006 graduate of Leadership Hagerstown (now known as Leadership Washington County). Mr. Martirano is active in numerous community organizations, including serving on the board of directors of Hospice of Washington County. He is also a member of the American, Maryland and Washington County Bar Associations.

Washington County Government Organizational Chart



County Employment

As of June 30, 2017 the County employed 780 full-time employees and 495 part-time employees, including seasonal positions. The County has a compensation and classification plan, which is complemented by a performance evaluation system. There are 150 employees of the County’s Division of Public Works, Division of Emergency Services, and Division of Environmental Management represented by a collective bargaining agreement that expires on June 30, 2018. 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 1,138 participants as of June 30, 2017. All full-time County employees are eligible to participate in the Plan. The Plan also provides death and disability benefits. The employees and the County fund the guaranteed allowance. Approximately 33% of the non-uniformed participants contribute to the Plan at the rate of 5.5% of their annual salary and the remaining non-uniformed and uniformed employees contribute 6% 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 as of July 1, 2015 by June 30, 2031 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 after July 1, 2015. Contributions for items (i), (ii) and (iii) above are based on an assumed investment rate of 7.50% compounded annually. Contributions for items (i), (ii) and (iii) are currently funded at 27.22% of total salary expense. Salaries are assumed to increase at an annual rate of 3.0%. 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 2014 through 2017 and for fiscal year 2018. For fiscal year 2018, which began July 1, 2017, the County has already paid the \$10,509,527 amount reflected in the “Total” column in the table below, which payment is the aggregate of the amounts reflected in the columns “Current Service Costs” and “Recommended Payment for Unfunded Accrued Liability”.

<u>As of July 1</u>	<u>Current Service Costs</u>	<u>Recommended Payment for Unfunded Accrued Liability</u>	<u>Total</u>	<u>Unfunded Accrued Liability</u>
2017	\$2,309,989	\$8,199,538	\$10,509,527	\$83,002,235
2016	1,454,253	5,555,195	7,009,448	55,888,694
2015	1,411,897	5,209,259	6,621,156	53,172,860
2014	1,727,349	4,417,936	6,145,285	47,088,710
2013	3,779,971	2,662,116	6,442,087	27,333,395

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, 2015 unfunded liability by 2031. Additional liabilities incurred after July 1, 2015 are intended to be fully funded 15 years after initially recognized.

Please refer to Notes 1 and 11 to the financial statements for fiscal year 2017 set forth in Appendix A to this Official Statement and to the Required Supplementary Information included with the financial statements of the County for fiscal year 2017 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, 2017, 41 retirees were receiving OPEB benefits and 27 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.

Components of Net OPEB Obligation

Annual Required Contribution	\$ 1,261,000
Interest on Net OPEB Obligation	\$ 156,000
Adjustment to Annual Required Contribution	\$ (155,000)
Annual OPEB Cost (Expense)	<u>\$ 1,262,000</u>
Contributions Made or Accrued	<u>\$ 2,249,000</u>
Increase in Net Obligation	<u>\$ (987,000)</u>
Net OPEB Asset - Beginning of Year	<u>\$ (2,047,375)</u>
Net OPEB Asset – End of Year	<u><u>\$ (3,034,375)</u></u>

Source: Bolton Partners, Inc.

Please refer to Note 16 to the financial statements for fiscal year 2017 set forth in Appendix A to this Official Statement and the Required Supplementary Information included with the financial statements of the County for fiscal year 2017 set forth in Appendix A to this Official Statement for additional information regarding the County’s OPEB obligations.

Insurance

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

Certain Services and Responsibilities

Education

The Board of Education of Washington County (the “Board of Education”) implements all educational policies and programs for public schools in Washington County under the administration of the State Board of Education. The Board of Education, composed of seven members elected for four-year terms, oversees 22,595 students (including 676 in pre-kindergarten), in 46 elementary and secondary schools, which include middle and combined schools. The staff to student ratio in 2016-17 averaged better than one staff member for every 22.25 pupils; the average unrestricted pupil expenditure was \$11,991 for the 2016-17 school year.

The largest General Fund appropriation by the County in its adopted budget for fiscal year 2018 is \$97,053,410 for the Board of Education, which represents 43.78% of the General Fund budget. This appropriation is for operating expenditures. In addition, the County appropriated \$2,385,000 in its capital budget for fiscal year 2018 for Board of Education projects.

Washington County’s high school graduation rate for the 2016-2017 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
92.21%	92.48%	90.54%	95.00%	94.74%	93.93%	87.67%

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. It offers 23 academic courses and 17 career and technology programs. 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) 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, offers more than 100 programs of study for university transfer or for immediate career preparation, as well as continuing education courses, workforce development, and adult basic education. Associate degrees, certificates and letters of recognition are awarded, including degrees and certificates in biotechnology, alternative energy technology and cyber security. HCC’s business incubator, the Technical Innovation Center (“TIC”), is the largest, most comprehensive technology-based business incubator in Western Maryland. It provides space and other services and amenities to entrepreneurs, start-ups, and existing companies. TIC’s facilities consist of office space, conference rooms and 4,000 square feet of biotech research labs. The college has a five-story, 65,000 square foot Science, Technology, Engineering and Math (STEM) Building, the recently renovated Kepler Theater and a Performing and Visual Arts Education Center.

The County appropriated \$9,743,000 in its fiscal year 2018 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 \$439,000 in its capital budget for fiscal year 2018 for HCC projects.

Purdue University Global (formerly Kaplan University-Hagerstown), a private institution since 1938, offers one doctoral degree, 25 master degree programs, 25 bachelor degrees, eight associate degrees and 31 certificate programs in the areas of business, allied health, criminal justice, paralegal studies, graphic design, human services and information technology. Online and traditional, on-campus courses are available.

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 30 graduate degree programs from six respected universities within the Maryland system: Frostburg State University, University of Maryland University College, University of Maryland College Park, 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 10. The Planning Commission has authority to approve subdivision and site development plans. The plans are required by the Subdivision and Zoning ordinances and managed by the County's Division of Engineering and Construction. 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 2018.

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 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 and Town 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 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 of Maryland requires the County to 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 247 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 Diabetes Education, Meritus Home Health, Meritus Medical Laboratory and Equipped for Life.

Meritus Medical Group, with close to 100 physicians and advanced practice professionals, 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 2018 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 201 full-time and part-time personnel in five divisions.

The Environmental Health Division of the Health Department engages in food inspection, well and septic services, community services, transient and non-transient water analysis, rabies control, complaint and outbreak investigations, and emergency response. The Nursing Division is responsible for maternal and child health programs, communicable disease surveillance and control, tuberculosis control, refugee and migrant health services, reproductive health services, STD screening and treatment, HIV and AIDS services, immunizations, Maryland Children's Health Insurance Program, cancer screening, vision screening, adult evaluation and review services, and WIC services. The Health Planning and Strategic Initiatives Division is responsible for relaying of public information, community relations, emergency preparedness, as well as developing and maintaining agency partnerships and providing chronic disease prevention and control initiatives. The Division of Behavioral Health Services provides a comprehensive system of care, including prevention, intervention, referral and treatment services for substance use and mental health disorders in a variety of settings. The Administration Division, which includes Personnel, Information Technology, 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 eight privately owned licensed skilled nursing facilities with a total of 869 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 18 privately owned assisted living facilities with a total of 735 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 receives 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. 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 96 officers. The Hancock Police Department employs five 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 Department Special Operations, Fire Department Support Services, and the Emergency Medical Services Operations Program. DES is led by a full-time career Director and five full-time department heads who oversee the daily operational components of Emergency Services in Washington County. The division has 94 full-time and part-time personnel working directly within the division and approximately 40 volunteers who provide dedicated service to the citizens of Washington County.

Emergency Communications

The Emergency Communications Center is overseen by an assistant director with two full-time executive support staff. The Emergency Communications Center processes all of the 911 and non-emergency calls for the City of Hagerstown, the County, and all of the 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 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 includes 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 Department Special Operations

The department's activities are overseen by an assistant director. The County has a vision to become the regional leader in providing and coordinating efficient public services. In response to that vision the Special Operations Team has both volunteer and career 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.

Emergency Medical Services

The Emergency Medical Services ("EMS") section provides leadership, direction, support and coordination to the County's EMS system in order to continuously improve the efficiency and quality of medical services being provided to those who reside and travel within the County. EMS is overseen by an assistant director and includes eight full-time advanced life support ("ALS") technicians and five part-time ALS technicians. This team deploys two highly specialized ALS chase units which support the eight independent EMS companies in the delivery of the highest quality pre-hospital care. Additionally, three ALS support vehicles and a reserve ambulance are available for supplemental staffing to the independent companies and are available to provide additional resources for high risk events and large public gatherings.

Fire and Rescue

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

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.

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 the 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 2120. In 2013, the County entered into an agreement with a private firm to begin construction of a new solid waste facility to handle this material in a more environmentally friendly manner. This new facility will sort the solid waste materials collected into recyclables, materials that can be processed into a refuse derived fuel (RDF) pellet and materials which need to be land-filled. The processing of suitable materials to RDF pellets will be the first phase of operation with this product being sold as a fuel source to industries. In phase two of the new facility, the RDF pellets will be further processed to generate a synthetic diesel product which can be sold on the open market. Once this facility is in operation, it is anticipated that less than 10% of the solid waste materials received by the County will need to be land-filled. 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, Smithsburg 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 provides operational assistance to the Town of Williamsport.

Five treatment plants serve the County water system with an aggregate capacity of 419,000 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 5,393,000 gallons per day, with individual plant capacities from 21,000 to 4.1 million gallons per day. The County is in the process of upgrading 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 is scheduled to be complete in 2018.

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, 2017. 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>1,341</u>	<u>1,562</u>	\$677.76

WASTEWATER SYSTEM			
	No. of Services	No. of EDUs	Residential Annual (Avg) User Rate
Full Service	7,156	10,622	\$636.32
Collection Service Only	3,751	5,141	\$221.60
Wholesale	<u>5</u>	<u>3,425</u>	
Total.....	<u>10,912</u>	<u>19,188</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 10.5 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 expanding economic opportunities for the citizens of Washington County. It works to promote Washington County as a place of business and improve the overall business climate of the community.

The Washington County Economic Development Commission Board of Directors (the “EDC”) is comprised of 12 unpaid volunteers and six *ex-officio* members. As representatives of the local business community, the EDC is responsible for evaluating and recommending policies affecting the County’s ability to attract, nurture, and sustain employment, and to further promote economic growth and change in a managed environment.

The DBD currently has five full-time employees to conduct the day-to-day operations of the office. The staff works to fulfill the strategic priorities recommended by the EDC and as approved by the Board.

Throughout the year the DBD meets with representatives of existing companies in need of assistance. Discussions include appropriate funding programs, enterprise zone benefits, training, and other sources of business support. The DBD has formed strategic partnerships with such organizations as the Maryland Department of Commerce, Tri-County Council for Western Maryland, Maryland Small Business Development Center, Western Maryland Consortium, and Maryland One Stop Job Center in order to better serve the needs of businesses in Washington County.

The DBD maintains a web-site, www.hagerstowncdc.org, and an online reference guide for economic development allies, partners, site selection consultants, clients, and the general public. The site includes statistical data on Hagerstown-Washington County’s Community Demographics, Quality of Life, Business Climate, Incentives, Local Business Resources, Property Search, Maps, and Recent News. Visitors to www.hagerstowncdc.org can access a database that highlights available commercial/industrial buildings and sites within Washington County. The database includes each property’s pertinent information and describes its development potential.

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 2017-18 (fiscal year 2018), the City of Hagerstown, the Town of Hancock, and the County granted \$52,592, \$574, and \$503,178, respectively, in real property tax credits for private capital investment. The State of Maryland is expected to reimburse \$26,296 to the City of Hagerstown, \$287 to the Town of Hancock, and \$251,590 to the County for these credits.

Business Development

New and Expanding Businesses

In 2017 the County experienced new and expanding businesses highlighted by the creation of more than 153 new jobs and known new investments of approximately \$25.1 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 2017 and 2018 that are expected to provide an additional 118 new jobs and an additional \$16.6 million of new investments are noted in the following table:

Hagerstown-Washington County, Maryland -- Significant Business Activity for 2017/2018

Company Name	Business Type	Completed/ Expected Completion	Project Cost ⁽¹⁾	#New Jobs ⁽¹⁾	Type of Activity
Completed Projects Announced in 2017					
Pepsi Bottling Group - Refurb Center	Manufacturing	3Q17	\$2,100,000	20	New Jobs/Expansion
Lanco Penland	Manufacturing	4Q17	\$23,000,000	85	New Jobs
Volvo Group	Manufacturing	4Q17	n/a	48	Re-hire
	Sub-totals		\$25,100,000	153	
Projects Under Development Announced in 2017/2018					
Ring Container Technologies	Manufacturing	2Q18	\$6,500,000	18	New Jobs/Construction
WCH Aeronautics	Software Developers/Mfg	2Q18	\$500,000	5	New Jobs/Expansion
Fabricated Extrusion Company	Manufacturing	3Q18	\$4,600,000	50	New Jobs/Construction
Maryland Glass Tech	Manufacturing	4Q18	\$5,000,000	45	New Jobs/Construction
	Sub-totals		\$16,600,000	118	
Totals for Projects Announced in 2017/2018:			\$41,700,000	271	

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	188	125	Private
Town of Hancock Enterprise Zone:			
Hancock Industrial Park.....	38	38	Town
Other Locations:			
Airport Business Park	39	30	Nonprofit
Friendship Business Park	450	139	Private
Friendship Town Center	161	161	Private
Cascade Town Centre.....	400	400	Public
Gateway Business Park.....	65	12	Private
Hub Business Park.....	80	80	Private
Hunter’s Green Business Center.....	631	90	Private
Light Business Park	27	14	Private
Mount Aetna Technology Park at Hagerstown (MATH).....	179	179	Nonprofit
Newgate Industrial Park.....	245	20	Nonprofit
Showalter Road Center.....	88	88	Private
Vista Business Park.....	200	200	Private
Washington County Business Airpark	67	30	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 to be four tenths of one percent (.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 will depend on which level of certification the building receives and the increase in its assessed value after construction. Silver buildings will be credited 20 percent of the taxes due on that increase; gold buildings, 25 percent; and platinum buildings, 30 percent.

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, and cellular 4G LTE services are provided via national and regional vendors. AT&T, Sprint, T-Mobile, US Cellular 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, 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 daily scheduled commercial service to Baltimore-Washington Thurgood Marshall International Airport (“BWI”) and Pittsburgh International Airport via Southern Airways Express, twice weekly service to Orlando Sanford International and twice weekly service to St. Pete-Clearwater International Airport on Allegiant. 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, BWI, 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

ECONOMIC AND DEMOGRAPHIC INFORMATION

Hagerstown for nationwide access. In January 2014, Norfolk Southern Rail opened a 200 acre intermodal terminal in Greencastle, Pennsylvania, immediately adjacent to Washington County. 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 and 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. Two weekly local newspapers, The Hancock News, with a weekly circulation of 2,000, and The Picket News, with a weekly circulation of 10,000, also serve Washington County. Several metropolitan newspapers, including the Washington Post and The Baltimore Sun, are available daily to residents.

Television: WDVM and Herald-Mail (HMTV6) provide local news, weather, community information, sports coverage and programming to the tri-state area. Antietam Cable Television and Comcast offer cable and digital television services. Satellite television is available through private vendors.

Internet: There are numerous private vendors providing local dial-up, wireless, and broadband Internet access. The Washington County Free Library provides access to the Internet through SAILOR, the State of Maryland's Online Public Information Network. Information about Washington County, including economic data, can be accessed on the World Wide Web:
www.washco-md.net (Washington County)
www.hagerstownmd.org (City of Hagerstown)
www.washcolibrary.org (Washington County Free Library)

Population

The following table illustrates the population growth of Washington County, the State of Maryland, and the United States from 1970 to 2016.

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>
2016	150,292	1.9	6,016,447	3.9	323,127,513	4.6
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 2016

Income

Median household Effective Buying Income (“EBI”) in Washington County was estimated at \$56,316 for calendar year 2017. 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Washington County	\$56,316	\$56,228	\$56,477	\$55,700	\$54,239
State of Maryland	76,067	74,551	74,149	72,345	71,707
United States	55,322	53,889	53,482	52,176	51,771

Source: MD Brief Economic Facts for 2013-2017

Comparative statistics relating to the distribution of EBI are presented in the following table:

Distribution of Effective Buying Income (2016)

Households By EBI Group	<u>Washington County</u>	<u>State of Maryland</u>	<u>United States</u>
Under \$25,000	21.2%	14.9%	22.3%
\$25,000 - \$49,999	23.2	17.6	23.1
\$50,000 - \$74,999	19.9	16.9	17.8
\$75,000 - \$99,999	13.4	13.3	12.2
\$100,000 - \$149,999	13.7	18.4	13.5
\$150,000 - \$199,999	5.1	9.2	5.4
\$200,000 and over	3.5	9.7	5.7

Source: MD Brief Economic Facts based on U.S. Bureau of the Census released in 2017

Area Labor Supply

Washington County has an available civilian labor force of approximately 77,693. 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 431,600.

Employment

Within Washington County there are more than 3,450 businesses. The following table shows the employment statistics for the 15 largest employers in Washington County as of December 2017.

Employer	Employment
Washington County Public Schools.....	3,100
Meritus Health.....	2,740
State of Maryland	2,385
Citi.....	2,300
First Data.....	2,185
Washington County Government.....	1,352
Volvo Group.....	1,300
FedEx Ground.....	900
Hagerstown Community College.....	890
Bowman Group, LLP (The).....	745
Federal Government.....	567
Merkle Response Management Group.....	545
City of Hagerstown.....	486
ARC of Washington County.....	500
Direct Mail Processors.....	500

Source: Maryland Department of Commerce

Unemployment Rate

Unemployment in Washington County averaged 5.9% between 2013 and 2017. 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				
	2017	2016	2015	2014	2013
Washington County	4.4%	5.1%	5.8%	6.9%	7.4%
State of Maryland	4.1%	4.4%	5.2%	5.8%	6.1%

Source: Maryland Department of Labor, Licensing and Regulation

Construction Activity

Construction activity during the years 2013-2017 in Washington County is provided below:

Year Ended	Building Permits					
	(Value in Thousands)					
	Residential New		Other Permits		Total	
Dec. 31	Number	Value	Number	Value	Number	Value
2017	198	\$57,704	1,117	\$75,737	1,315	\$133,441
2016	172	40,510	1,977	99,632	2,149	140,142
2015	202	52,305	2,065	97,055	2,267	149,360
2014	168	37,720	1,615	98,942	1,783	136,662
2013	228	48,547	1,654	93,245	1,882	141,792

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	Single Family (One and
December 31	Two- Unit Structures)
2017	189
2016	159
2015	177
2014	158
2013	207

Source: Washington County Department of Permits and Inspections

Multi-family housing starts in the County were nominal during 2016, 2014, and 2013. During the year ended December 31, 2017 there were five, 12 unit buildings constructed and for the year ending, December 31, 2015, there were five, 24-unit multi-family buildings constructed.

Agriculture

Agriculture is an important part of Washington County’s economy. Approximately 129,600 of Washington County’s 293,223 acres (44%) 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 and dairy products account for approximately 58% of the total farm sales.

Washington County is the heart of the fruit industry in Maryland. Apple and peach growers harvest nearly 1,372 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 12,670 head, ranking second in the State. In addition to milk and fruit, the other chief agricultural commodities are beef cattle and cereal grains. The information for 2017 will not be released until after the 2017 census is completed. Selected agricultural statistics for Washington County for calendar year 2012 are as follows:

Washington County Agriculture Statistics, 2012

Number of farms	860
Average acres/farm	151
Total farm income	\$107.7 mil
Livestock income	\$62.26 mil
Average income/farm	\$125,219

Source: U.S.D.A. Agriculture Census 2012
 The U.S.D.A. conducts a census 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, which 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 2018 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 14 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 2017, budgeted revenues and expenditures for fiscal year 2018, and the proposed budget for fiscal year 2019.

County Commissioners of Washington County				
Budget Comparison				
General Fund				
Fiscal Years 2017, 2018 and 2019				
	<u>Fiscal Year 2017</u>		<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>
	<u>Final</u>	<u>Actual</u>	<u>Original</u>	<u>Proposed</u>
	<u>Budget</u>	<u>Amounts</u>	<u>Budget⁽¹⁾</u>	<u>Budget</u>
REVENUES				
Property Tax				
Real Property Tax.....	\$ 108,354,710	\$ 109,440,600	\$ 111,037,170	\$ 113,679,470
Personal Property Tax.....	12,950,000	14,433,675	13,757,540	14,057,110
Property Tax Interest Income.....	430,000	390,908	430,000	385,000
Other Property Tax.....	651,720	805,378	689,290	622,980
State Administrative Fees.....	(600,000)	(554,644)	(580,000)	(1,065,680)
Property Tax Discounts, Credits, and Fees.....	(1,310,480)	(1,610,169)	(1,731,590)	(1,716,310)
Total Property Taxes.....	<u>\$ 120,475,950</u>	<u>\$ 122,905,748</u>	<u>\$ 123,602,410</u>	<u>\$ 125,962,570</u>
Other Local Taxes				
Income Tax.....	\$ 77,500,000	\$ 78,891,902	\$ 82,000,000	\$ 84,000,000
Admissions and Amusement Tax.....	300,000	265,722	280,000	255,000
Recordation Tax.....	5,800,000	6,305,265	6,000,000	6,500,000
Trailer Tax.....	500,000	566,089	525,000	550,000
Total Other Local Taxes.....	<u>\$ 84,100,000</u>	<u>\$ 86,028,978</u>	<u>\$ 88,805,000</u>	<u>\$ 91,305,000</u>
Other Revenues				
Licenses and Permits.....	\$ 1,310,200	\$ 1,189,019	\$ 1,379,300	\$ 1,266,300
Court Costs and Fines.....	302,300	269,806	2,803,600	5,188,600
Charges for Services.....	679,750	448,532	835,210	752,270
Revenues from Use of Property.....	979,250	1,327,838	548,200	848,640
Reimbursed Expenses.....	1,052,770	1,009,538	1,303,610	1,355,670
Miscellaneous Revenues.....	492,280	1,131,263	185,500	211,990
Grant and Shared Revenues.....	4,643,941	4,431,597	2,242,230	2,278,300
Highway Revenues.....	1,528,890	1,378,314	2,416,500	2,284,500
Total Other Revenues.....	<u>\$ 10,989,381</u>	<u>\$ 11,185,907</u>	<u>\$ 11,714,150</u>	<u>\$ 14,186,270</u>
TOTAL REVENUES.....	\$ 215,565,331	\$ 220,120,633	\$ 224,121,560	\$ 231,453,840
EXPENDITURES				
General Government.....	\$ 27,200,000	\$ 26,764,285	\$ 26,771,560	\$ 29,267,497
Public Safety.....	43,236,411	42,703,200	43,145,400	45,384,430
Health.....	2,339,270	2,339,270	2,339,270	2,339,270
Social Services.....	373,390	373,390	424,390	435,560
Education.....	104,387,080	104,387,080	106,743,410	108,336,050
Parks, Recreation, and Culture.....	5,741,790	5,794,949	5,974,980	6,249,060
Conservation of Natural Resources.....	677,840	753,063	691,840	723,690
Highway.....	9,718,890	10,368,937	10,567,610	11,156,683
General Operations.....	470,020	609,165	437,720	529,600
Unallocated Employee Insurance and Benefits.....	704,640	483,556	4,644,030	5,142,100
Intergovernmental.....	5,241,000	11,320,588	7,176,780	7,574,810
Debt Service.....	15,475,000	14,688,810	15,204,570	14,315,090
TOTAL EXPENDITURES.....	\$ 215,565,331	\$ 220,586,293	\$ 224,121,560	\$ 231,453,840
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ (465,660)	\$ -	\$ -

Source: Washington County Department of Budget and Finance

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

The following table displays the County's General Fund revenues and expenditures on a GAAP basis with additional ratios for fiscal years 2013 through 2017.

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

Year Ended June 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues:					
Taxes, interest and penalties.....	\$ 208,934,726	\$ 204,569,492	\$ 198,990,605	\$ 194,994,560	\$ 194,197,780
Shared taxes and grants	4,431,597	6,349,348	3,355,253	3,377,036	3,566,550
Licenses and permits	1,189,019	1,316,242	1,362,651	1,187,285	1,149,568
Revenues from use of money and property	1,327,838	1,074,126	881,502	945,977	988,019
Charges for services.....	448,532	477,971	434,237	451,814	448,406
Other revenue	2,410,607	1,757,855	2,049,297	1,793,593	2,389,892
Highway revenue	1,378,314	1,720,771	1,554,706	1,697,840	1,683,821
Total revenues	<u>\$ 220,120,633</u>	<u>\$ 217,265,805</u>	<u>\$ 208,628,251</u>	<u>\$ 204,448,105</u>	<u>\$ 204,424,036</u>
Expenditures:					
General government	\$ 26,764,285	\$ 25,392,800	\$ 23,779,920	\$ 21,474,148	\$ 19,725,043
Public safety	42,703,200	41,898,282	39,155,311	36,352,815	35,020,519
Health	2,339,270	2,339,270	2,339,270	2,339,270	2,339,270
Social services	373,390	454,165	571,517	934,217	2,321,055
Education	104,387,080	104,109,040	103,810,462	103,418,590	101,816,613
Recreation and culture	5,794,949	5,586,517	5,622,928	5,271,404	5,436,653
Conservation of natural resources	753,063	669,041	595,350	568,873	556,845
Intergovernmental	38,543	38,543	38,543	38,543	38,543
General operations	1,092,721	2,337,705	2,003,326	4,956,600	6,131,561
Highway.....	10,243,937	9,821,132	9,953,368	9,872,245	8,622,908
Debt service:					
Principal	9,005,341	9,748,588	10,147,504	9,901,824	9,878,013
Interest	5,683,469	4,070,313	4,504,974	4,109,946	4,352,421
Total Expenditures	<u>\$ 209,179,248</u>	<u>\$ 206,465,396</u>	<u>\$ 202,522,473</u>	<u>\$ 199,238,475</u>	<u>\$ 196,239,444</u>
Excess of revenues over expenditures	<u>\$ 10,941,385</u>	<u>\$ 10,800,409</u>	<u>\$ 6,105,778</u>	<u>\$ 5,209,630</u>	<u>\$ 8,184,592</u>
Other financing sources(uses):					
Net bond proceeds.....	\$ -	\$ -	\$ -	\$ -	\$ 3,039
Proceeds of capital leases.....	1,036,682	-	-	56,548	-
Principal amount of new debt for advanced refunding.....	-	7,078,184	26,026,715	-	-
Deposit to escrow fund for advance refunding and repayment of loans.....	-	(7,075,279)	(26,021,529)	-	-
Operating transfers in	22,000	-	-	-	-
Operating transfers out	(11,429,045)	(9,388,519)	(5,974,080)	(5,915,929)	(7,980,296)
Total other financing sources(uses)	<u>\$ (10,370,363)</u>	<u>\$ (9,385,614)</u>	<u>\$ (5,968,894)</u>	<u>\$ (5,859,381)</u>	<u>\$ (7,977,257)</u>
Excess of revenues and other sources over expenditures and other uses	\$ 571,022	\$ 1,414,795	\$ 136,884	\$ (649,751)	\$ 207,335
Fund balances at beginning of year	39,742,148	38,327,353	38,190,469	38,840,220	38,632,885
Fund balance at end of year	<u>\$ 40,313,170</u>	<u>\$ 39,742,148</u>	<u>\$ 38,327,353</u>	<u>\$ 38,190,469</u>	<u>\$ 38,840,220</u>
Fund Balance:					
As a percent of revenue	18.3%	18.3%	18.4%	18.7%	19.0%
As a percent of expenditures	19.3%	19.2%	18.9%	19.2%	19.8%
Committed, Assigned and Unassigned Fund Balance:					
As a percent of revenue	17.4%	17.5%	17.7%	18.2%	18.3%
As a percent of expenditures	18.3%	18.5%	18.2%	18.7%	19.1%
Debt Service:					
As a percent of revenue	6.7%	6.4%	7.0%	6.9%	7.0%
As a percent of expenditures	7.0%	6.7%	7.2%	7.0%	7.3%

Source: Washington County Department of Budget and Finance

Anticipated Results for Fiscal Year 2018

Fiscal year 2018 final results are not available as of the date of this Official Statement. However, based on current review, the County's main revenue sources of real estate taxes, income taxes and corporate personal property taxes, are projected to meet current year budgeted amounts and all expenditures are in-line with the approved budget. Overall the financial results for fiscal year 2018 are expected to end on the positive side, with total revenues in excess of total expenditures. The County expects to maintain its cash reserves for fiscal year 2018.

Sources of Tax Revenue

Ad valorem property taxes, the County's largest source of tax revenues, were 60% of total tax revenues fiscal year 2016 and 59% in fiscal year 2017. During the same period, income tax revenues as a percentage of total tax revenues were 36.8% in fiscal year 2016 and 37.8% in fiscal year 2017. The following table presents the County's tax revenues by source for each of the last five fiscal years as well as the budgeted amounts for fiscal year 2018.

Tax Revenues by Source

Fiscal Year Ended June 30	Total Taxes	Local Property Taxes ⁽¹⁾	Local Income Taxes	Other Local Taxes ⁽²⁾
Budgeted 2018	\$ 212,407,410	\$ 123,602,410	\$ 82,000,000	\$ 6,805,000
2017	208,934,726	122,905,748	78,891,902	7,137,076
2016	204,569,492	122,001,946	75,208,180	7,359,366
2015	198,990,605	118,513,533	73,603,292	6,873,780
2014	194,994,560	120,678,207	68,864,506	5,451,847
2013	194,197,780	122,450,670	65,763,209	5,983,901

Source: Washington County Department of Budget and Finance

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

(2) Includes trailer court fees, recordation taxes, admission and amusement taxes and hotel/motel taxes.

Local Property Taxes

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

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

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

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

The State also provides a tax credit based on the ability of homeowners to pay property taxes. The credit is calculated by use of a scale, which indicates a maximum tax liability for various income levels. The tax credit processed for local property taxes for Washington County for fiscal year 2017 was \$1,627,582 and the tax credit processed as of March 31, 2018 for fiscal year 2018 is \$1,546,374.

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 \$2,261,755,133 for the fiscal year ended June 30, 2017 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)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Real property.....	\$12,047,907	\$11,889,530	\$11,798,859	\$11,918,538	\$12,310,975
Personal property:					
Railroads and public utilities.....	180,988	172,128	162,536	167,959	161,054
Business corporations.....	416,031	405,500	390,610	375,606	350,000
Total property	<u>\$12,644,926</u>	<u>\$12,467,158</u>	<u>\$12,352,005</u>	<u>\$12,462,103</u>	<u>\$12,822,029</u>
Change in market value of property	1.4%	0.9%	(0.9)%	(2.8)%	(3.5)%
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 2018. As of the date of this Official Statement, there are no proposed changes to the County or State property tax rates for fiscal year 2019.

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		
2017	\$ 124,295,568	\$ 123,986,762	99.75	\$ 124,150,669	99.89	\$ 494,206	0.40
2016	122,703,971	122,397,609	99.75	122,899,961	100.16	480,714	0.39
2015	120,444,868	119,903,244	99.55	120,597,778	100.13	676,704	0.56
2014	121,676,979	121,014,378	99.46	121,414,874	99.78	829,615	0.68
2013	123,303,379	122,940,251	99.71	124,018,282	100.58	567,508	0.46

Source: Washington County Department of Budget and Finance

Principal Taxpayers

The 20 largest taxpayers in the County as of June 30, 2017, ranked by assessed value, are listed below.

Name of Taxpayer	Assessed Value	Percentage of Assessed Value
PR Valley Limited Ptsp.....	\$ 104,087,240	
Outlet Village of Hagerstown.....	100,404,570	
Potomac Edison.....	87,163,890	
Liberty Property Limited.....	71,159,300	
FedEx Ground Package System Inc.....	69,952,130	
Bowman Group.....	66,876,743	
Washington Real Estate.....	61,565,367	
Staples of Maryland LLC.....	50,890,720	
Western Hagerstown Dist. Ctr.....	48,619,100	
Walmart Stores/Wal-Mart R.E./Sam's R.E./Sam's East.....	45,092,220	
Sub-total	\$ 705,811,280	5.58%
254 Hagerstown/Citigroup/Citicorp.....	40,000,000	
Mack Trucks Inc.....	36,633,880	
Verizon-Maryland.....	36,131,200	
Intelsat Global Service LLC.....	34,923,520	
2007 East Greencastle Pike.....	34,360,000	
Lowe's Home Centers Inc.....	33,078,370	
CSX Transportaion CSX Minerals.....	30,215,990	
GP Hagerstown Limited Ptsp.....	30,035,200	
Norfolk Southern Combined Rail.....	29,903,920	
ARCP MT Hagerstown.....	29,758,700	
Total	\$ 1,040,852,060	8.23%

Source: Washington County Treasurer's Office

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

Local Income Tax

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

The County currently levies a local income tax on Washington County residents at the rate of 2.8%. The County does not levy a local income tax on corporations. As a result of federal tax changes enacted by the U.S. Congress, Washington County's income tax revenues may experience an increase, however the amount is yet to be determined.

Other Local Taxes and Revenues

In addition to general property taxes and income taxes, the County levies and collects miscellaneous taxes, the largest of which is the recordation tax on instruments conveying title to property and securing debt. Revenues from this tax in the fiscal year ended June 30, 2017 were \$6,305,265. 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, 2017 were \$8,326,095.

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 71% of approved construction costs.

State and Federal Grants

During the County's fiscal year ended June 30, 2017, an aggregate of \$8,574,580 in federal and State funds was received by all County departments for use in operations. The largest single categorical source was a federal and State grant for \$1,248,362, which was for the Small Urban Area Public Transportation Grant. The County also received a total of \$17,402,851 in federal and State funds for capital projects in the fiscal year ended June 30, 2017. The County projects that \$5,703,062 in federal and State funds will be received in fiscal year 2018 for operations and \$6,693,169 in federal and State funds will be received for capital projects.

During the fiscal year ended June 30, 2017, the Board of Education received \$168,489,837 in State funds and \$23,109,181 in federal funds for operating and food service expenses. In fiscal year 2018, the Board of Education anticipates receiving \$174,797,484 in State funds and \$22,967,234 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

	2017	2016	2015	2014	2013
ASSETS					
Cash and short-term investments	\$ 627,517	\$ 162,083	\$ 32,999	\$ 40,971	\$ 252,052
Investment in U.S. Government					
Agency Securities	101,443,510	91,452,894	110,533,955	118,065,564	130,562,407
Property taxes receivable (net)	348,751	357,582	535,177	588,451	376,599
Accounts receivable	422,410	503,433	416,161	265,824	374,571
Due from other funds	-	-	-	-	10,000
Due from other governments	16,752,299	16,757,732	16,373,944	11,838,036	10,811,977
Inventories	763,099	790,714	763,940	578,396	741,870
Other assets	1,421,211	962,586	1,398,654	955,704	742,564
Total assets	<u>\$ 121,778,797</u>	<u>\$ 110,987,024</u>	<u>\$ 130,054,830</u>	<u>\$ 132,332,946</u>	<u>\$ 143,872,040</u>
LIABILITIES					
Accounts payable	\$ 1,366,313	\$ 2,514,765	\$ 1,413,769	\$ 1,621,862	\$ 1,421,068
Accrued expenses	4,563,855	1,404,296	1,086,819	940,300	1,150,895
Liabilities on unpaid claims	1,523,730	1,892,223	1,833,471	2,115,251	2,015,593
Due to other funds	63,884,634	55,483,023	77,037,235	83,418,109	95,120,905
Unearned revenue	382,729	346,841	306,901	283,880	3,463,212
Other liabilities	2,219,462	1,350,527	1,868,922	1,895,975	1,860,147
Total liabilities	<u>\$ 73,940,723</u>	<u>\$ 62,991,675</u>	<u>\$ 83,547,117</u>	<u>\$ 90,275,377</u>	<u>\$ 105,031,820</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	<u>\$ 7,524,904</u>	<u>\$ 8,253,201</u>	<u>\$ 8,180,360</u>	<u>\$ 3,867,100</u>	<u>\$ -</u>
FUND EQUITY					
Nonspendable	\$ 1,455,417	\$ 1,090,714	\$ 1,063,939	\$ 661,513	\$ 136,667
Restricted	577,869	528,978	418,968	366,902	1,200,201
Committed	38,263,353	38,104,831	36,830,635	37,141,183	37,452,097
Assigned	16,531	17,625	13,811	20,871	23,679
Unassigned ⁽¹⁾	-	-	-	-	27,576
Total fund equity	<u>\$ 40,313,170</u>	<u>\$ 39,742,148</u>	<u>\$ 38,327,353</u>	<u>\$ 38,190,469</u>	<u>\$ 38,840,220</u>
Total liabilities and fund equity	<u>\$ 121,778,797</u>	<u>\$ 110,987,024</u>	<u>\$ 130,054,830</u>	<u>\$ 132,332,946</u>	<u>\$ 143,872,040</u>

Source: Washington County Department of Budget and Finance

(1) Unassigned fund balance is reflected differently from audited financial statements for years 2014 and 2015. Highway consolidation should have been reflected in Committed Fund Balance. Financial statements will compare to this presentation moving forward.

Key Financial Statistics
General Fund Cash Reserves and Fund Balance

The following table illustrates the ratio of the General Fund fund balance as a percentage of total revenues for the last five fiscal years. Also included in the table are the ratios of cash reserves as a percentage of General Fund revenues. It is the intention of the County to maintain a minimum reserve level of 17 percent, which represents 60 days of working capital. It is anticipated that the County will meet or exceed the 17 percent reserve level in fiscal year 2018.

Fiscal Year	Revenues	Fund Balance	Fund Balance as Percentage of Revenues	Reserves as Percentage of Revenues
2017	\$ 220,120,633	\$ 40,313,170	18.31%	17.13%
2016	217,265,805	39,742,148	18.29	17.55
2015	208,628,251	38,327,353	18.37	17.66
2014	204,448,105	38,190,469	18.68	18.18
2013	204,424,036	38,840,220	19.00	18.35

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 this date.

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 \$60,000,000 pursuant to the authority of Chapter 60 of the Laws of Maryland of 2013. The principal amount of bonds issued pursuant to Chapter 60, at June 30, 2017, was \$35,407,278 the unused authorization available under Chapter 60 prior to the issuance of the Bonds is \$24,592,722.

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, 2017, exclusive of certain water and sewer bonds (see “Water and Sewer Bonds” herein). Outstanding bonds as of such date do not include those maturities of the Public Improvement Bonds of 2007, Public Improvement Bonds of 2008 and Public Improvement Bonds of 2009 for the payment of which non-callable direct obligations of the United States were or have been placed in escrow. Outstanding amounts have not been adjusted for discounts or premiums.

Statement of General Obligation Bonded Debt
Issued and Outstanding*
As of June 30, 2017

	Date of Issue	Amount Issued	Amount Outstanding			
			General Fund	Solid Waste Fund	Airport Fund	Total
Public Improvement Bonds.....	May 2007	\$ 16,000,000	\$ 631,333	\$ 128,667	\$ -	\$ 760,000
Public Improvement Bonds.....	June 2008	18,539,530	(1) 868,896	-	-	868,896
Public Improvement and Refunding Bonds..	June 2009	18,371,300	(2) 1,472,577	369,998	-	1,842,575
Public Improvement Series A Bonds.....	May 2010	6,992,993	(3) 2,167,127	857,832	-	3,024,959
Taxable Build America Series B Bonds.....	May 2010	9,711,007	(4) 6,957,113	2,753,894	-	9,711,007
Public Improvement and Refunding Bonds...	May 2010	13,790,000	5,445,148	1,559,852	-	7,005,000
Public Improvement Bonds.....	May 2011	14,170,000	8,813,240	2,591,760	-	11,405,000
Public Improvement Bonds.....	May 2012	12,068,100	(5) 10,240,732	-	-	10,240,732
Refunding Bonds.....	May 2012	7,740,000	3,990,790	21,220	657,990	4,670,000
Public Improvement Bonds.....	May 2013	12,000,000	10,625,000	-	-	10,625,000
Refunding Bonds.....	May 2013	12,540,000	11,332,360	157,640	-	11,490,000
Public Improvement Bonds.....	May 2014	14,000,000	13,050,000	-	-	13,050,000
Public Improvement Bonds.....	May 2015	12,000,000	(6) 11,600,259	-	-	11,600,259
Refunding Bonds.....	May 2015	25,573,470	(7) 19,430,329	1,623,141	-	21,053,470
Public Improvement Bonds.....	May 2016	12,103,000	(8) 12,000,000	103,000	-	12,103,000
Refunding Bonds.....	May 2016	7,317,990	(9) 6,396,940	921,050	-	7,317,990
Public Improvement Bonds.....	May 2017	13,142,000	(10) 12,000,000	1,142,000	-	13,142,000
MWQFA ⁽¹¹⁾ Financing Cell 3.....	Nov 2004	2,498,427	-	1,086,580	-	1,086,580
MWQFA ⁽¹¹⁾ Solid Waste Refinancing.....	Feb 2005	7,248,761	1,554,117	4,269,643	-	5,823,760
MWQFA ⁽¹¹⁾ Resh Road Cap Phase I.....	Dec 2006	5,000,000	2,748,580	-	-	2,748,580
		<u>\$ 240,806,578</u>	<u>\$ 141,324,541</u>	<u>\$ 17,586,277</u>	<u>\$ 657,990</u>	<u>\$ 159,568,808</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 \$19,950,000.

(2) Total issue amount for all County funds was \$22,130,000.

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

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

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

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

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

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

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

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

(11) Maryland Water Quality Financing Administration.

Water and Sewer Bonds

Pursuant to Title 6 of the Code of Public Local Laws of Washington County, as amended (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, 25% of the 40% previous reduction of assessed value, or 10%, is used to calculate the legal debt margin.

The following table sets forth the amount of the County’s water and sewer debt issued and outstanding as of June 30, 2017. 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, 2017**

	<u>Date of Issue</u>	<u>Issued</u>	<u>Outstanding</u>
Series A Bonds	June 1996	\$ 9,606,968	\$ 1,803,083
Public Improvement Bonds	June 2008	1,410,470 ⁽¹⁾	66,105
Public Improvement & Refunding Bonds	June 2009	3,758,700 ⁽²⁾	342,425
Public Improvement Series A Bonds	May 2010	867,007 ⁽³⁾	375,041
Taxable Build America Series B Bonds	May 2010	1,203,993 ⁽⁴⁾	1,203,993
Public Improvement Bonds	May 2012	5,696,900 ⁽⁵⁾	4,834,268
Public Improvement Bonds	May 2015	3,460,000 ⁽⁶⁾	3,344,742
Refunding Bonds	May 2015	821,530 ⁽⁷⁾	821,530
Public Improvement Bonds	May 2016	8,532,000 ⁽⁸⁾	8,532,000
Refunding Bonds	May 2016	2,137,010 ⁽⁹⁾	2,137,010
Public Improvement Bonds	May 2017	638,000 ⁽¹⁰⁾	638,000
MWQFA ⁽¹¹⁾ Loan	Mar 2000	3,620,697	816,200
MWQFA ⁽¹¹⁾ Loan	May 2004	8,091,063	2,636,063
MWQFA ⁽¹¹⁾ Loan	Oct 2006	560,000	293,920
MWQFA ⁽¹¹⁾ Loan	May 2015	2,553,000	2,434,780
		<u>\$ 52,957,338</u>	<u>\$ 30,279,160</u>

Source: Washington County Department of Budget and Finance

- (1) Total issue amount for all County funds was \$19,950,000.
- (2) Total issue amount for all County funds was \$22,130,000.
- (3) Total issue amount for all County funds was \$7,860,000.
- (4) Total issue amount for all County funds was \$10,915,000.
- (5) Total issue amount for all County funds was \$17,765,000.
- (6) Total issue amount for all County funds was \$15,460,000.
- (7) Total issue amount for all County funds was \$26,395,000.
- (8) Total issue amount for all County funds was \$20,635,000.
- (9) Total issue amount for all County funds was \$9,455,000.
- (10) Total issue amount for all County funds was \$13,780,000.
- (11) Maryland Water Quality Financing Administration.

**Water and Sewer Bonded Debt
Schedule of Legal Debt Margin
As of June 30, 2017**

Assessed Value of Property in Washington County	\$12,644,926,000
Debt Limit: % of Assessed Value ⁽¹⁾	10%
Water and Sewer Borrowing Limitation	1,264,493,000
Water and Sewer Debt	31,518,469
Debt Margin	1,232,974,531
Ratio of Water and Sewer Debt to Assessed Value	0.25%

Source: Washington County Department of Budget and Finance

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

Capital Lease Obligations and Other Contracts

The County has entered into several five-year capital lease agreements. The outstanding balance of these obligations as of June 30, 2017 was \$264,010. 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.

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. Commencing with the tax year beginning July 1, 2017, and until TIF bonds are issued with respect to either designated development district, the County may use incremental tax revenues, if any, derived from properties within such development districts for any legal purpose.

Bonded Indebtedness of Incorporated Municipalities

Eight of the nine incorporated municipalities of Washington County have outstanding indebtedness in the aggregate amount of \$89,812,132 as of June 30, 2017. 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, 2017

Towns	Amount
Boonsboro.....	\$ 7,733,503
Clear Spring.....	646,350
Funkstown.....	1,871,829
Hagerstown.....	73,742,526
Hancock.....	1,537,088
Keedysville.....	1,797,855
Smithsburg.....	590,081
Williamsport.....	1,892,900
Total	<u>\$ 89,812,132</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, 2017, 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, 2017
(Excludes this Issue)

Direct Debt - Tax-Supported:	
General Government Debt (1).....	\$ 141,324,541
Direct Debt - Self-Supported:	
Solid Waste	17,586,278
Water and Sewer	30,279,159
Airport	657,990
Total Direct Debt.....	189,847,968
Underlying Debt.....	<u>89,812,132</u>
Overall Bonded Debt.....	<u>\$ 279,660,100</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, 2017
(Excludes this Issue)

Per Capita (Estimated Population 150,292):

Direct Tax-Supported Debt (1).....	\$	940
Overall Bonded Debt.....	\$	1,861

Percentage of Assessed Value of \$12,644,926,000:

Direct Tax-Supported Debt (1).....	1.12%
Overall Bonded Debt.....	2.24%

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	Direct	Estimated	Assessed	Per	Direct Tax-Supported
Ended June 30	Tax-Supported	Population	Value (000)	Capita	Debt as a Percentage
	Debt (000)	Population	Value (000)	Capita	of Assessed Value
2017	\$141,325	150,292	\$12,644,926	\$940	1.06
2016	139,495	149,585	12,467,158	933	1.12
2015	137,325	149,573	12,352,005	918	1.11
2014	135,764	150,460	12,462,103	902	1.09
2013	131,784	150,055	12,822,029	5879	1.03

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, 2017, adjusted to reflect issuance of the Bonds, and the rapidity of repayment for the County’s direct tax-supported debt.

Washington County Schedule of Debt Service
 Requirements on Long-term Obligations*
 As of June 30, 2017

Year Ending June 30	Tax-Supported Debt Service			Self-Supporting Debt Service			Total Debt Service		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 10,033,914	\$ 4,674,537	\$ 14,708,451	\$ 4,393,451	\$ 2,880,679	\$ 7,274,130	\$ 14,427,365	\$ 7,555,216	\$ 21,982,581
2019	9,316,124	4,497,029	13,813,153	4,973,739	2,846,486	7,820,225	14,289,863	7,343,514	21,633,377
2020	9,606,032	4,137,892	13,743,924	4,368,490	2,779,403	7,147,893	13,974,522	6,917,295	20,891,817
2021	10,070,214	3,770,378	13,840,592	3,257,138	1,000,331	4,257,469	13,327,352	4,770,709	18,098,061
2022	9,254,772	3,398,979	12,653,751	3,383,870	912,228	4,296,098	12,638,642	4,311,207	16,949,849
2023	9,220,353	3,053,598	12,273,951	3,552,634	825,254	4,377,888	12,772,987	3,878,851	16,651,838
2024	9,302,841	2,693,940	11,996,781	2,373,085	730,410	3,103,495	11,675,926	3,424,350	15,100,276
2025	9,240,454	2,362,908	11,603,362	2,333,562	645,864	2,979,426	11,574,016	3,008,772	14,582,788
2026	8,775,905	2,043,542	10,819,447	2,296,008	563,145	2,859,153	11,071,913	2,606,687	13,678,600
2027	8,319,761	1,757,310	10,077,071	2,376,315	493,829	2,870,144	10,696,076	2,251,139	12,947,215
2028	8,320,377	1,484,493	9,804,870	2,418,668	425,488	2,844,156	10,739,045	1,909,981	12,649,026
2029	6,268,062	1,248,984	7,517,046	2,197,019	359,228	2,556,247	8,465,081	1,608,212	10,073,293
2030	5,672,563	1,046,134	6,718,697	1,878,559	294,267	2,172,826	7,551,122	1,340,401	8,891,523
2031	5,877,005	851,176	6,728,181	1,940,165	234,623	2,174,788	7,817,170	1,085,799	8,902,969
2032	5,254,242	661,325	5,915,567	1,528,987	180,486	1,709,473	6,783,229	841,811	7,625,040
2033	4,656,317	492,553	5,148,870	1,347,977	136,645	1,484,622	6,004,294	629,198	6,633,492
2034	3,984,009	345,319	4,329,328	996,360	101,986	1,098,346	4,980,369	447,305	5,427,674
2035	3,318,322	217,491	3,535,813	1,028,129	72,222	1,100,351	4,346,451	289,713	4,636,164
2036	2,403,757	117,355	2,521,112	1,058,785	41,381	1,100,166	3,462,542	158,736	3,621,278
2037	1,602,233	51,716	1,653,949	697,768	14,574	712,342	2,300,001	66,290	2,366,291
2038	827,286	13,443	840,729	122,714	1,994	124,708	950,000	15,437	965,437
2039	-	-	-	-	-	-	-	-	-
	<u>\$ 141,324,543</u>	<u>\$ 38,920,102</u>	<u>\$ 180,244,645</u>	<u>\$ 48,523,423</u>	<u>\$ 15,540,523</u>	<u>\$ 64,063,946</u>	<u>\$ 189,847,966</u>	<u>\$ 54,460,624</u>	<u>\$ 244,308,590</u>

Source: Washington County Department of Budget and Finance

* Totals may not foot due to rounding.

Washington County Schedule of Debt Service
 Requirements of Long-term Obligations
 As of June 30, 2017
 Adjusted to Reflect Issuance of the Bonds*

Year Ending June 30	Outstanding Debt Service			Public Improvement Bonds of 2018			Total Debt Service		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 14,427,365	\$ 7,555,216	\$ 21,982,581	\$ -	\$ -	\$ -	\$ 14,427,365	\$ 7,555,216	\$ 21,982,581
2019	14,289,863	7,343,514	21,633,377	-	-	-	14,289,863	7,343,514	21,633,377
2020	13,974,522	6,917,295	20,891,817	-	-	-	13,974,522	6,917,295	20,891,817
2021	13,327,352	4,770,709	18,098,061	-	-	-	13,327,352	4,770,709	18,098,061
2022	12,638,642	4,311,207	16,949,849	-	-	-	12,638,642	4,311,207	16,949,849
2023	12,772,987	3,878,851	16,651,838	-	-	-	12,772,987	3,878,851	16,651,838
2024	11,675,926	3,424,350	15,100,276	-	-	-	11,675,926	3,424,350	15,100,276
2025	11,574,016	3,008,772	14,582,788	-	-	-	11,574,016	3,008,772	14,582,788
2026	11,071,913	2,606,687	13,678,600	-	-	-	11,071,913	2,606,687	13,678,600
2027	10,696,076	2,251,139	12,947,215	-	-	-	10,696,076	2,251,139	12,947,215
2028	10,739,045	1,909,981	12,649,026	-	-	-	10,739,045	1,909,981	12,649,026
2029	8,465,081	1,608,212	10,073,293	-	-	-	8,465,081	1,608,212	10,073,293
2030	7,551,122	1,340,401	8,891,523	-	-	-	7,551,122	1,340,401	8,891,523
2031	7,817,170	1,085,799	8,902,969	-	-	-	7,817,170	1,085,799	8,902,969
2032	6,783,229	841,811	7,625,040	-	-	-	6,783,229	841,811	7,625,040
2033	6,004,294	629,198	6,633,492	-	-	-	6,004,294	629,198	6,633,492
2034	4,980,369	447,305	5,427,674	-	-	-	4,980,369	447,305	5,427,674
2035	4,346,451	289,713	4,636,164	-	-	-	4,346,451	289,713	4,636,164
2036	3,462,542	158,736	3,621,278	-	-	-	3,462,542	158,736	3,621,278
2037	2,300,001	66,290	2,366,291	-	-	-	2,300,001	66,290	2,366,291
2038	950,000	15,437	965,437	-	-	-	950,000	15,437	965,437
2039	-	-	-	-	-	-	-	-	-
	<u>\$ 189,847,966</u>	<u>\$ 54,460,624</u>	<u>\$ 244,308,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,847,966</u>	<u>\$ 54,460,624</u>	<u>\$ 244,308,590</u>

Source: Washington County Department of Budget and Finance

* Totals may not foot due to rounding.

Rapidity of Direct Tax-Supported Debt Principal Payment
June 30, 2017

Number of Years	Before Issuance of Bonds		After Issuance of Bonds	
	Principal Amount	Percent	Principal Amount	Percent
5	\$ 48,281,056	34.16	\$ -	-
10	93,140,370	65.91	-	-
15	124,532,619	88.12	-	-
20	140,497,257	99.41	-	-
25	141,324,543	100.00	-	-

Source: Washington County Department of Budget and Finance

Bond Issuance in Fiscal Year 2018

In addition to the Bonds being issued in fiscal year 2018, on February 28, 2018, the County issued to the Maryland Water Quality Financing Administration (“MWQFA”) (i) its Water Quality Bond, Series 2018A in the original principal amount of \$1,387,245 (the “2018A Bond”) and (ii) its Water Quality Bond, Series 2018B in the original principal amount of \$462,415 (the “2018B Bond”) in order to reimburse costs incurred in connection with ENR upgrades and improvements to the Conococheague Wastewater Treatment Plant. The Series 2018A Bond and the Series 2018B Bond represent loans obtained from MWQFA. The County has pledged its full faith and credit and unlimited taxing power to payment of the Series 2018A Bond and the Series 2018B Bond. The Series 2018A Bond was issued with the expectation that interest thereon will be exempt from gross income for federal income tax purposes, bears interest at the rate of 0.70% per annum and matures on February 1, 2038, with principal installment payments due on February 1 in each of the years 2019 through 2038. There is no scheduled amortization for the Series 2018B Bond and interest on the Series 2018B Bond (to the extent paid as described herein) is includable in gross income for federal income tax purposes. Provided that the County does not default in its obligations under a loan agreement with MWQFA relating to the Series 2018B Bond prior to February 28, 2028, as of February 28, 2028 the Series 2018B Bond will be automatically terminated and cancelled. If the County defaults with respect to the Series 2018B Bond in the 10 year period following issuance, MWQFA may demand immediate repayment of the entire principal amount of such bond, together with interest accrued from the date of demand at the rate of 3.02% per annum.

Anticipated Future Financing

The County currently anticipates issuing additional general obligation bonds for approximately \$13.5 million in fiscal year 2019, \$22.5 million in fiscal year 2020, and \$24.7 million in fiscal year 2021. 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 several litigation matters involving various matters and claims. Most of these are covered by insurance, subject to a deductible. Since 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.

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.

Standard & Poor's Financial Services LLC (S&P Global Ratings) upgraded its rating on the County's outstanding general obligation debt from AA to AA+ on April 1, 2014; notice of such upgrade was not posted on EMMA until April 25, 2014. Except as indicated in the previous sentence (to the extent the same 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 8, 2018, in accordance with the official Notice of Sale (a copy of which is attached as Appendix C). The interest rates shown on the cover page of this Official Statement are the interest rates resulting from the award of the Bonds at the competitive bidding. The prices or yields shown on the cover page of this Official Statement were furnished by _____, the successful bidder for the Bonds. All other information concerning the nature and terms of any re-offering should be obtained from the successful bidder for the Bonds and not from the County.

Legal Matters

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

Independent Auditors

The financial statements as of June 30, 2017, 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.

Financial Advisor

Public Advisory Consultants, Inc., Owings Mills, 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. The Financial Advisor does not engage in the underwriting, selling, or trading of securities.

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: _____
President, Board of County Commissioners



Open Session Item

SUBJECT: Presentation of Draft 3 of the FY2019 General Fund Budget and 2019-2028 Capital Budget

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Sara Greaves, Chief Financial Officer, Kim Edlund, Director of Budget & Finance

RECOMMENDED MOTION: The Office of Budget & Finance would like a consensus to move the budget presented forward to Public Hearing on May 15, 2018.

REPORT-IN-BRIEF: The CFO will discuss changes to the budgets and answer related questions.

DISCUSSION: General discussion by CFO on any project changes included in the Capital 10-Year Plan – Draft 3 from the previously presented version. The General Fund budget will be presented in a similar manner. The CFO would like to move these budgets forward to Public Hearing.

FISCAL IMPACT: The FY2019 General Fund Budget – Draft 3 is \$229,639,310. The Capital Improvement Budget – Draft 3 includes a budget of \$42,958,000 for Fiscal Year 2019.

CONCURRENCES: Not applicable

ALTERNATIVES: Not applicable

ATTACHMENTS: Fiscal Year 2019 Budget Update, General Fund Revenue and Expense Summary; FY2019 10 Year Capital Improvement Plan

AUDIO/VISUAL NEEDS: Not applicable

FISCAL YEAR 2019

Budget Update

April 24, 2018

This budget update is provided to inform upon and address only those items which have been further evaluated since the last budget presentation. The final draft budget will be prepared to address the Washington County Board of County Commissioners (Board) direction for the **formal budget hearing on May 15**.

Regarding the **Board of Education** (BOE), the Board appropriated \$2.2 million more in FY 2018 and \$1.5 million more in FY 2019 than each of the respective prior year operating budgets. The values account for more than 44% of the General Fund of all taxpayer dollars. The Board has held the FY 2019 increase in wage to 1.5% for County staff while the BOE wage increase for the same period will be up to 3.0%. In FY 2018, the Board has already approved \$808,830 in budget transfers for the BOE to direct funds towards security enhancements in capital funding; the proposed budget will provide further capital funding for security enhancements. The proposed budget will also increase capital appropriations to the BOE by \$1.9 million in FY 2019 and by \$1.5 million in FY 2020. Further capital spending increases occur over the next nine years. In addition to local funding, the State has funded the BOE at the following approximate values for operating expenses: FY 2017 \$166 million; FY 2018 \$172 million; FY 2019 \$175 million.

Regarding the **Training Center**, the budget for the Training Center has increased from \$5 million to \$11.5 million without a gymnasium or any similar facilities. A joint site location offered for the consideration of mutual benefit in the draft capital budget has been removed. The Training Center budget will remain at \$11.5 million with no gymnasium or similar facility. Co-location will no longer be considered.

Regarding **enterprise funds**, the water, sewer, and landfill are self-supporting (enterprise) funds. Enterprise funds rely upon user fees to help generate the revenue necessary to provide service. Fees are determined by the cost to provide service. The general fund (tax payer dollars) and grants may serve to support enterprise funds; however, the primary means of sustaining service is typically user fees.

Presented below are three scenarios for both operating and capital expenditures in the FY 2019 draft budget.

Draft 3 Operating (Baseline)

Due to a change in expense directed by the State Department of Taxation and Assessment, \$485,680 is available in the FY 2019 Proposed Budget. The distribution of the available funds is provided below:

Budget reduction due to recent State cost update	(485,680)
Pre-K; two new Teachers and two new Assistants	230,000
County department reviews resulting from study	150,000
EMS Hancock and CRS Rescue Squad funding addition	50,000
County Rental income correction due to prior error	15,710
County Systemic Facilities (Dwyer, MLK)	33,970
VFRA funding addition	6,000

Draft 4A Operating

In addition to the increase of \$230,000 in Baseline budget, **to increase BOE funding by \$500,000 in total**, while meeting all other budget commitments, the following reductions of 31% will be required of various other budgets.

	Total	31% of Total
OT previously approved for Judicial	(48,670)	(15,088)
OT previously approved for Sheriff	(16,950)	(5,255)
Public Safety personnel Replacement Plan	(183,368)	(56,844)
Note - Will be offset somewhat with OT increases		-
Cadet Program	(48,500)	(15,035)
VFRA adjustment to allocation	(6,000)	(1,860)
HWY appropriation for Snow Removal	(90,000)	(27,900)
Roof and Electrical projects	(34,000)	(10,540)
Animal Control	(60,000)	(18,600)
HCC	(292,290)	(90,610)
Library	(92,680)	(28,731)
Total	(872,458)	(270,462)

Draft 4B Operating

In addition to the increase of \$230,000 in Baseline budget, **to increase BOE funding to \$1,000,000 in total**, while meeting all other budget commitments, the following reductions of 88% will be required of various other budgets.

	Total	88% of Total
OT previously approved for Judicial	(48,670)	(42,830)
OT previously approved for Sheriff	(16,950)	(14,916)
Public Safety personnel Replacement Plan	(183,368)	(161,364)
Note - Will be offset somewhat with OT increases		-
Cadet Program	(48,500)	(42,680)
VFRA adjustment to allocation	(6,000)	(5,280)
HWY appropriation for Snow Removal	(90,000)	(79,200)
Roof and Electrical projects	(34,000)	(29,920)
Animal Control	(60,000)	(52,800)
HCC	(292,290)	(257,215)
Library	(92,680)	(81,558)
Total	(872,458)	(767,763)

Draft 3 CAPITAL (Baseline)

Due to savings in miscellaneous capital projects administered by the County, funds are available to provide to the Board of Education for safety enhancements in Washington County Public Schools (WCPS). The minimum distribution of funds available immediately is provided below. The funds may be used to match state funding, reportedly to become available. In addition, consideration joint site location has been eliminated.

Savings from miscellaneous projects available immediately	(204,000)
Increase funding to address local match for State funding	204,000

Draft 4A CAPITAL

To provide additional funding for WCPS vestibule improvements and wall construction in open classroom schools, savings in the capital budget may be reallocated to BOE – Capital Maintenance Project. Every effort would be made to coordinate County funding schedule with BOE funding need. The values below are in addition to the baseline, draft 3.

County CIP Savings distributed FY19-21	(1,000,000)
BOE – Capital Maintenance increase FY19-21	1,000,000

Draft 4B CAPITAL

To provide additional funding for WCPS vestibule improvements and wall construction in open classroom schools, various projects in the capital budget may be reduced and funds reallocated to BOE – Capital Maintenance Project. Every effort would be made to coordinate County funding schedule with BOE funding need. The values below are in addition to the baseline, draft 3.

County CIP Savings FY19-21	(1,000,000)
Multi-Purpose Facility reduction FY20-22	(250,000)
Pavement Maintenance and Rehab reduction FY20-22	(250,000)
BOE – Capital Maintenance increase FY19-22	2,500,000

**Washington County, Maryland
General Fund Revenues - Draft #3
FY 2019**

Page Ref	Account Number	Funding Source	FY2019 Proposed Budget	\$ Change	% Change	FY2018 Original Budget
<u>General Revenues</u>						
<u>Property Tax</u>						
4-1	400000	Real Estate Tax	113,679,470	2,642,300	2.38%	111,037,170
4-1	400120	Corporate Personal Property - Current	14,057,110	299,570	2.18%	13,757,540
4-1	400140	State Administration Fees	(580,000)	0	0.00%	(580,000)
4-1	400200	Interest on Property Tax	370,000	(30,000)	-7.50%	400,000
4-1	400210	Interest - Prior Year	15,000	(15,000)	-50.00%	30,000
4-1	400220	County Payment In Lieu of Tax	288,210	(16,750)	-5.49%	304,960
4-1	400230	Enterprise Zone Tax Reimbursement	223,930	(49,560)	-18.12%	273,490
4-1	400250	Service Charge Semi-Annual Tax	30,000	0	0.00%	30,000
4-1	400260	Property Tax Sales	60,000	0	0.00%	60,000
4-1	400300	Enterprise Zone Tax Credit	(447,860)	99,110	-18.12%	(546,970)
4-1	400320	County Homeowners Tax Credit	(230,000)	20,000	-8.00%	(250,000)
4-1	400330	Agricultural Tax Credit	(390,000)	(10,000)	2.63%	(380,000)
4-1	400340	Historical Tax Credit	(1,000)	0	0.00%	(1,000)
4-1	400345	Other Tax Credits	(82,450)	(28,830)	53.77%	(53,620)
4-1	400355	Disabled Veteran's Credit	(240,000)	(60,000)	33.33%	(180,000)
4-1	400400	Discount Allowed on Property Tax	(325,000)	(5,000)	1.56%	(320,000)
4-1	496020	Federal Payment in Lieu of Taxes	20,840	0	0.00%	20,840
			126,448,250	2,845,840	2.30%	123,602,410
<u>Local Tax</u>						
4-15	400500	Income Tax	84,000,000	2,000,000	2.44%	82,000,000
4-15	400510	Admissions & Amusements Tax	255,000	(25,000)	-8.93%	280,000
4-15	400520	Recordation Tax	6,500,000	500,000	8.33%	6,000,000
4-15	400530	Trailer Tax	550,000	25,000	4.76%	525,000
			91,305,000	2,500,000	2.82%	88,805,000
<u>Interest</u>						
4-22	404400	Interest - Investments	650,000	250,000	62.50%	400,000
4-22	404410	Interest - Municipal Investment	30,000	5,000	20.00%	25,000
4-22	404420	Interest, Penalties & Fees	12,400	12,400	100.00%	0
			692,400	267,400	62.92%	425,000
Total General Revenues			218,445,650	5,613,240	2.64%	212,832,410

Program Revenues

Charges for Services - Other

<u>Circuit Court</u>						
4-24	486070	Reimbursed Expenses - Circuit Court	8,420	0	0.00%	8,420
4-24	486075	Circuit Court - Jurors	75,000	0	0.00%	75,000
			83,420	0	0.00%	83,420
<u>State's Attorney</u>						
4-24	486000	Reimbursed Expenses - State's Attorney	30,000	(25,000)	-45.45%	55,000
<u>Purchasing</u>						
4-24	490020	Sale of Publications	0	(1,500)	-100.00%	1,500
<u>Information Technology</u>						
4-24	403055	Other Planning Fees (GIS Plots)	100	0	0.00%	100
			100	0	0.00%	100

**Washington County, Maryland
General Fund Revenues - Draft #3
FY 2019**

Page Ref	Account Number	Funding Source	FY2019 Proposed Budget	\$ Change	% Change	FY2018 Original Budget
<u>Weed Control</u>						
4-24	403120	Weed Control Fees	215,960	9,970	4.84%	205,990
<u>General</u>						
4-24	403135	Sheriff Auxiliary	10,000	0	0.00%	10,000
4-24	404510	Rental - Building	82,410	(840)	-1.01%	83,250
4-24	485000	Reimburse Administrative	6,500	(1,000)	-13.33%	7,500
4-24	490000	Miscellaneous	151,490	1,490	0.99%	150,000
4-24	490010	Gain or Loss on Sale of Asset	50,000	25,000	100.00%	25,000
4-24	490080	Bad Check Fee	500	0	0.00%	500
			300,900	24,650	8.92%	276,250
<u>Plan Review and Permitting</u>						
4-28	401040	Miscellaneous Licenses	700	0	0.00%	700
4-28	401070	Building Permits - Residential	165,000	10,000	6.45%	155,000
4-28	401080	Building Permits - Commercial	120,000	10,000	9.09%	110,000
4-28	401085	Municipal Fees	5,000	(11,000)	-68.75%	16,000
4-28	401090	Electrical Licenses Fees	11,000	(77,000)	-87.50%	88,000
4-28	401100	Electrical Permit - Residential	225,000	(25,000)	-10.00%	250,000
4-28	401110	Electrical Permit - Commercial	130,000	0	0.00%	130,000
4-28	401115	HVAC Registration Fees	3,000	(15,000)	-83.33%	18,000
4-28	401120	HVAC Permit - Residential	95,000	(10,000)	-9.52%	105,000
4-28	401130	HVAC Permit - Commercial	47,000	0	0.00%	47,000
4-28	401140	Other Permit Fees	42,000	0	0.00%	42,000
4-28	401160	Plumbing Licenses Fees	6,000	(20,000)	-76.92%	26,000
4-28	401170	Plumbing Permits - Residential	110,000	0	0.00%	110,000
4-28	401180	Plumbing Permits - Commercial	42,000	0	0.00%	42,000
4-28	402020	Fines and Fofeitures	300	0	0.00%	300
4-28	403035	Technology Fees	50,000	5,000	11.11%	45,000
4-28	403045	Review Fees	170,000	20,000	13.33%	150,000
4-28	440110	Drawings/Blue Line Prints	400	0	0.00%	400
4-28	486045	Reimbursed Expense - Other	20,000	0	0.00%	20,000
			1,242,400	(113,000)	-8.34%	1,355,400
<u>Engineering</u>						
4-28	440110	Drawings/Blue Line Prints	3,000	0	0.00%	3,000
4-28	486010	Reimbursed Expenses - Engineering	0	0	0.00%	0
			3,000	0	0.00%	3,000
<u>Construction</u>						
4-29	401140	Other Permit Fees	500	0	0.00%	500
4-29	402020	Fines & Forfeitures	500	0	0.00%	500
4-29	403045	Review Fees	7,000	0	0.00%	7,000
4-29	403055	Other Planning Fees	250	0	0.00%	250
			8,250	0	0.00%	8,250

Washington County, Maryland
General Fund Revenues - Draft #3
FY 2019

Page Ref	Account Number	Funding Source	FY2019 Proposed Budget	\$ Change	% Change	FY2018 Original Budget
<u>Planning and Zoning</u>						
4-31	403040	Rezoning	7,000	0	0.00%	7,000
4-31	403050	Development Fees	500	0	0.00%	500
4-31	403055	Other Planning Fees	400	0	0.00%	400
4-31	403030	Zoning Appeals	16,000	0	0.00%	16,000
			23,900	0	0.00%	23,900
<u>Sheriff - Judicial</u>						
4-32	402010	Peace Order Service	7,000	0	0.00%	7,000
4-32	403010	Sheriff Fees - Judicial	52,000	0	0.00%	52,000
			59,000	0	0.00%	59,000
<u>Sheriff - Process Servers</u>						
4-32	402010	Peace Order Service	214,000	0	0.00%	214,000
<u>Sheriff - Patrol</u>						
4-32	402000	Parking Violations	600	0	0.00%	600
4-32	402040	School Bus Camera Fines	20,000	0	0.00%	20,000
4-32	486020	Reimbursed Expenses - Patrol	185,000	45,000	32.14%	140,000
4-32	490020	Sale of Publications	6,500	0	0.00%	6,500
		Speed Cameras	4,840,000	2,440,000	101.67%	2,400,000
			5,052,100	2,485,000	96.80%	2,567,100
<u>Sheriff - Central Booking</u>						
4-32	404510	Rental Income	15,720	0	0.00%	15,720
<u>Sheriff - Detention Center</u>						
4-32	403080	Housing Federal Prisoners	240	0	0.00%	240
4-32	403090	Housing State Prisoners	246,060	21,060	9.36%	225,000
4-32	403100	Home Detention Fees	15,000	(30,960)	-67.36%	45,960
4-32	403110	Prisoners Release Program Fees	15,000	(14,000)	-48.28%	29,000
4-32	486050	Reimbursed Expenses - Detention	2,370	(4,630)	-66.14%	7,000
4-32	486055	Alien Inmate Reimbursement	15,000	0	0.00%	15,000
4-32	486060	Social Security Income Reimbursement	20,000	9,500	90.48%	10,500
			313,670	(19,030)	-5.72%	332,700
<u>Sheriff - Day Reporting Center</u>						
4-32	403075	Day Reporting Fees	20,160	(25,200)	-55.56%	45,360
<u>Narcotics Task Force</u>						
4-32	486030	Reimbursed Expenses - NTF	345,850	7,130	2.10%	338,720
<u>Emergency Services</u>						
4-33	403060	False Alarm Fines	25,000	(35,000)	-58.33%	60,000
4-33	486040	Reimbursed Expenses - Emergency Management	405,630	0	0.00%	405,630
4-33	403070	EMCS Salary Reimbursement	15,600	0	0.00%	15,600
			446,230	(35,000)	-7.27%	481,230
<u>Wireless Communications</u>						
4-33	404520	Rental - Other	42,400	18,170	74.99%	24,230

Washington County, Maryland
General Fund Revenues - Draft #3
FY 2019

Page Ref	Account Number	Funding Source	FY2019 Proposed Budget	\$ Change	% Change	FY2018 Original Budget
<u>Parks</u>						
4-36	404000	Sale of Wood	6,000	0	0.00%	6,000
4-36	404010	Rental Fees	40,000	(5,000)	-11.11%	45,000
4-36	404020	Ballfield Fees	10,800	0	0.00%	10,800
4-36	404030	Ballfield Lighting Fee	3,000	0	0.00%	3,000
4-36	404040	Concession Fee	5,000	500	11.11%	4,500
4-36	404300	Program Fees	9,000	0	0.00%	9,000
4-36	490060	Contribution from Residents	1,000	0	0.00%	1,000
4-36	499420	Fuel	1,500	0	0.00%	1,500
			76,300	(4,500)	-5.57%	80,800
<u>Martin L. Snook Pool</u>						
4-36	404100	Swimming Pool Fees	57,000	0	0.00%	57,000
4-36	404110	Swimming Pool - Concession Fee	15,000	0	0.00%	15,000
			72,000	0	0.00%	72,000
<u>Fitness and Recreation</u>						
4-36	404300	Program Fees	320,000	(16,750)	-4.97%	336,750
Total Charges for Services			8,885,360	2,304,940	35.03%	6,580,420
<u>Grants</u>						
4-38	495000	Operating Grant - Law Enforcement	455,000	15,000	3.41%	440,000
4-38	496110	State Aid - Police Protection	691,800	11,070	1.63%	680,730
4-38	496120	911 Fees	850,000	0	0.00%	850,000
4-38	401190	Marriage Licenses	55,000	0	0.00%	55,000
4-38	401200	Alcoholic Beverages License	5,000	0	0.00%	5,000
4-38	401210	Trader's License	210,000	10,000	5.00%	200,000
4-38	402020	Fines & Forfeitures	30,000	(20,000)	-40.00%	50,000
4-38	403130	Marriage Ceremony Fees	4,000	0	0.00%	4,000
4-38	495100	Operating - Federal Grants	7,500	0	0.00%	7,500
Total Grants for Operations			2,308,300	16,070	0.70%	2,292,230
Total Program Revenues			11,193,660	2,321,010	26.16%	8,872,650
Total General Fund Proposed Revenue			229,639,310	7,934,250	3.58%	221,705,060

Washington County, Maryland
General Fund Expenditures - Draft #3
FY 2019

Page	Cost Center	Department/Agency	FY 2019 Requested Budget	Adjustment	FY 2019 Proposed Budget	\$ Change	% Change	FY 2018 Original Budget
<u>Education:</u>								
<u>Direct Primary:</u>								
5-1	90000	Board of Education	99,353,010	(822,250)	98,530,760	1,477,350	1.52%	97,053,410
			99,353,010	(822,250)	98,530,760	1,477,350	1.52%	97,053,410
<u>Secondary:</u>								
5-2	90040	Hagerstown Community College	10,132,720	(97,430)	10,035,290	292,290	3.00%	9,743,000
<u>Other:</u>								
5-7	93400	Free Library	3,201,850	(19,840)	3,182,010	92,680	3.00%	3,089,330
5-9	10990	Clear Spring Library Building	12,000		12,000	0	0.00%	12,000
5-14	10991	Smithsburg Library Building	12,000		12,000	0	0.00%	12,000
5-15	10992	Boonsboro Library Building	12,000		12,000	0	0.00%	12,000
			3,237,850	(19,840)	3,218,010	92,680	2.97%	3,125,330
Total Education			112,723,580	(939,520)	111,784,060	1,862,320	1.69%	109,921,740
<u>Law Enforcement:</u>								
5-17	11300	Sheriff - Judicial	2,768,290	(2,430)	2,765,860	228,890	9.02%	2,536,970
5-23	11305	Sheriff - Process Servers	155,810	0	155,810	11,920	8.28%	143,890
5-27	11310	Sheriff - Patrol	12,245,280	(275,130)	11,970,150	1,716,900	16.74%	10,253,250
5-55	11315	Sheriff - Central Booking	942,740	(28,990)	913,750	(26,610)	-2.83%	940,360
5-64	11320	Sheriff - Detention Center	14,596,780	(10,500)	14,586,280	411,190	2.90%	14,175,090
5-82	11321	Sheriff - Day Reporting Center	552,760	(2,000)	550,760	3,730	0.68%	547,030
5-98	11330	Sheriff - Narcotics Task Force	807,190	0	807,190	55,240	7.35%	751,950
			32,068,850	(319,050)	31,749,800	2,401,260	8.18%	29,348,540
<u>Emergency Services:</u>								
5-106	93110	Civil Air Patrol	3,600		3,600	0	0.00%	3,600
5-107	11420	Air Unit	44,430	(6,000)	38,430	10,210	36.18%	28,220
5-112	11430	Special Operations	104,920	(26,000)	78,920	(395,610)	-83.37%	474,530
5-118	93130	Fire & Rescue Volunteer Services	7,176,870	(20,190)	7,156,680	270,100	3.92%	6,886,580
5-139	11440	911 - Communications	5,205,770	(362,660)	4,843,110	174,540	3.74%	4,668,570
5-149	11520	EMS Operations	1,751,930	(284,960)	1,466,970	49,990	3.53%	1,416,980
5-170	11525	Fire Operations	1,497,110	(132,930)	1,364,180	1,131,130	485.36%	233,050
5-177	11530	Emergency Management	317,380	(58,570)	258,810	75,820	41.43%	182,990
5-188	11540	Wireless Communications	1,390,660	(32,500)	1,358,160	136,560	11.18%	1,221,600
			17,492,670	(923,810)	16,568,860	1,452,740	9.61%	15,116,120
<u>Other:</u>								
5-194	93100	Animal Control Services - Humane Society	1,401,600		1,401,600	60,000	4.47%	1,341,600
Total Public Safety			50,963,120	(1,242,860)	49,720,260	3,914,000	8.54%	45,806,260

Washington County, Maryland
General Fund Expenditures - Draft #3
FY 2019

Page	Cost Center	Department/Agency	FY 2019 Requested Budget	Adjustment	FY 2019 Proposed Budget	\$ Change	% Change	FY 2018 Original Budget
<u>Operating/Capital Transfer</u>								
<u>Operating:</u>								
5-199	91020	Highway	9,338,450	(466,270)	8,872,180	721,070	8.85%	8,151,110
5-201	91021	Solid Waste	1,745,710	(784,010)	961,700	488,070	103.05%	473,630
5-203	91023	Agricultural Education Center	197,720		197,720	13,780	7.49%	183,940
5-205	91024	Grant Management	245,060		245,060	(71,160)	-22.50%	316,220
5-207	91028	Land Preservation	113,180		113,180	(23,370)	-17.11%	136,550
5-209	91029	HEPMPO	7,710	380	8,090	140	1.76%	7,950
5-210	91040	Utility Administration	201,950		201,950	0	0.00%	201,950
5-211	91044	Transit	484,470		484,470	0	0.00%	484,470
5-212	91045	Airport	14,500		14,500	0	0.00%	14,500
5-213	91046	Golf Course	309,970		309,970	(9,050)	-2.84%	319,020
5-215	92010	Municipality in Lieu of Bank Shares	38,550		38,550	0	0.00%	38,550
			12,697,270	(1,249,900)	11,447,370	1,119,480	10.84%	10,327,890
<u>Capital:</u>								
5-216	91230	Capital Improvement Fund	5,610,000	(569,000)	5,041,000	41,000	0.82%	5,000,000
5-218	12700	Debt Service	15,099,890	(783,910)	14,315,980	(888,590)	-5.84%	15,204,570
			20,709,890	(1,352,910)	19,356,980	(847,590)	-4.20%	20,204,570
Total Operating/Capital Transfers			33,407,160	(2,602,810)	30,804,350	271,890	0.89%	30,532,460
<u>Other Government Programs:</u>								
<u>Courts:</u>								
5-220	10200	Circuit Court	1,620,960		1,620,960	61,260	3.93%	1,559,700
5-225	10210	Orphans Court	30,920		30,920	0	0.00%	30,920
5-227	10220	State's Attorney	3,560,920		3,560,920	109,130	3.16%	3,451,790
			5,212,800	0	5,212,800	170,390	3.38%	5,042,410
<u>State:</u>								
5-231	94000	Health Department	2,339,270		2,339,270	0	0.00%	2,339,270
5-238	94010	Social Services	435,560		435,560	11,170	2.63%	424,390
5-253	94020	University of MD Extension	240,820		240,820	3,790	1.60%	237,030
5-258	94030	County Cooperative Extension	38,730		38,730	0	0.00%	38,730
5-262	10400	Election Board	1,272,770	(87,290)	1,185,480	39,490	3.45%	1,145,990
5-279	12300	Soil Conservation	218,180		218,180	12,140	5.89%	206,040
5-286	12400	Weed Control	215,960		215,960	15,920	7.96%	200,040
5-288	12410	Gypsy Moth Program	10,000		10,000	0	0.00%	10,000
			4,771,290	(87,290)	4,684,000	82,510	1.79%	4,601,490
<u>Community Funding:</u>								
5-289	93000	Community Funding	1,700,000		1,700,000	(26,100)	-1.51%	1,726,100

Washington County, Maryland
General Fund Expenditures - Draft #3
FY 2019

Page	Cost Center	Department/Agency	FY 2019 Requested Budget	Adjustment	FY 2019 Proposed Budget	\$ Change	% Change	FY 2018 Original Budget
<u>General Operations:</u>								
5-292	10100	County Commissioners	325,340		325,340	40,910	14.38%	284,430
5-295	10110	County Clerk	117,040		117,040	12,670	12.14%	104,370
5-298	10300	County Administrator	479,410		479,410	4,910	1.03%	474,500
5-302	10310	Public Relations and Marketing	463,890	(2,900)	460,990	38,360	9.08%	422,630
5-308	10500	Budget & Finance	1,438,320	18,850	1,457,170	21,870	1.52%	1,435,300
5-313	10510	Independent Accounting & Auditing	70,000		70,000	0	0.00%	70,000
5-314	10520	Purchasing	512,020	(2,210)	509,810	(24,270)	-4.54%	534,080
5-318	10530	Treasurer	483,770		483,770	22,950	4.98%	460,820
5-320	10600	County Attorney	789,800		789,800	68,380	9.48%	721,420
5-323	10700	Human Resources	842,920		842,920	83,880	11.05%	759,040
5-328	10970	Central Services	210,340	(72,110)	138,230	(13,670)	-9.00%	151,900
5-337	11000	Information Technology	2,516,080	(20,000)	2,496,080	92,210	3.84%	2,403,870
5-340	11200	General Operations	4,260,300	1,561,400	5,821,700	1,013,600	21.08%	4,808,100
			12,509,230	1,483,030	13,992,260	1,361,800	10.78%	12,630,460
<u>Other:</u>								
5-343	11100	Women's Commission	2,000	0	2,000	0	0.00%	2,000
5-344	11140	Diversity and Inclusion Committee	2,000		2,000	2,000	100.00%	0
			4,000	0	4,000	2,000	0	2,000
<u>Medical:</u>								
5-346	11550	Medical Examiner	20,000	0	20,000	0	0.00%	20,000
<u>Public Works:</u>								
5-347	11600	Public Works	252,940	(2,550)	250,390	9,420	3.91%	240,970
<u>Engineering and Construction:</u>								
5-352	11620	Engineering	2,148,380		2,148,380	9,770	0.46%	2,138,610
5-358	11630	Construction	1,946,670	(59,310)	1,887,360	9,160	0.49%	1,878,200
			4,095,050	(59,310)	4,035,740	18,930	0.47%	4,016,810
<u>Plan Review & Permitting</u>								
5-367	11610	Plan Review & Permitting	1,480,780	(880)	1,479,900	(5,080)	-0.34%	1,484,980
<u>Planning and Zoning:</u>								
5-373	10800	Planning and Zoning	763,660		763,660	37,830	5.21%	725,830
5-378	10810	Board of Zoning Appeals	58,440		58,440	5,000	9.36%	53,440
			822,100	0	822,100	42,830	5.50%	779,270

Washington County, Maryland
General Fund Expenditures - Draft #3
FY 2019

Page	Cost Center	Department/Agency	FY 2019 Requested Budget	Adjustment	FY 2019 Proposed Budget	\$ Change	% Change	FY 2018 Original Budget
<u>Parks and Recreation:</u>								
5-380	11900	Parks	2,175,650	(265,040)	1,910,610	102,010	5.64%	1,808,600
5-392	12000	Martin L. Snook Pool	148,290		148,290	15,190	11.41%	133,100
5-395	12200	Fitness and Recreation	977,250	(6,000)	971,250	63,300	6.97%	907,950
			3,301,190	(271,040)	3,030,150	180,500	6.33%	2,849,650
<u>Facilities:</u>								
5-399	10900	Martin Luther King Building	112,710	(30,900)	81,810	1,410	1.75%	80,400
5-402	10910	Administration Building	185,920		185,920	2,320	1.26%	183,600
5-404	10915	Administration Building II	127,730	(3,050)	124,680	19,330	18.35%	105,350
5-406	10930	Court House	645,800	(1,600)	644,200	40,950	6.79%	603,250
5-410	10940	County Office Building	234,170	(39,490)	194,680	(630)	-0.32%	195,310
5-413	10950	Administration Annex	55,110	(1,510)	53,600	(370)	-0.69%	53,970
5-415	10960	Dwyer Center	48,310	(18,000)	30,310	610	2.05%	29,700
5-418	10980	Rental Properties	6,000		6,000	4,000	200.00%	2,000
5-420	11325	Public Facilities Annex	72,270	(5,350)	66,920	13,720	25.79%	53,200
			1,488,020	(99,900)	1,388,120	81,340	6.22%	1,306,780
<u>Business Development:</u>								
5-422	12500	Business Development	711,180		711,180	(32,500)	-4.37%	743,680
Total Other Government Programs			36,368,580	962,060	37,330,640	1,886,040	5.32%	35,444,600
Total Proposed Expenditures			233,462,440	(3,823,130)	229,639,310	7,934,250	3.58%	221,705,060

Washington County, Maryland
Capital Improvement 10yr Detail - Draft 3
Fiscal Year 2019 - 2028

	Total	Prior Appr.	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<u>Airport</u>												
Passenger Terminal Hold Room Expansion	2,425,000	814,000	882,000	729,000	0	0	0	0	0	0	0	0
Air Traffic Control Tower Replacement	256,000	219,000	0	37,000	0	0	0	0	0	0	0	0
T-Hangar 1,2, & 3 Replacement	405,000	72,000	31,000	32,000	32,000	33,000	28,000	34,000	35,000	35,000	36,000	37,000
Airport Roof Replacement Project	372,000	82,000	22,000	43,000	15,000	15,000	45,000	35,000	55,000	25,000	15,000	20,000
Airport Security System	1,114,000	491,000	130,000	145,000	98,000	100,000	150,000	0	0	0	0	0
Capital Equipment - Airport	3,706,059	1,316,059	250,000	0	20,000	180,000	290,000	120,000	290,000	30,000	900,000	310,000
Land Acquisition-Airport	6,675,000	2,507,000	0	0	0	0	0	1,140,000	1,228,000	590,000	600,000	610,000
Environmental Assessment	1,835,000	835,000	0	0	0	0	1,000,000	0	0	0	0	0
Proposed Taxiway S	1,180,000	0	0	0	0	0	0	0	0	1,180,000	0	0
Runway 9/27 Rehabilitation	6,000,000	0	500,000	2,500,000	3,000,000	0	0	0	0	0	0	0
Runway 9 MALSR	244,000	0	0	0	0	0	0	0	0	0	0	244,000
Snow Removal Equipment Storage Building Expansion	1,950,000	0	0	0	0	0	250,000	1,700,000	0	0	0	0
Taxiway B and H Rehabilitation	2,900,000	0	0	0	250,000	1,650,000	1,000,000	0	0	0	0	0
Taxiway G Rehabilitation	1,920,000	0	0	0	0	0	0	0	0	0	1,920,000	0
Taxiway T Construction	915,000	0	0	159,000	756,000	0	0	0	0	0	0	0
Airport	31,897,059	6,336,059	1,815,000	3,645,000	4,171,000	1,978,000	2,763,000	3,029,000	1,608,000	1,860,000	3,471,000	1,221,000
<u>Bridges</u>												
Inspection and Inventory	727,000	170,000	0	165,000	0	22,000	0	171,000	0	24,000	0	175,000
Old Roxbury Road W5372	3,144,077	2,068,077	546,000	530,000	0	0	0	0	0	0	0	0
Spur Road Culvert 07/16	412,000	287,000	125,000	0	0	0	0	0	0	0	0	0
Mousetown Road Culvert 06/02	376,300	251,300	125,000	0	0	0	0	0	0	0	0	0
Bridge Scour Repairs	528,000	296,000	0	0	0	0	0	0	232,000	0	0	0
Halfway Blvd Bridges W0912	2,112,000	115,000	0	1,007,000	990,000	0	0	0	0	0	0	0
Appletown Road Bridge W2184	479,000	0	0	0	0	0	0	0	0	0	479,000	0
Ashton Road Culvert 04/06	399,000	0	0	0	0	0	0	0	0	0	30,000	369,000
Back Road Culvert 11/03	295,000	0	0	0	0	32,000	263,000	0	0	0	0	0
Bowie Road Culvert	305,000	0	0	0	0	0	0	0	35,000	270,000	0	0
Broadfording Road Culvert 04/03	30,000	0	0	0	0	0	0	0	0	0	0	30,000
Burnside Bridge Road Culvert 01/03	329,000	0	0	0	0	0	114,000	215,000	0	0	0	0
Draper Road Culvert 04/07	36,000	0	0	0	0	0	0	0	0	0	0	36,000
Draper Road Culvert 04/08	36,000	0	0	0	0	0	0	0	0	0	0	36,000
Frog Eye Road Culvert 11/06	652,000	0	0	0	0	266,000	386,000	0	0	0	0	0
Greenspring Furnace Road Culvert 15/15	398,000	0	0	0	87,000	311,000	0	0	0	0	0	0
Gruber Road Bridge 04/10	10,000	0	0	0	0	0	0	0	0	0	0	10,000
Harpers Ferry Road Culvert 11/02	541,000	0	0	0	0	0	33,000	508,000	0	0	0	0
Henline Road Culvert 05/05	465,000	0	0	0	0	0	0	34,000	431,000	0	0	0
Hoffman's Inn Road Culvert 05/06	313,000	0	0	0	0	0	0	165,000	148,000	0	0	0
Keefer Road Bridge 15/20	231,000	0	85,000	146,000	0	0	0	0	0	0	0	0
Kretsinger Road Culvert 14/01	316,000	0	0	31,000	285,000	0	0	0	0	0	0	0
Lanes Road Culvert 15/12	317,000	0	0	32,000	285,000	0	0	0	0	0	0	0
Long Hollow Road Culvert 05/07	316,000	0	0	0	0	0	0	66,000	250,000	0	0	0
Mercersburg Road Culvert 04/16	384,000	0	0	0	0	0	0	0	0	0	16,000	368,000
Mooresville Road Culvert 15/21	355,000	0	0	0	0	0	0	0	0	355,000	0	0

Washington County, Maryland
 Capital Improvement 10yr Detail - Draft 3
 Fiscal Year 2019 - 2028

	Total	Prior Appr.	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Remsburg Road Culvert	287,000	0	0	0	0	0	0	0	189,000	98,000	0	0
Rinehart Road Culvert 14/03	332,000	0	0	31,000	301,000	0	0	0	0	0	0	0
Slabtown Road Bridge	3,800,000	0	0	0	200,000	1,000,000	2,600,000	0	0	0	0	0
Stone Masonry Bridge Repairs	270,000	0	0	0	0	0	0	0	0	0	270,000	0
Taylors Landing Road Bridge W7101	1,179,000	0	0	0	0	0	0	0	35,000	510,000	634,000	0
Willow Road Culvert 05/10	323,000	0	0	0	0	0	0	0	151,000	172,000	0	0
Yarrowsburg Road Bridge W6191	124,000	0	0	0	0	0	0	0	0	0	124,000	0
Bridges Total	19,821,377	3,187,377	881,000	1,942,000	2,148,000	1,631,000	3,396,000	1,159,000	1,471,000	1,429,000	1,553,000	1,024,000
<u>Drainage</u>												
Stream Restoration Various Locations	2,142,000	647,000	0	42,000	426,000	0	45,000	456,000	0	46,000	480,000	0
Stormwater Retrofits	11,530,000	2,404,000	654,000	894,000	586,000	1,084,000	945,000	962,000	979,000	996,000	1,013,000	1,013,000
Hoffmaster and Harpers Ferry Rd	870,000	428,000	442,000	0	0	0	0	0	0	0	0	0
Broadfording Church Road Culvert	231,000	0	0	0	231,000	0	0	0	0	0	0	0
Chestnut Grove Road Drainage	84,000	0	0	84,000	0	0	0	0	0	0	0	0
Draper Road Drainage Improvements	584,000	0	0	0	0	0	0	0	334,000	250,000	0	0
Harpers Ferry Road Drainage, 3600 Block	376,000	0	0	0	75,000	301,000	0	0	0	0	0	0
Shank Road Drainage	153,000	0	0	0	153,000	0	0	0	0	0	0	0
Trego Mountain Road Drainage	315,000	0	0	0	0	0	0	0	0	0	0	315,000
University Road Culvert	203,000	0	0	0	0	0	203,000	0	0	0	0	0
Drainage Total	16,488,000	3,479,000	1,096,000	1,020,000	1,471,000	1,385,000	1,193,000	1,418,000	1,313,000	1,292,000	1,493,000	1,328,000
<u>Education</u>												
Board of Education												
Capital Maintenance - BOE	17,204,000	1,500,000	2,204,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Sharpsburg Elem School Replacement	26,786,000	645,000	10,076,000	10,076,000	5,989,000	0	0	0	0	0	0	0
Springfield Middle School Modernization	31,157,000	0	0	0	0	0	0	0	0	10,561,000	10,526,000	10,070,000
Urban Education Campus-BOE Component	22,144,000	4,000,000	6,386,000	6,462,000	5,296,000	0	0	0	0	0	0	0
Western Heights Middle School Modernization	39,038,000	0	0	0	0	9,129,000	9,963,000	10,141,000	9,805,000	0	0	0
Board of Education	136,329,000	6,145,000	18,666,000	18,038,000	12,785,000	10,629,000	11,463,000	11,641,000	11,305,000	12,061,000	12,026,000	11,570,000
Hagerstown Community College												
Learning Resource Center Renovations	3,221,000	2,275,000	946,000	0	0	0	0	0	0	0	0	0
Student Center Parking Lot	696,000	35,000	448,000	213,000	0	0	0	0	0	0	0	0
Aquisition of Warehousing Instructional Facility	2,000,000	0	0	0	0	2,000,000	0	0	0	0	0	0
Campus Road & Parking Lot Overlays	2,000,000	0	0	0	0	0	0	0	0	0	0	2,000,000
Campus Road Project	150,000	0	150,000	0	0	0	0	0	0	0	0	0
Center for Business and Entrepreneurial Studies	7,951,000	0	0	361,000	7,590,000	0	0	0	0	0	0	0
Central Receiving Building	4,000,000	0	0	0	0	0	0	0	486,000	1,707,000	1,807,000	0
Commercial Transportation Instructional Facility	2,500,000	0	0	0	0	0	0	1,420,000	1,080,000	0	0	0
LRC Exterior Metal Panel System and Roof Replacement	1,693,000	0	0	0	0	119,000	1,574,000	0	0	0	0	0
Robinwood Center Renovation to Facilities Management and Operations Building	280,000	0	280,000	0	0	0	0	0	0	0	0	0
SMART/Alternative Energy House/Training Center	1,681,000	1,300,000	381,000	0	0	0	0	0	0	0	0	0
Hagerstown Community College	26,172,000	3,610,000	2,205,000	574,000	7,590,000	2,119,000	1,574,000	1,420,000	1,566,000	1,707,000	1,807,000	2,000,000

Washington County, Maryland
Capital Improvement 10yr Detail - Draft 3
Fiscal Year 2019 - 2028

	Total	Prior Appr.	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Public Libraries												
Systemic Projects - Library	136,300	36,300	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Hancock Public Library Replace	2,826,000	112,000	10,000	10,000	78,000	2,616,000	0	0	0	0	0	0
Public Libraries	2,962,300	148,300	20,000	20,000	88,000	2,626,000	10,000	10,000	10,000	10,000	10,000	10,000
Education Total	165,463,300	9,903,300	20,891,000	18,632,000	20,463,000	15,374,000	13,047,000	13,071,000	12,881,000	13,778,000	13,843,000	13,580,000
General Government												
Cost of Bond Issuance	1,143,600	136,600	98,000	99,000	98,000	98,000	99,000	98,000	99,000	98,000	98,000	122,000
Contingency - General Fund	974,305	224,305	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Systemic Improvements Building	2,390,828	379,828	238,000	196,000	197,000	197,000	196,000	196,000	196,000	197,000	199,000	199,000
County Admin Bldg Exterior	1,014,000	714,000	300,000	0	0	0	0	0	0	0	0	0
Information Systems Replacment Program	1,211,285	155,285	166,000	180,000	50,000	70,000	90,000	100,000	100,000	100,000	100,000	100,000
Financial Sys Manage/Upgrade	1,213,796	698,796	208,000	32,000	32,000	33,000	34,000	34,000	35,000	35,000	36,000	36,000
County Wireless Infrastructure	183,856	151,856	10,000	11,000	11,000	0	0	0	0	0	0	0
GIS Planimetric Update	150,000	74,000	76,000	0	0	0	0	0	0	0	0	0
Tree Forestation	173,548	49,548	21,000	0	22,000	0	22,000	0	29,000	0	30,000	0
General - Equipment and Vehicle Replacement Program	4,459,489	599,489	260,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Multi-Purpose Facility	7,638,000	0	400,000	1,000,000	1,881,000	2,439,000	1,918,000	0	0	0	0	0
General Government Total	20,552,707	3,183,707	1,852,000	1,993,000	2,766,000	3,312,000	2,834,000	903,000	934,000	905,000	938,000	932,000
Parks and Recreation												
BR Capital Equipment Program	441,000	51,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	30,000
Ag Center Drainage Asphalt Imp	45,000	20,000	25,000	0	0	0	0	0	0	0	0	0
Doubs Woods Building/Restrooms	65,000	40,000	25,000	0	0	0	0	0	0	0	0	0
Tennis Court Resurfacing	94,300	52,300	21,000	21,000	0	0	0	0	0	0	0	0
Ag Center Land Development	156,000	51,000	52,000	53,000	0	0	0	0	0	0	0	0
Park Equipment/Surfacing Replacement, Various Locations	192,000	92,000	0	100,000	0	0	0	0	0	0	0	0
Doubs Woods Equipment Storage Building	150,000	0	0	150,000	0	0	0	0	0	0	0	0
Garis Shop Boat Access Parking Lot	50,000	0	50,000	0	0	0	0	0	0	0	0	0
North Central County Park	814,000	0	0	0	0	0	0	0	46,000	47,000	0	721,000
Parking Lot Repair/Overlay, Various Locations	192,000	0	192,000	0	0	0	0	0	0	0	0	0
Parks and Recreation	2,199,300	306,300	405,000	364,000	40,000	40,000	40,000	40,000	86,000	87,000	40,000	751,000
Public Safety												
Detention Center - Systemic Projects	3,201,000	601,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Police & EMS Training Facility	11,500,000	3,940,000	1,860,000	2,100,000	600,000	600,000	600,000	600,000	600,000	600,000	0	0
Communication Tower(s) Various	876,000	306,000	0	106,000	0	110,000	0	114,000	0	118,000	0	122,000
Motorola Portable Radio Replacement Program	1,231,000	103,000	104,000	106,000	108,000	110,000	112,000	114,000	116,000	118,000	120,000	120,000
Law Enforcement - Vehicle and Equipment Replacement Program	7,741,000	616,000	600,000	625,000	650,000	675,000	700,000	725,000	750,000	775,000	800,000	825,000
Emergency Services Equipment & Vehicle Program	2,057,183	832,183	0	100,000	100,000	100,000	100,000	100,000	175,000	175,000	175,000	200,000
Volunteer Fire Services Apparatus Reserve Fleet	204,000	204,000	0	0	0	0	0	0	0	0	0	0
County Rescue Fleet Replacement	8,500,000	0	800,000	800,000	800,000	800,000	800,000	800,000	900,000	900,000	900,000	1,000,000
Public Safety	35,310,183	6,602,183	3,624,000	4,097,000	2,518,000	2,655,000	2,572,000	2,713,000	2,801,000	2,946,000	2,255,000	2,527,000

Washington County, Maryland
Capital Improvement 10yr Detail - Draft 3
Fiscal Year 2019 - 2028

	Total	Prior Appr.	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<u>Railroad</u>												
Railroad Study & Improvements	1,672,837	390,837	279,000	0	0	295,000	0	0	348,000	0	360,000	0
Railroad	1,672,837	390,837	279,000	0	0	295,000	0	0	348,000	0	360,000	0
<u>Road Improvement</u>												
Transportation ADA	1,110,450	351,450	0	83,000	82,000	83,000	84,000	86,000	87,000	84,000	85,000	85,000
Pavement Maintenance and Rehab Program	57,998,000	9,041,000	4,500,000	4,500,000	4,500,000	4,501,000	5,000,000	5,001,000	5,031,000	5,000,000	5,210,000	5,714,000
Longmeadow Road	1,730,000	0	0	0	0	0	0	0	0	388,000	1,080,000	262,000
Eastern Boulevard Extended	7,700,000	0	0	0	0	0	938,000	2,512,000	2,975,000	1,275,000	0	0
Eastern Blvd Widening Phase II	5,482,300	1,836,300	665,000	894,000	1,740,000	347,000	0	0	0	0	0	0
Professional Boulevard Bridge Phase I	8,857,000	7,090,000	1,767,000	0	0	0	0	0	0	0	0	0
Professional Boulevard Extended Phase II	4,880,200	2,614,200	246,000	1,928,000	92,000	0	0	0	0	0	0	0
Valley Mall Area Road Improvements Phase II	992,000	0	0	0	0	825,000	167,000	0	0	0	0	0
Professional Boulevard Extended Phase III	1,103,000	0	0	0	0	203,000	900,000	0	0	0	0	0
Crayton Boulevard Extended	3,165,000	2,965,000	150,000	0	0	50,000	0	0	0	0	0	0
Colonel Henry K. Douglas Drive Extended Phase I	3,770,000	3,220,000	550,000	0	0	0	0	0	0	0	0	0
Showalter Road Extended East	1,242,000	510,000	0	0	0	0	0	0	0	0	0	732,000
Halfway Boulevard Extended Phase 1	2,349,000	900,000	1,000,000	449,000	0	0	0	0	0	0	0	0
Bucky Avenue	355,000	0	0	0	0	0	0	0	0	355,000	0	0
Burnside Bridge Road Spot Improvements	544,000	0	0	0	0	0	0	0	0	544,000	0	0
Colonel Henry Douglas Drive Extended Phase II	140,000	0	0	0	0	0	0	0	0	0	0	140,000
E. Oak Ridge Drive/South Pointe Signal	461,000	0	0	0	111,000	350,000	0	0	0	0	0	0
Halfway Boulevard Extended Bridge / Phase II	3,200,000	0	0	0	1,300,000	0	0	1,900,000	0	0	0	0
Mt Aetna Road Spot Improvements	2,399,000	0	0	0	0	0	0	0	0	758,000	1,641,000	0
Professional Boulevard Extended - Phase IV	800,000	0	0	0	0	0	0	800,000	0	0	0	0
Road Improvement	108,277,950	28,527,950	8,878,000	7,854,000	7,825,000	6,359,000	7,089,000	10,299,000	8,093,000	8,404,000	8,016,000	6,933,000
<u>Highways</u>												
Highway - Equipment Replacement Program	11,246,000	1,046,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,100,000	1,100,000
HWY Western Section - Fuel Tank Replacement	847,000	294,000	192,000	193,000	168,000	0	0	0	0	0	0	0
Highways	12,093,000	1,340,000	1,192,000	1,193,000	1,168,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,100,000	1,100,000
<u>Solid Waste</u>												
Contingency - Solid Waste	337,000	87,000	0	0	0	0	30,000	30,000	35,000	35,000	60,000	60,000
40 West Truck Loading Facility	500,000	0	0	500,000	0	0	0	0	0	0	0	0
Close Out Cap - Rubblefill	2,092,000	0	0	0	0	100,000	1,992,000	0	0	0	0	0
SW Equip/Vehicle Replacement	312,668	28,668	26,000	27,000	27,000	28,000	28,000	29,000	29,000	30,000	30,000	30,000
40 West Landfill - Cell 5 Construction	4,083,000	0	0	0	0	0	0	440,000	3,472,000	171,000	0	0
40 West Partial Capping	3,051,000	0	0	0	3,051,000	0	0	0	0	0	0	0
City/County Groundwater Investigation	156,000	0	0	0	156,000	0	0	0	0	0	0	0
Kaetzel Transfer Station Retaining Wall Replacement	257,000	0	257,000	0	0	0	0	0	0	0	0	0
Resh Road Pavement Rehabilitation	1,060,000	0	0	1,060,000	0	0	0	0	0	0	0	0
Transfer Station Upgrades	232,000	0	0	0	0	0	0	0	232,000	0	0	0
Solid Waste	12,080,668	115,668	283,000	1,587,000	3,234,000	128,000	2,050,000	499,000	3,768,000	236,000	90,000	90,000

Washington County, Maryland
 Capital Improvement 10yr Detail - Draft 3
 Fiscal Year 2019 - 2028

	Total	Prior Appr.	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<u>Transit</u>												
Vehicle Preventive Maintenance	4,128,402	378,402	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
Fixed Route Bus Replacement Program	7,558,000	2,994,000	0	978,000	0	652,000	0	0	0	0	0	2,934,000
ADA Bus Replacement	512,915	137,915	0	0	75,000	0	75,000	75,000	0	75,000	0	75,000
Transit	12,199,317	3,510,317	375,000	1,353,000	450,000	1,027,000	450,000	450,000	375,000	450,000	375,000	3,384,000
<u>Water Quality</u>												
<u>Utility Administration</u>												
Contingency - Utility Admin	135,677	135,677	0	0	0	0	0	0	0	0	0	0
General Building Improvements	1,215,000	101,000	150,000	0	0	0	0	370,000	594,000	0	0	0
Lab Equipment Replacement	310,000	73,000	31,000	21,000	22,000	22,000	22,000	23,000	23,000	24,000	24,000	25,000
WQ Equip/Vehicle Replacement Program	1,036,625	226,625	70,000	75,000	75,000	80,000	80,000	80,000	85,000	85,000	90,000	90,000
	2,697,302	536,302	251,000	96,000	97,000	102,000	102,000	473,000	702,000	109,000	114,000	115,000
<u>Sewer</u>												
Contingency - Sewer	36,939	36,939	0	0	0	0	0	0	0	0	0	0
Replace Grinder Pumps	742,000	26,000	26,000	40,000	60,000	80,000	80,000	80,000	80,000	90,000	90,000	90,000
Pump Station Upgrades - Various Stations	2,967,183	899,183	280,000	0	0	0	153,000	0	0	885,000	0	750,000
Collection System Rehabilitation Project	3,475,087	370,087	0	500,000	0	275,000	560,000	0	870,000	0	900,000	0
Capacity Management Project	9,723,000	1,683,000	520,000	3,180,000	3,240,000	1,100,000	0	0	0	0	0	0
Smithsburg WWTP ENR Upgrade	12,694,387	1,903,387	0	5,391,000	5,400,000	0	0	0	0	0	0	0
Heavy Sewer EQP and VEH Replacement	896,400	347,400	95,000	74,000	39,000	39,000	40,000	41,000	42,000	43,000	96,000	40,000
Potomac Edison Pump Station & Force Main	1,632,000	0	0	0	0	0	1,632,000	0	0	0	0	0
Pen Mar/ Highfield/ Cascade Septic Tank Pumping and Replacement	105,000	0	35,000	35,000	35,000	0	0	0	0	0	0	0
General WwTP Improvements	4,076,000	0	0	0	0	986,000	0	1,160,000	1,180,000	0	0	750,000
	36,347,996	5,265,996	956,000	9,220,000	8,774,000	2,480,000	2,465,000	1,281,000	2,172,000	1,018,000	1,086,000	1,630,000
<u>Water</u>												
Contingency - Water	26,800	26,800	0	0	0	0	0	0	0	0	0	0
Water Meter Replacement	499,465	118,465	50,000	50,000	50,000	32,000	32,000	33,000	32,000	33,000	34,000	35,000
Sharpsburg Water Treatment Plant	794,000	204,000	0	0	0	0	0	0	0	590,000	0	0
General WTP Improvements	884,325	62,325	0	0	242,000	0	0	0	580,000	0	0	0
Highfield/Sharpsburg Water Storage Tank	336,000	0	0	0	0	0	0	0	336,000	0	0	0
Mt Aetna Water System Improvements	729,000	0	130,000	0	599,000	0	0	0	0	0	0	0
Sharpsburg Water Meter Cradle Replacement	1,000,000	0	0	250,000	250,000	250,000	250,000	0	0	0	0	0
WQ Main Replacement	4,090,000	0	0	0	0	0	566,000	522,000	2,502,000	0	0	500,000
Water Fund	8,359,590	411,590	180,000	300,000	1,141,000	282,000	848,000	555,000	3,450,000	623,000	34,000	535,000
Water Quality	47,404,888	6,213,888	1,387,000	9,616,000	10,012,000	2,864,000	3,415,000	2,309,000	6,324,000	1,750,000	1,234,000	2,280,000
TOTAL	485,460,586	73,096,586	42,958,000	53,296,000	56,266,000	38,048,000	39,849,000	36,890,000	41,002,000	34,137,000	34,768,000	35,150,000

Washington County, Maryland
Capital Improvement 10yr Detail - Draft 3
Fiscal Year 2019 - 2028

Funding Sources	Total	Prior Appr.	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
General Fund	71,511,566	19,918,566	5,041,000	5,350,000	5,611,000	5,447,000	4,800,000	5,285,000	4,784,000	4,869,000	5,655,000	4,751,000
Highway Fund	11,408,000	466,000	866,000	1,108,000	1,518,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	350,000	350,000
Hotel Rental Fund	110,000	110,000	0	0	0	0	0	0	0	0	0	0
Solid Waste Fund	517,000	113,000	26,000	27,000	27,000	28,000	28,000	29,000	29,000	30,000	90,000	90,000
Utility Admin Fund	1,433,902	386,902	101,000	96,000	97,000	102,000	102,000	103,000	108,000	109,000	114,000	115,000
Water Fund	476,265	95,265	50,000	50,000	50,000	32,000	32,000	33,000	32,000	33,000	34,000	35,000
Sewer Fund	3,803,496	2,982,496	61,000	75,000	95,000	80,000	80,000	80,000	80,000	90,000	90,000	90,000
Airport Fund	1,149,000	368,000	86,000	112,000	72,000	73,000	111,000	69,000	90,000	60,000	51,000	57,000
Tax-Supported Bond	136,773,488	16,773,488	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Self-Supported Bond	45,234,825	2,435,825	1,407,000	10,530,000	12,677,000	2,404,000	2,754,000	2,041,000	7,041,000	1,724,000	681,000	1,540,000
Transfer Tax	22,100,000	2,100,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Excise Tax - Schools	4,235,000	385,000	385,000	385,000	385,000	385,000	385,000	385,000	385,000	385,000	385,000	385,000
Excise Tax - Roads	1,530,320	270,320	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Excise Tax - Other	319,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000
Excise Tax - Library	144,929	44,929	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Excise Tax - Non-Residential	973,000	473,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Capital Reserve - General	4,844,000	700,000	704,000	0	0	0	516,000	472,000	2,452,000	0	0	0
Capital Reserve - Utility	120,000	120,000	0	0	0	0	0	0	0	0	0	0
Capital Reserve - Sewer	114,000	114,000	0	0	0	0	0	0	0	0	0	0
Capital Reserve - Water	875,000	50,000	0	200,000	175,000	0	0	0	0	0	0	450,000
Federal Grant	51,354,440	14,392,440	3,248,000	5,391,000	5,669,000	3,269,000	4,681,000	4,024,000	1,594,000	1,953,000	3,378,000	3,755,000
State Grant	109,934,355	5,779,355	15,265,000	15,429,000	13,602,000	8,117,000	9,050,000	8,228,000	8,497,000	8,323,000	8,832,000	8,812,000
Contributions	16,499,000	4,989,000	1,503,000	328,000	2,073,000	2,546,000	1,745,000	576,000	345,000	996,000	893,000	505,000
TOTAL	485,460,586	73,096,586	42,958,000	53,296,000	56,266,000	38,048,000	39,849,000	36,890,000	41,002,000	34,137,000	34,768,000	35,150,000



Agenda Report Form

Open Session Item

SUBJECT: Flow Transfer Agreement's Construction Reserve Fund

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Mark Bradshaw, PE – Deputy Director of Engineering Services, Department of Environmental Management

RECOMMENDED MOTION: Move to close the Construction Reserve Fund and divide the fund equally between the City and County. The County's portion of the funds shall be transferred to LIN040-Collection System Rehab.

REPORT-IN-BRIEF: In August 2003, the County and City entered into a Flow Transfer Agreement. In exchange for the City providing sewage treatment to County residents, the County agreed to accept the flow from the City's Pump Station #13 (across from the Washington County Detention Center) to offset the capacity the City is utilizing to treat County sewage.

The agreement also established a Construction Reserve Charge that would be added to allocation fees. These funds then would be deposited into a Construction Reserve Fund that is managed by the County. The agreement states that these funds were to be utilized to finance future improvements to the City and County wastewater systems, but in the event funds are not spent after 10 years, the proceeds shall be divided equally between the City and County. The Construction Reserve Fund balance is \$641,860.04 as of end of March 2018.

DISCUSSION: The County's portion of the fund would be transferred to LIN040-Collection System Rehab. These funds then would be available to perform inflow and infiltration rehab work in the Maugansville, Fountain Head, and Airport drainage basins that currently flow to the City's treatment plant.

FISCAL IMPACT:

CONCURRENCES: Michael Spiker – Director of Utilities, City of Hagerstown

ALTERNATIVES:

ATTACHMENTS: Flow Transfer Agreement By and Between the City of Hagerstown, Maryland and the Board of County Commissioners of Washington County

AUDIO/VISUAL NEEDS:

**FLOW TRANSFER AGREEMENT
BY AND BETWEEN
THE CITY OF HAGERSTOWN, MARYLAND AND
THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY**

For the Transfer of Flows
from the City of Hagerstown's Wastewater System
to Washington County's Wastewater System

I. INTRODUCTION

This Flow Transfer Agreement, hereafter called the "Agreement," dated this ^{August} ~~5th~~ ^{5th} of ~~May~~ ^{August}, 2003, by and between the **Mayor and Council of the City of Hagerstown**, as the duly-constituted legislative body of the City of Hagerstown, Maryland, a municipal corporation (hereinafter called the "City") and the **Board of County Commissioners of Washington County**, a body corporate and politic and a subdivision of the State of Maryland (hereinafter called the "County") is to define certain terms, conditions, and responsibilities for the transfer of wastewater flow from the City wastewater system to the County wastewater system.

The City and County agree that it would be mutually advantageous for both wastewater agencies and their customers to transfer wastewater flows from the City's service area to the County's service area for collection and treatment services. This Agreement provides for the transfer of this wastewater flow during a specified period of time and at an interconnection described herein.

The City and County agree to transfer flows from the City system to the County system in an amount equivalent to actual, additional customer contributions originating from new allocations to the City's wastewater system from accounts located outside the corporate boundaries of the City. The total amount of flow to be transferred under this Agreement will include the flows allocated to customers outside the City corporate boundaries during the term of this agreement hereinafter described. This flow will consist of new customer flows, and incremental flows from allocation increases to existing customers. It will be limited by the maximum amount of representative flow that is physically available to transfer at the interconnection, or the maximum amount of flow that can be physically transported by the interconnection to be constructed under this Agreement.

The equivalent amount of these additional flows will be transferred from the City's system at the interconnection described in Section II of this Agreement. It is agreed by both parties that these transferred flows represent the sewage contributions from outside City customers regardless of the source of these flows, and it is recognized that the actual flows transferred may originate from customers located inside the City's corporate boundaries. The cost of service for treating transferred flows will be included in the City's calculation of rates for customers located outside City limits as they currently exist or as they are modified in the future. It is the intent of this Agreement to provide the physical and administrative mechanisms to enable the Washington County Department of Water Quality to serve outside City customers on the Hagerstown wastewater system at no cost or financial obligation to those wastewater customers located inside the City corporate boundaries.

This Agreement also provides for a Construction Reserve Fund for the design and construction of additional, future interconnections. The Construction Reserve Fund is established by this Agreement as a financing source only and does not obligate the City or County to the transfer of any additional flows in excess of the amounts specifically defined in this Agreement. The transfer of any additional flows beyond those defined herein shall require formal written agreement by the City and County.

II. PHYSICAL INTERCONNECTION

In order to fulfill the purpose of this Agreement, it is agreed that an interconnection between the City and County wastewater systems will be designed and constructed. This interconnection will allow for diversion of sewage flow flowing to existing City Pump Station #13 to the County owned interceptor which is generally located or planned to be situated along Hopewell Road on the west side of Interstate Route 81. A conceptual drawing of this interconnection is attached to this Agreement and identified as Exhibit A. This interconnection and its appurtenances will be designed to allow for the transfer of sewage flow in accordance with the terms and conditions of this Agreement.

III. AMOUNT OF FLOW TO BE TRANSFERRED

The City and County agree that the amount of flow to be transferred under this Agreement shall be determined as follows:

A. Transferred flows will be limited to an amount representing new wastewater contributions as defined herein that are located outside of the City corporate boundaries. These wastewater contributions will be based on actual metered water consumption, or metered sewage discharge for commercial or industrial accounts if such a meter has been approved for use by the appropriate service provider.

B. The total amount of flows transferred under this Agreement will be based on those flows (as described under III-A) that cumulatively accrue over the five (5) year period prescribed in Section VII hereof. The first year accrual for flow transfer and billing purposes will begin 90 days after the Agreement is signed by both parties.

C. The County and City agree that the amount of flow to be transferred shall be limited to the amount of wastewater contributions generated in the service area of existing City pumping station 13. The County and City also agree that the amount of flow to be transferred shall be limited to the maximum amount of hydraulic capacity of the physical interconnection described in Section II of this Agreement.

D. The County and City recognize that a component of inflow/infiltration could be transferred to the County's system and agree to cooperate on monitoring and correcting infiltration if it should become excessive. The County shall have the authority to monitor flows to determine volume, flow delivery rate and/or strength of same. Furthermore, all sewerage facilities shall be monitored to assure compliance with any applicable inflow/infiltration requirements. Upon request from the County, The City shall permit the County to examine and make copies of all records necessary to effectuate the purpose of this Agreement. The parties agree that each shall operate their respective facilities in accordance with all applicable rules, regulations, ordinances, permits, guidelines, and other criteria of any federal, state, and local agencies and jurisdictions.

IV. COUNTY RESPONSIBILITIES

County responsibilities under this Agreement include but are not limited to the following:

A. Secure the financing needed to design and construct the interconnection and assume liability for repayment of any indebtedness as needed.

B. Assume primary responsibility for design and construction of the interconnection including consulting and coordinating with the City as needed.

C. Operate and maintain the interconnection facilities including periodic adjustments to diverted flow to achieve the purposes of this Agreement. If mutually agreeable to both wastewater agencies, it is understood that all flow may be diverted from Pump Station 13 at one time for ease of management, although billing would still occur as stated in Section VI-C. This would allow for immediate de-commissioning of the pumping station with associated savings.

D. In accordance with all applicable local, state and federal requirements, regulations and laws, provide wastewater collection and treatment services to the Hagerstown Water Pollution Control Department for all flows transferred under this Agreement and submit monthly invoices to the City for these wastewater services.

E. Maintain records of new outside-City Joint Service wastewater contributions as defined herein, and provide said records to the City to assist in preparation of information to be submitted for billing of transferred flows.

F. Remit to the City any appropriate fees and charges collected on their behalf in accordance with the

provisions of Section 6, Financial Arrangements of this Agreement.

G. Establish and maintain a Construction Reserve Fund as established under Section 6, Financial Arrangements, of this Agreement. At least annually, provide the City a complete audit of the Construction Reserve Fund.

H. Maintain a reasonably current cost of service calculation to serve as a basis for the rate charged for collection and treatment services billable to the City.

V. CITY RESPONSIBILITIES

City responsibilities under this Agreement include but are not limited to the following:

A. As needed, assist the County in the design and construction of the interconnection.

B. Operate Pump Station 13 as needed.

C. Supply metered consumption data from the customers as defined herein to allow the County to bill for transferred flows.

D. Maintain records for total amount of flow being diverted.

E. Remit to the County any appropriate fees and charges collected on behalf of the County in accordance with the provisions of Section 6, Financial Arrangements of this Agreement.

F. Make payments to the County for collection and treatment services related to transferred flows.

VI. FINANCIAL ARRANGEMENTS

A. Initial Financing for Capital Improvements

The County will secure the financing for the design and construction of the interconnection. It is anticipated that grant financing will be available for interconnection. If the County does not, or chooses not to consummate the financing needed for the interconnection, then this agreement may be terminated at the sole discretion of the County by issuance of a letter of notification to the City. The City shall not be liable for any capital financing related to the design and construction of the interconnection

B. Collection and Distribution of Customer Allocation / Benefit Charges

Regarding new customers outside the City corporate boundaries, the City and County will assess and collect uniform initial customer charges at the time of approval for sanitary sewer service. For those

customers applying for connection directly to a County owned sewer line, the County will collect charges on behalf of the City. For those customers applying for connection directly to a City owned sewer line, the City will collect charges on behalf of the County. The charges referred to in this section are currently identified as a Benefit Charge for the City and an Allocation Fee for the County. Upon collection of these charges on behalf of each other party, the amounts collected will be transferred to the appropriate receiving agency in a timely manner and in accordance with a schedule and procedure as mutually agreed by the City and County Directors of Finance, respectively. In addition, both the City and County will collect amounts to be deposited in the construction reserve fund, and all amounts collected will be transferred to the reserve fund that will be managed by the County in accordance with this Agreement.

The customer charges to be collected at the time of approval of application for sewer service or reassessment will hereinafter be collectively referred to as Allocation Fees. The City and County agree that the prevailing Allocation Fees, per equivalent dwelling unit or 200 gallons per day of domestic strength waste, at the time of acceptance of this Agreement will be as follows:

City Benefit Charge	\$1,800
County Connection Charge	\$1,800
Construction Reserve Charge	<u>\$ 300</u>
 Total Allocation Fees	 \$3,900

These fees apply to the prospective new customers or annual reassessments to existing customers for the first five years of assessments pursuant to this Agreement.

After this first five-year period and for the next five years, the Allocation Fees are anticipated to be as follows:

City Benefit Charge	\$2,100
County Connection Charge	\$1,500
Construction Reserve Charge	<u>\$ 300</u>
 Total Allocation Fees	 \$3,900

There will be a minimum initial assessment for each customer based on 200 gallons per day.

The City or County may change or alter their respective component of these Allocation Charges at any time when duly authorized and after providing adequate written notice to the other party. Any change to the construction reserve charges will require the formal agreement and approval of the Hagerstown Mayor and City Council and the County Commissioners of Washington County. If neither the City nor County exercises their right to change the Allocation Fees as stipulated in this agreement, then these Allocation Fees shall remain in full force and effect for both the first and second

five-year periods or ten years in total.

C. Service Charges

Service charges for the collection and treatment of flows transferred to the County will be billed to the City based on thousands of gallons of wastewater accepted and treated based on metered consumption of new customers as defined in Section III.A. Such service charges shall be based on generally accepted, utility rate making methods. The City will insure that these service charges shall be included in the calculation of rates for all classifications of outside City customers receiving benefit of County treatment of transferred wastewater flows (Note: At this time, these customer classes are referred to as Outside City and Joint). Service charges for County treatment of transferred flows shall not be included in the calculation of rates for City Water and Sewer Department customers located within the City corporate boundaries. Future calculations of rates for City Water and Sewer Department customers shall also be subject to the provisions of this section.

D. Construction Reserve Fund

The County shall establish and maintain, as primary custodian, a construction reserve fund to escrow the portion of the Allocation Fees that are designated for the construction reserve fund. This fund shall be used to finance future improvements to the City and County wastewater systems. The City and County will meet periodically to identify and prioritize specific projects. Expenditures, withdrawals, or disbursements from the construction reserve fund shall require the formal approval of both the Hagerstown Mayor and City Council and the County Commissioners of Washington County.

The construction reserve fund shall be held in an interest bearing account with all interest income accruing to the fund balance for use in accordance with the purpose of the fund.

The County will make records available to the City upon request and provide an audited financial statement of the fund at least annually.

If after 10 years from the date of this Agreement the City and County mutually agree that there will be no future uses for the construction reserve fund, then any unexpended proceeds shall be divided equally between the parties. These proceeds shall be used for capital improvements to the respective sewer systems, without the necessity for the consent or approval of the other party.

VII. AGREEMENT TERMS

Unless otherwise formally agreed in writing by both the City and County, the following terms shall apply to this Agreement :

The term for the provision of treatment services for flows transferred to the County wastewater system is twenty (20) years.

The term for Section III-B of this Agreement is five (5) years.

The term for Section VI-B of this Agreement is ten (10) years.

VIII. CONTINGENCY CLAUSES

The City and County agree that this Agreement is contingent upon consummation of capital financing for the design and construction of the interconnection.

Neither the City nor the County shall be penalized or bear any unreasonable financial burden for delays or other matters arising from Force Majeure.

IX. SEVERABILITY

The conditions and requirements of this Agreement are subject to modification by acts, orders or directives of regulatory agencies or courts of competent jurisdiction.

Should any sections or provisions of this agreement be annulled by acts, orders or directives of regulatory agencies or courts of competent jurisdiction, the remaining portions of this Agreement shall remain in full force and effect.

X. DISPUTE RESOLUTION

Any dispute between the parties arising from or in connection with this Agreement shall be resolved by arbitration. Either party may demand arbitration by written notice within ninety (90) days after the dispute arises, and the notice shall include the designation of an arbitrator. Within thirty (30) days after receipt of the notice of demand for arbitration, the other party shall designate by written notice to the party demanding arbitration a second arbitrator. The two arbitrators shall within twenty (20) days of the designation of the second arbitrator designate a third. The three (3) arbitrators shall:

- a. designate a time and place for hearing;
- b. specify the evidentiary and procedural rules to be followed in the arbitration; and
- c. pass a written award or decision within thirty (30) days of the date of the hearing.

An award or decision rendered by a majority of the arbitrators shall be final and binding on all parties, and judgment on the award or decision may be entered by any court of competent jurisdiction. Arbitration shall be the sole and exclusive remedy under this Agreement. The arbitration costs and expenses of each party shall be borne by that party.

XI. INTEGRATION

This Agreement constitutes the entire agreement of the parties. There are no promises, covenants, representations, or undertakings other than those expressly set forth herein.

XII. COUNTERPARTS

This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized signatories and representatives.

Witness and Attest
As to Corporate Seal

Joni L. Bittner
Joni L. Bittner, County Clerk

Board of County Commissioners
of Washington County, Maryland

By: Gregory I. Snopk
Gregory I. Snopk, President

Date: July 22, 2003

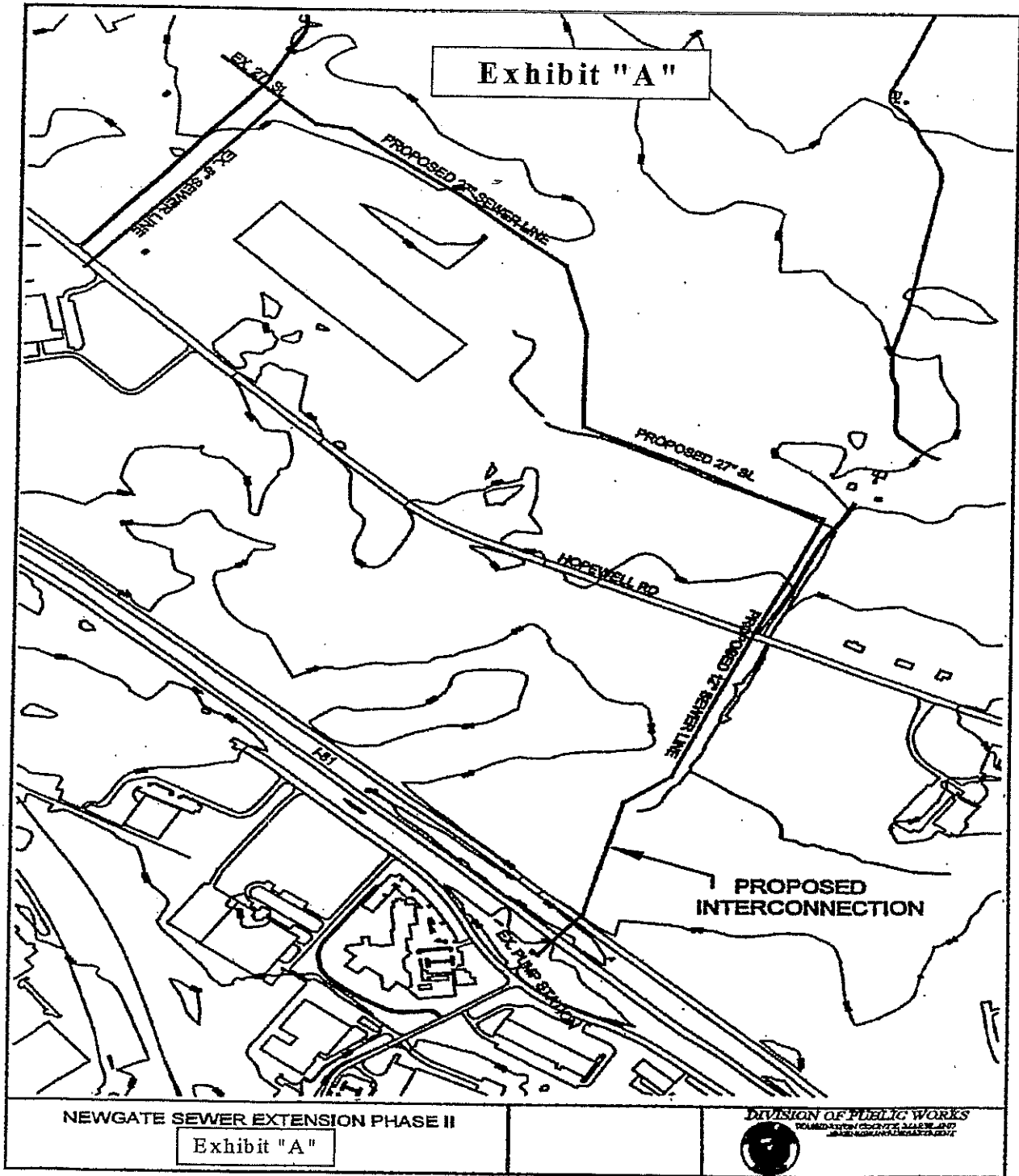
Witness and Attest
As to Corporate Seal

Donna K. Spickler
Donna K. Spickler, City Clerk

Mayor and City Council of Hagerstown

By: William M. Breichner
William M. Breichner, Mayor

Date: August 5, 2003





Board of County Commissioners of Washington County, Maryland

Agenda Report Form

Open Session Item

SUBJECT: Washington County Commission on Aging Luncheon

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Washington County Commission on Aging, Inc. Staff

Discussion & Luncheon:

An overview will be provided regarding the breadth of the organization which provides access to over 50 programs to the Citizens of Washington County. There will be a review the 2017 program performance of the Washington County Commission on Aging and expressed appreciation of the continued support of the Commissioners. Discuss the importance of planning ahead for the increased fluctuation in the population which is rapidly becoming senior dense.



Agenda Report Form

Open Session Item

SUBJECT: Deliberation/Consensus Decision on Application for Zoning Map Amendment RZ-17-003, Downsville Pike Land LLC

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Travis Allen, Comprehensive Planner, Washington County Department of Planning and Zoning

RECOMMENDED MOTION: Discussion to reach consensus to **approve or deny** zoning map amendment request.

REPORT-IN-BRIEF: RZ-17-003 is an application from property owners Downsville Pike Land LLC to rezone 2 parcels of land totaling 1.6 acres from Residential Suburban to Highway Interchange. The property is located in the southwest quadrant of the intersection of Downsville Pike (MD Rt. 632) and Halfway Boulevard. The Planning Commission held a public information meeting on September 25, 2017 and made a recommendation for approval on October 2, 2017. The County Commissioners held a public hearing on December 12, 2017. The Commissioners discussed the application on January 30, 2018 and deferred additional discussion and action to a future meeting.

DISCUSSION: Refer to enclosed application, staff report, Planning Commission minutes and recommendation for detailed discussion of the proposed amendment.

FISCAL IMPACT: None.

ATTACHMENTS: Ordinance amendment application with justification statement and rezoning site maps.

Staff Report and Analysis dated September 8, 2017

Planning Commission report and recommendation

AUDIO/VISUAL NEEDS:



FOR PLANNING COMMISSION USE ONLY
Rezoning No. RZ-17-003
Date Filed: 7-12-17

RECEIVED

WASHINGTON COUNTY PLANNING COMMISSION
ZONING ORDINANCE MAP AMENDMENT APPLICATION

JUL 12 2017

WASHINGTON COUNTY
PLANNING DEPARTMENT

Downsville Pike Land, LLC

Applicant

- Property Owner
- Attorney
- Other: _____
- Contract Purchaser
- Consultant

10306 Remington Drive

Address

Hagerstown, MD 21740

Primary Contact

301-733-4365 EXT 203

Phone Number

Christopher R. Smith

Address

crsmith@myactv.net

E-mail Address

Property Location: 10662 Downsville Pike and 10656 Downsville Pike, Hagerstown, MD

Tax Map: 0057 Grid: 0002 Parcel No.: 210&408 Acreage: 1.6

Current Zoning: RS-Residential Suburban Requested Zoning: HI-Highway Interchange

- Reason for the Request:
- Change in the character of the neighborhood
 - Mistake in original zoning

PLEASE NOTE: A Justification Statement is required for either reason.

Chris Smith

Applicant's Signature

Subscribed and sworn before me this 11 day of July, 2017.

My commission expires on May 23, 2021 Anne M. Traley
Notary Public

FOR PLANNING COMMISSION USE ONLY

- Application Form
- Names and Addresses of all Adjoining & Confronting Property Owners
- Fee Worksheet
- Vicinity Map
- Application Fee
- Justification Statement
- Ownership Verification
- 30 copies of complete Application Package
- Boundary Plat (Including Metes & Bounds)

EXHIBIT A

Real Property Data Search w3

Search Result for WASHINGTON COUNTY

View Map		View GroundRent Redemption			View GroundRent Registration		
Account Identifier:		District - 26 Account Number - 023114					
Owner Information							
Owner Name:		DOWNSVILLE PIKE LAND LLC			Use:		RESIDENTIAL
Mailing Address:		10306 REMINGTON DR 2ND FLR HAGERSTOWN MD 21740-0000			Principal Residence:		NO
					Deed Reference:		/05486/ 00190
Location & Structure Information							
Premises Address:		10656 DOWNSVILLE PIKE HAGERSTOWN 21740-0000			Legal Description:		0.50 ACRES 10656 DOWNSVILLE PIKE
Map:	Grid:	Parcel:	Sub District:	Subdivision:	Section:	Block:	Lot:
0057	0002	0408		0000			
						Assessment Year:	Plat No:
						2017	
							Plat Ref:
Special Tax Areas:				Town:		NONE	
				Ad Valorem:			
				Tax Class:			
Primary Structure Built		Above Grade Living Area		Finished Basement Area		Property Land Area	County Use
1928		900 SF				21,780 SF	
Stories	Basement	Type	Exterior	Full/Half Bath	Garage	Last Major Renovation	
2	YES	STANDARD UNIT	FRAME	1 full			
Value Information							
		Base Value		Value		Phase-in Assessments	
				As of		As of	
				01/01/2017		07/01/2016	
						As of	
						07/01/2017	
Land:		8,700		8,700			
Improvements		10,200		10,200			
Total:		18,900		18,900		18,900	
Preferential Land:		0				0	
Transfer Information							
Seller: CARBAUGH BONNIE L ET AL			Date: 04/24/2017			Price: \$50,000	
Type: ARMS LENGTH IMPROVED			Deed1: /05486/ 00190			Deed2:	
Seller: RICE ANITA V			Date: 12/07/2015			Price: \$0	
Type: NON-ARMS LENGTH OTHER			Deed1: /05119/ 00426			Deed2:	
Seller:			Date:			Price:	
Type:			Deed1:			Deed2:	
Exemption Information							
Partial Exempt Assessments:		Class		07/01/2016		07/01/2017	
County:		000		0.00			
State:		000		0.00			
Municipal:		000		0.00 0.00		0.00 0.00	
Tax Exempt:		Special Tax Recapture:					
Exempt Class:		NONE					
Homestead Application Information							
Homestead Application Status: No Application							
Homeowners' Tax Credit Application Information							
Homeowners' Tax Credit Application Status: No Application				Date:			

EXHIBIT p10 B

2 of 2

Tri-State Signature Settlements, LLC
File No. TE-10107M
Tax ID # 26-023114

This Deed, made this 21st day of April, 2017, by and between Connie Proctor, Bonnie L. Carbaugh, Ronald G. Rice and Donald W. Rice, GRANTORS, and Downsville Pike Land, LLC, a Maryland Limited Liability Company, GRANTEE.

- Witnesseth -

That for and in consideration of the sum of Fifty Thousand And 00/100 Dollars (\$50,000.00), which includes the amount of any outstanding Mortgage or Deed of Trust, if any, the receipt whereof is hereby acknowledged, the said Grantors do grant and convey to the said Downsville Pike Land, LLC, in fee simple, all that lot of ground situate in the County of Washington, State of Maryland and described as follows, that is to say:

All the following described lot of land, together with any improvements thereon situate in Washington County, Maryland, on the Northwest side of the Downsville Hagerstown Turnpike, about two miles South of Hagerstown, and being more particularly described as follows:

Beginning at a stone standing near the west or northwest side of the Hagerstown and Downsville Turnpike and at the end of the 17th or South 79 ¼ degrees East 89 ½ perch line of a deed from Edward A. Shaffer, Executor, to John H. Eldridge, dated July 13, 1892, and running thence reversing said 17th line North 79 ½ degrees West 181 feet, then leaving the outlines of the aforesaid deed 2 degrees East 185 feet, passing a stone on the North side of the aforesaid turnpike to the middle of said turnpike, then with the turnpike North 63 degrees East 252 feet to the place of beginning; containing approximately 0.50 acres of land, more or less.

Subject to and together with the covenants, restrictions, rights of way and easements of record applicable thereto.

Being the same property described and conveyed in the deed from Bonnie L. Carbaugh, Personal Representative of the Estate of Arthur T. Samuels unto Bonnie L. Carbaugh, Ronald G. Rice, Connie Proctor and Donald W. Rice dated July 17, 2015, and recorded December 7, 2015 in Liber 5119 at folio 0426 among the Land records of Washington County, Maryland.

Together with the buildings and improvements thereon erected, made or being; and all and every, the rights, alleys, ways, waters, privileges, appurtenances and advantages thereto belonging, or in anywise appertaining.

To Have and To Hold the said tract of ground and premises above described and mentioned, and hereby intended to be conveyed, together with the rights, privileges, appurtenances and advantages thereto belonging or appertaining unto and to the proper use and benefit of the said Downsville Pike Land, LLC, in fee simple.

And the Grantors hereby covenant that they have not done or suffered to be done any act, matter or thing whatsoever, to encumber the property hereby conveyed; that they will warrant specially the property hereby granted; and that they will execute such further assurances of the same as may be requisite.

WASHINGTON COUNTY CIRCUIT COURT (Land Records) DJW 5486, p. 0190, MSA_CE18_5438, Date available 04/27/2017, Printed 07/11/2017.

EXHIBIT pto B

MARYLAND FORM WH-AR

Certification of Exemption from Withholding Upon Disposition of Maryland Real Estate Affidavit of Residence or Principal Residence

2017

Based on the certification below, Transferor claims exemption from the tax withholding requirements of §10-912 of the Tax-General Article, Annotated Code of Maryland. Section 10-912 provides that certain tax payments must be withheld and paid when a deed or other instrument that effects a change

in ownership of real property is presented for recordation. The requirements of §10-912 do not apply when a transferor provides a certification of Maryland residence or certification that the transferred property is the transferor's principal residence.

1. Transferor Information

Name of Transferor Bonnie L. Carbaugh

2. Reasons for Exemption

Resident Status [X] I, Transferor, am a resident of the State of Maryland.

[] Transferor is a resident entity as defined in Code of Maryland Regulations (COMAR)03.04.12.02B(11), I am an agent of Transferor, and I have authority to sign this document on Transferor's behalf.

Principal Residence [] Although I am no longer a resident of the State of Maryland, the Property is my principal residence as defined in IRC 121 (principal residence for 2 (two) of the last 5 (five) years) and is currently recorded as such with the State Department of Assessments and Taxation.

Under penalty of perjury, I certify that I have examined this declaration and that, to the best of my knowledge, it is true, correct, and complete.

3a. Individual Transferors

Witness

Bonnie L. Carbaugh

Name

Bonnie L. Carbaugh Signature

3b. Entity Transferors

Witness/Attest

Name of Entity

By

Name

Title

MARYLAND FORM WH-AR

Certification of Exemption from Withholding Upon Disposition of Maryland Real Estate Affidavit of Residence or Principal Residence

2017

Based on the certification below, Transferor claims exemption from the tax withholding requirements of §10-912 of the Tax-General Article, Annotated Code of Maryland. Section 10-912 provides that certain tax payments must be withheld and paid when a deed or other instrument that effects a change

in ownership of real property is presented for recordation. The requirements of §10-912 do not apply when a transferor provides a certification of Maryland residence or certification that the transferred property is the transferor's principal residence.

1. Transferor Information

Name of Transferor Connie Proctor

2. Reasons for Exemption

- Resident Status [X] I, Transferor, am a resident of the State of Maryland. [] Transferor is a resident entity as defined in Code of Maryland Regulations (COMAR)03.04.12.02B(11), I am an agent of Transferor, and I have authority to sign this document on Transferor's behalf. Principal Residence [] Although I am no longer a resident of the State of Maryland, the Property is my principal residence as defined in IRC 121 (principal residence for 2 (two) of the last 5 (five) years) and is currently recorded as such with the State Department of Assessments and Taxation.

Under penalty of perjury, I certify that I have examined this declaration and that, to the best of my knowledge, it is true, correct, and complete.

3a. Individual Transferors

Witness

Connie Proctor Name

Signature

3b. Entity Transferors

Witness/Attest

Name of Entity

By

Name

Title

WASHINGTON COUNTY CIRCUIT COURT (Land Records) DJW 5486, p. 0194, MSA_CE18_5438, Date available 04/27/2017, Printed 07/11/2017.

LR - Deed (w Taxes)
Recording Fee - ALL
20.00

Name: Rice
Ref:
LR - County Transfer
Tax - linked 0.00
LR - Surcharge - linked
40.00

LR - Recordation Tax -
linked 380.00
LR - State Transfer Tax
- linked 250.00
LR - NR Tax - kd 0.00

SubTotal: 690.00

Total: 710.00

04/24/2017 04:09

CC21-RZ

#8241708 CC0403 -
Washington
County/CC04.03.03 -
Register 03

WASHINGTON COUNTY CIRCUIT COURT (Land Records) DJW 5486, p. 0196, MSA_CE18_5438, Date available 04/27/2017, Printed 07/11/2017.

This page not to be counted in calculating Recording Fee

**Clerk of Circuit Court
Washington County, Maryland**

Dennis J. Weaver, Clerk
24 Summit Avenue
Hagerstown, MD 21740
301-790-7991

For Clerks Use Only

Improvement Fee	40.00
Recording Fee	20.00
County Transfer Tax	
Recordation Tax	380.00
State Transfer Tax	250.00
Non-Resident Tax	
TOTAL	690.00

Real Property Data Search w3

Search Result for WASHINGTON COUNTY

[View Map](#)
[View GroundRent Redemption](#)
[View GroundRent Registration](#)

Account Identifier: District - 26 **Account Number - 023173**

Owner Name: DOWNSVILLE PIKE LAND LLC **Use:** RESIDENTIAL
Principal Residence: NO
Mailing Address: 10306 REMINGTON DR 2ND FLR **Deed Reference:** /05488/ 00165
 HAGERSTOWN MD 21740-0000

Premises Address: 10662 DOWNSVILLE PIKE **Legal Description:** 1.10 ACRES
 HAGERSTOWN 21740-0000 10662 DOWNSVILLE PIKE

Map:	Grid:	Parcel:	Sub District:	Subdivision:	Section:	Block:	Lot:	Assessment Year:	Plat No:
0057	0002	0210		0000				2017	Plat Ref:

Special Tax Areas: **Town:** NONE
Ad Valorem:
Tax Class:

Primary Structure Built	Above Grade Living Area	Finished Basement Area	Property Land Area	County Use
1950	1,196 SF		1.1000 AC	

Stories	Basement	Type	Exterior	Full/Half Bath	Garage	Last Major Renovation
1 1/2	YES	STANDARD UNIT	BRICK	1 full		

Value Information

	Base Value	Value	Phase-in Assessments	
		As of	As of	As of
		01/01/2017	07/01/2016	07/01/2017
Land:	61,000	61,000		
Improvements	65,600	65,600		
Total:	126,600	126,600	126,600	126,600
Preferential Land:	0			0

Transfer Information

Seller:	Date:	Price:
RICE ANITA VIRGINIA	04/26/2017	\$175,000
Type: NON-ARMS LENGTH OTHER	Deed1: /05488/ 00165	Deed2:
Seller:	Date:	Price: \$0
Type:	Deed1: /01770/ 00701	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:

Exemption Information

Partial Exempt Assessments:	Class	07/01/2016	07/01/2017
County:	000	0.00	
State:	000	0.00	
Municipal:	000	0.00 0.00	0.00 0.00

Tax Exempt: **Special Tax Recapture:**
Exempt Class: NONE

Homestead Application Information

Homestead Application Status: No Application

Homeowners' Tax Credit Application Information

Homeowners' Tax Credit Application Status: No Application **Date:**

EXHIBIT *plc B*

Tri-State Signature Settlements, LLC
File No. TE-10106M
Tax ID# 26023173

This Deed, made this 21st day of April, 2017, by and between **The Estate of Anita Virginia Rice, Estate No. 69124**, Grantor; and **Downsville Pike Land, LLC**, a Maryland Limited Liability Company, party of the second part, GRANTEE.

Whereas, on February 12, 2014, the Orphans' Court of Washington County, State of Maryland (the "Court") granted administration of the Estate of the Decedent to Connie J. Proctor as Personal Representative of the Estate of the Decedent in Estate No. 69124.

Whereas, Grantor in the capacity as Personal Representative in the Estate of the Decedent has complete and full power and authority by law, to grant and convey the entire fee simple interest in the hereinafter described property; and

Whereas, as part of the administration of the Estate of the Decedent, Grantor desires to convey the entire fee simple estate in the hereinafter described property to the Grantee.

- **Witnesseth** -

That in consideration of the sum of **One Hundred Seventy-Five Thousand And 00/100 Dollars (\$175,000.00)**, which includes the amount of any outstanding Mortgage or Deed of Trust, if any, the receipt whereof is hereby acknowledged, the said GRANTOR as Personal Representative as the Estate of the Decedent, does hereby grant and convey to **Downsville Pike Land, LLC**, in fee simple, all that lot of ground situate in the County of Washington, State of Maryland and described as follows, that is to say:

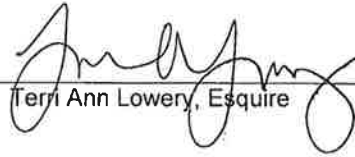
All that lot or parcel of land situate along the Northwest side of the Hagerstown Downsville Road approximately one and six tenths (1.6) miles from the Corporate Limits of the City of Hagerstown, in District No. 26, Washington County, Maryland and being more particularly described as follows:

Beginning at a stone planted at the end of the South 78 degrees 30 minutes west 89 and 5/10 perch line of the deed from Mary E. Stockslager, widow, to Albert L. Stockslager and wife, dated August 6, 1927, and recorded in Liber No. 178, folio 94, one of the land records of Washington County, Maryland, said stone being in or near the Northwest margin of the aforesaid Hagerstown-Downsville Road and at the North east corner of the parcel of land conveyed by the Downsville and Hagerstown Turnpike Company of Washington County to Arthur T. Samuels and Edna M. Samuels, his wife, by deed dated May 3, 1919 and recorded in Liber No. 155, folio 185, another of the Land Records of Washington County and running thence with the closing line of the first mentioned deed North 62 degrees 45 minutes East 133 feet to a point in said Road, thence crossing a portion of the Road North 27 degrees 15 minutes West 24 feet to an iron pipe in the Northwest margin thereof, thence leaving the Road and running North 59 degrees 50 minutes West 337 feet to an iron pipe, thence South 22 degrees 36 minutes West 212 feet to an iron pipe in the boundary of the entire tract conveyed to Stockslager as aforesaid, thence with said boundary line South 78 degrees 15 minutes East 88 feet, more or less, to the Northwest corner of the aforesaid parcel of land conveyed to Arthur T. Samuels and wife, thence binding on said parcel South 78 degrees 15 minutes East 181 feet, more or less, to the place of beginning, containing one and one tenth acres of land, more or less.

SAVING AND EXCEPTING all that property located along the northwest side of the Downsville Pike in the Twenty Sixth Election District of Washington County, Maryland, as shown on State Highway Administration Plat No. 54605 (Rev. 7/15/97); together with any and all right of vehicular ingress and egress across those portions of the right of

WASHINGTON COUNTY CIRCUIT COURT (Land Records) DJW 5488, p. 0165, MSA_CE 18_5440, Date available 04/28/2017, Printed 07/11/2017.

THIS IS TO CERTIFY that the within Deed was prepared by, or under the supervision of the undersigned, an Attorney duly admitted to practice before the Court of Appeals of Maryland.


Terri Ann Lowery, Esquire

AFTER RECORDING, PLEASE RETURN TO:
Tri-State Signature Settlements, LLC
1185 Mount Aetna Road
Hagerstown, MD 21740

LR - Deed (w Taxes)
 Recording Fee - ALL 20.00
 Name: downsville pike
 Ref:
 LR - County Transfer
 Tax - linked 625.00
 LR - Surcharge -
 linked 40.00
 LR - Recordation Tax -
 linked 1,330.00
 LR - State Transfer
 Tax - linked 875.00
 LR - NR Tax - lkd 0.00
 =====
 SubTotal: 2,890.00
 =====
 Total: 3,423.00
 04/26/2017 10:52
 CC21-TR
 #0254008 CC0403 -
 Washington
 County/CC04.03.04 -
 Register 04

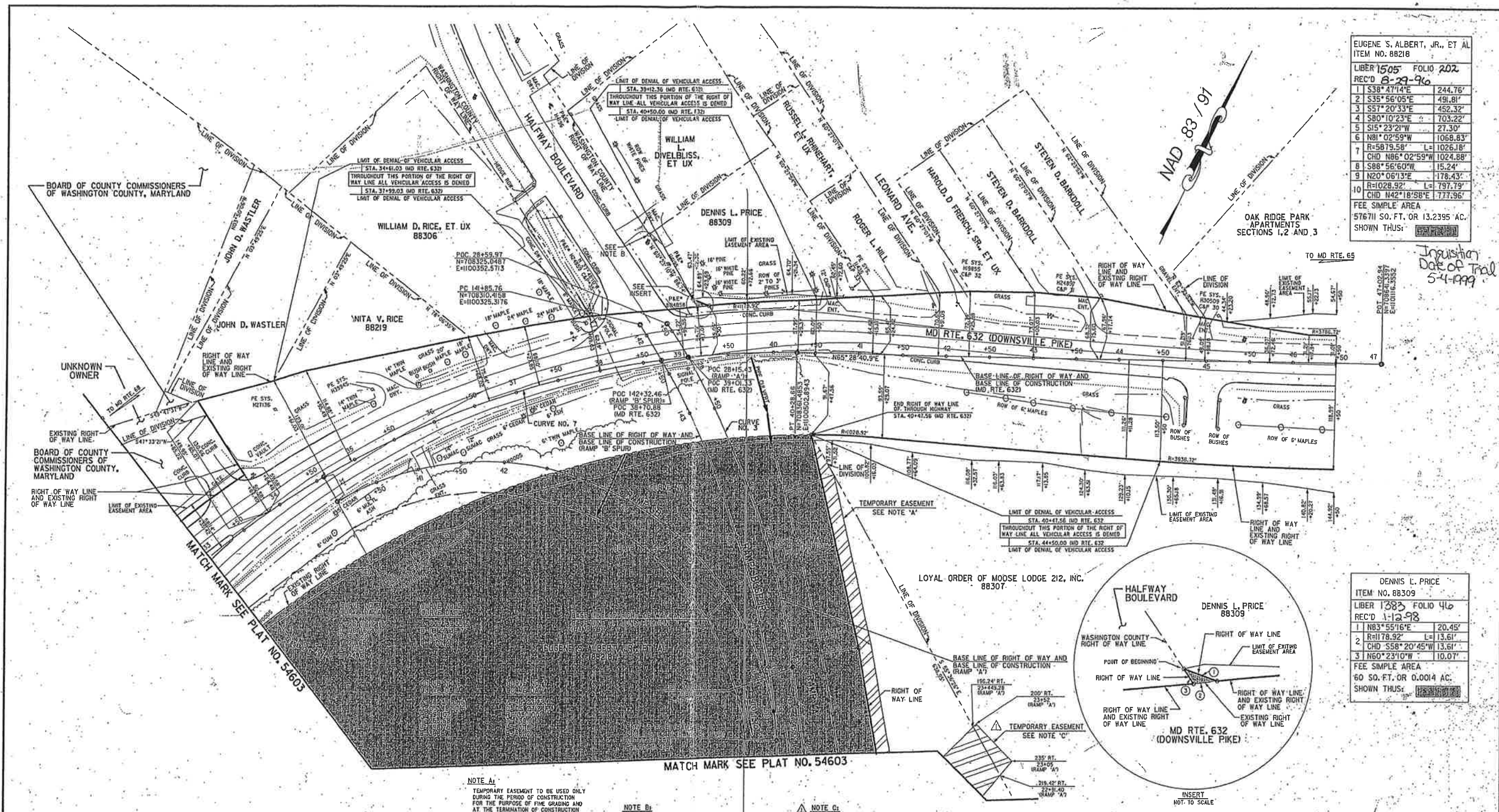
WASHINGTON COUNTY CIRCUIT COURT (Land Records) DJW 5488, p. 0169, MSA_CE18_5440. Date available 04/28/2017. Printed 07/11/2017.

This page not to be counted in calculating Recording Fee

**Clerk of Circuit Court
Washington County, Maryland**

Dennis J. Weaver, Clerk
24 Summit Avenue
Hagerstown, MD 21740
301-790-7991

<u>For Clerks Use Only</u>	
Improvement Fee	<u>40.00</u>
Recording Fee	<u>20.00</u>
County Transfer Tax	<u>625.00</u>
Recordation Tax	<u>1330.00</u>
State Transfer Tax	<u>875.00</u>
Non-Resident Tax	
TOTAL	<u>2890.00</u>



EUGENE S. ALBERT, JR., ET AL
ITEM NO. 88218

LIBER 1505 FOLIO 202
REC'D 8-29-96

1	S38°47'14"E	244.76'
2	S35°56'05"E	491.81'
3	S57°20'33"E	452.32'
4	S80°10'23"E	703.22'
5	S15°23'21"W	27.30'
6	N81°02'59"W	1068.83'
7	R=5879.58' L=1026.18'	
8	S88°56'60"W	15.24'
9	N20°06'13"E	178.43'
10	R=1028.92' L=797.79'	
	CHD N42°18'58"E	177.96'

FEE SIMPLE AREA
576711 SQ. FT. OR 13.2395 AC.
SHOWN THUS: [Symbol]

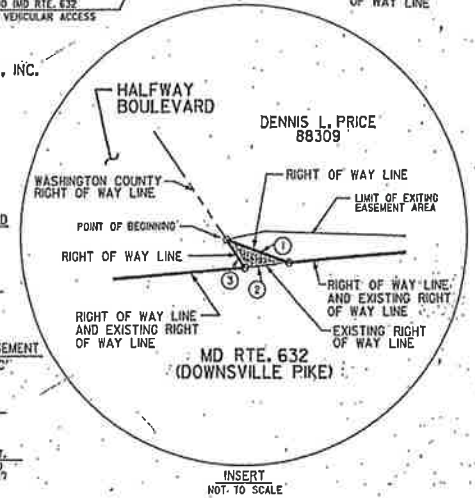
INQUIRY
DATE OF TRAL
5-4-99

DENNIS L. PRICE
ITEM NO. 88309

LIBER 1383 FOLIO 416
REC'D 1-12-98

1	N83°55'16"E	20.45'
2	R=178.92' L=13.61'	
3	N60°23'10"W	10.07'

FEE SIMPLE AREA
60 SQ. FT. OR 0.0014 AC.
SHOWN THUS: [Symbol]



NOTE A:
TEMPORARY EASEMENT TO BE USED ONLY DURING THE PERIOD OF CONSTRUCTION FOR THE PURPOSE OF FINE GRADING AND AT THE TERMINATION OF CONSTRUCTION ALL RIGHTS HEREBY ACQUIRED BY THE STATE HIGHWAY ADMINISTRATION - STATE ROADS COMMISSION SHALL THEN TERMINATE AND REVERT TO THE PROPERTY OWNERS.

NOTE B:
END OF THE 8TH OR NORTH 61/2" WEST BY 1/2 FEET LINE OF A DEED FROM VINCE K. PRICE TO DENNIS L. PRICE RECORDED AUGUST 27, 1984 IN LIBER 120, FOLIO 816.

NOTE C:
TEMPORARY EASEMENT TO BE USED ONLY DURING THE PERIOD OF CONSTRUCTION FOR THE PURPOSE OF SHOULDER REPAIR AND AT THE TERMINATION OF CONSTRUCTION, ALL RIGHTS HEREBY ACQUIRED BY THE STATE HIGHWAY ADMINISTRATION - STATE ROADS COMMISSION SHALL THEN TERMINATE AND REVERT TO THE PROPERTY OWNERS.

I HEREBY CERTIFY TO THE MARYLAND DEPARTMENT OF TRANSPORTATION, STATE HIGHWAY ADMINISTRATION THAT THE PROPERTY LINES SHOWN HEREON ARE CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF BASED ON THE FIELD SURVEY PERFORMED UNDER MY SUPERVISION AND THE RECORD DESCRIPTIONS THEREOF, AND THAT THIS PLAT MEETS THE REQUIREMENTS AS CONTRACTED FOR BY THE MARYLAND DEPARTMENT OF TRANSPORTATION, STATE HIGHWAY ADMINISTRATION.

DATE: 5/8/97
SIGNATURE: [Signature]
ROBERT L. GREEN, JR. MD. REG. NO. 471



LEGEND

- REVERTIBLE EASEMENT FOR SUPPORTING SLOPES.
- REVERTIBLE EASEMENT OR RIGHT FOR SPECIAL PURPOSE AS INDICATED BY NOTATION ON THIS PLAT.
- PERPETUAL EASEMENT FOR SPECIAL PURPOSE AS INDICATED BY NOTATION ON THIS PLAT.
- ARROW INDICATES GENERAL DRAINAGE PATTERN.
- PERPETUAL EASEMENT TO DISCHARGE FLOW OF WATER FROM OR INTO EXISTING WATERWAY OR NATURAL DRAINAGE COURSE.
- PERPETUAL EASEMENT TO DISCHARGE FLOW OF WATER UPON EXISTING GROUND.
- APPROXIMATE GENERAL DRAINAGE FLOW PATTERN (NOT TO SCALE-FOR EXPLANATORY PURPOSE ONLY).

A PORTION OF THIS RIGHT OF WAY IS FOR AN EXPRESSWAY AND NO ACCESS EITHER VEHICULAR, PEDESTRIAN, AND/OR ANIMAL WILL BE PERMITTED ACROSS THE LINES DESIGNATED 'RIGHT OF WAY LINE OF THROUGH HIGHWAY' EXCEPT BY MEANS OF SUCH PUBLIC ROAD CONNECTIONS AS ARE AUTHORIZED BY LAW.

SENT TO RECORD OFFICE: FEBRUARY 9, 1998
APPROVED BY CHAIRMAN: JANUARY 7, 1998

BOOKS: 13590 M&B, 20385 TRAV, 24990 TRAY
REVISIONS: T-15-97, For Later Revision See plat 54793
PART OF PLATS: 13405, 13406

LOCATED IN WASHINGTON COUNTY
PREPARED BY THE WILSON T. BALLARD COMPANY
PROJECT ENGINEER: Kenneth R. Evans
CONSTRUCTION PROJECT: I-70 / MD632 INTERCHANGE
CONSTRUCTION PROJECT NO: WA933512

STATE OF MARYLAND
DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ADMINISTRATION
STATE ROADS COMMISSION

RIGHT OF WAY PROJECT: I-70 / MD 632 INTERCHANGE
RIGHT OF WAY PROJECT NO: WA933512
FEDERAL AID PROJECT NO: NH-70-1 (214)N
SCALE: 1" = 50'
PLAT No. 54605

EXHIBIT C

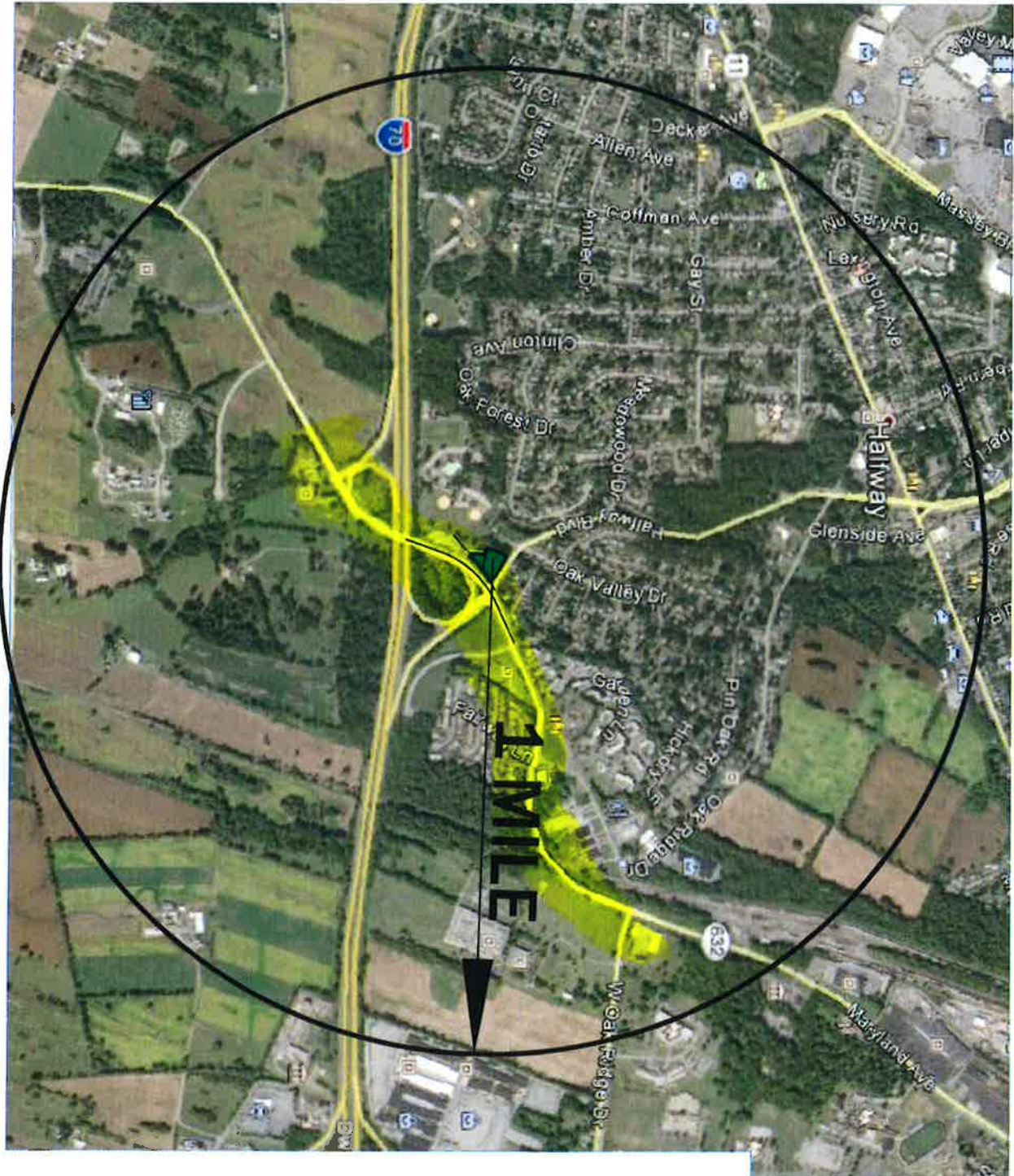
ADJOINING PROPERTY OWNER LIST

<p>TAX MAP 0057 PARCEL 0495 TAX ID#26-038308</p> <p>Washington Co. Commissioners Court House Hagerstown, Maryland 21740</p>	<p>TAX MAP 0057 PARCEL 0565 TAX ID#10-031478</p> <p>632 Joint Venture LLP P.O. Box 889 Hagerstown, Maryland 21741-0889</p>
<p>TAX MAP 0057 PARCEL 0208 TAX ID#26-023017</p> <p>Karen J. Funk Eric F. Funk 17906 Halfway Boulevard Hagerstown, Maryland 21740-1332</p>	<p>TAX MAP 0057 PARCEL 0375 TAX ID#10-014263</p> <p>Washington Co. Commissioners Court House Annex Hagerstown, Maryland 21740</p>
<p>TAX MAP 0057 PARCEL 0432 TAX ID#26-006821</p> <p>William Lee Divelbliss 17910 Halfway Boulevard Hagerstown, Maryland 21740</p>	<p>TAX MAP 0057 PARCEL 0329 TAX ID#26-018862</p> <p>John D. Wastler 10650 Downsville Pike Hagerstown, Maryland 21740-1734</p>
<p>TAX MAP 0057 PARCEL 0311 TAX ID#26-022134</p> <p>Dennis L. Price Diane C. Price 10702 Downsville Pike Hagerstown, Maryland 21740-1774</p>	<p>INTERSTATE 70 (I-70) Highway</p> <p>State Highway Administration Box 717 Baltimore, Maryland 21203</p>
<p>TAX MAP 0049 PARCEL 0270 TAX ID#26-033306</p> <p>Glenn S. Rea, Jr. 10801 Oak Valley Drive Hagerstown, Maryland 21740-7868</p>	

**L&B 6436201v1/13291.0001

EXHIBIT D

EXHIBIT B



SHEET 1 OF 1

PROJECT NO. 17-21200
 DATE: 08/20/17
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 APPROVED BY: [Name]
 PROFESSIONAL CERTIFICATION

REZONING EXHIBIT B
DOWNSVILLE PIKE LAND LLC
 SITUATE NORTH OF DOWNSVILLE PIKE & EAST OF HALFWAY BLVD.
 ELECTION DISTRICT 28
 WASHINGTON COUNTY, MARYLAND

DATE	REVISION	DRAWN BY

FOX & ASSOCIATES, INC.
 ENGINEERS • SURVEYORS • PLANNERS
 951 MI. AETNA ROAD SUITE 102
 HAGERSTOWN, MD. 21740 FREDRICK, MD. 21701
 PHONE: (301)733-8553 PHONE: (301)535-0500
 or (301)116-7250 FAX: (301)535-0500
 FAX: (301)733-1813 FAX: (301)253-0000
 www.foxandassociates.com Email: foxandassociates@foxandassociates.com



EXHIBIT B

JUSTIFICATION STATEMENT
DOWNSVILLE PIKE LAND, LLC, APPLICANT

The Map Amendment sought is based upon the following:

1. DESCRIPTION OF THE SITE.

Downsville Pike Land, LLC (the “Applicant”) is the owner of two parcels of land, located at 10656 and 10662 Downsville Pike, totaling 1.60 acres and situated along the northwest side of Maryland Route 632 (Downsville Pike), immediately south of its intersection with Halfway Boulevard (the “Site”). A copy of the rezoning vicinity map is included with this application as Exhibit A. The Site is located adjacent to the Maryland Rte. 632/I70 Interchange, and is currently developed with 2 aged single-family residences. Land uses within the Site’s 1-mile zoning neighborhood (the “Rezoning Neighborhood”) contain a mix of commercial and residential developments. Immediately to the south of the Site is one residence and the Marty L. Snook Regional Park as well as a State Highway Administration Park and Ride. To the north are primarily residential neighborhoods. To the south are I70 and the interchange (south of I70 is the Callas Contractors property), and to the east are the site of a coming new Sheetz store, several other commercial uses including the Health at Work site, and a mix of other commercial and residential uses. An aerial photograph of the Site showing the Rezoning Neighborhood and the various residential and commercial developments in the vicinity of the Site is attached as Exhibit B.

The official zoning classification of the Site, pursuant to the Washington County Zoning Ordinance (the “Zoning Ordinance”), is Residential, Suburban District (RS)¹. (Exhibit A). As shown on Exhibit A, the Site adjoins the Downsville Pike/I70 interchange, a public park, and the coming new Sheetz convenience store. Other than the home immediately to the south of the Site,

¹ The purpose of the RS zoning district is “to provide appropriate locations in the Urban and Town Growth Areas for single and two-family residential dwellings on moderately sized lots and limited community service type uses.”

all other residences nearby are either north of Halfway Boulevard or west of the parks from the Site. While there are residential neighborhoods nearby, the Site's location at the exit from I70 next to a Park and Ride (which attracts numerous commuters) and across from the proposed Sheetz store make it singularly inappropriate for continued residential use. The Applicant is requesting a map amendment to change the zoning classification of the Site from RS to Highway Interchange (HI) due to its immediate adjacency to the I70/Downsville Pike interchange and the proliferation of commercial uses along Downsville Pike.

Prior to 2012, the Site was zoned RS, but the interchange land located across Downsville Pike (hereinafter, the "Interchange Parcel") was zoned RM. As explained in greater detail below, the Washington County Board of County Commissioners (the "Board") in 2012 rezoned the Interchange Parcel from its prior RM zoning to the HI classification during the comprehensive rezoning of the Urban Growth Area that became effective on July 1, 2012 (*See* Ordinance No. ORD-2012-08) (the "Comprehensive Rezoning"), but the Site retained its RS zoning. Similarly, parcels 262 and 464 on Tax Map 56 and parcel 258 on Tax Map 57, south of I70 and within the rezoning neighborhood, were rezoned to HI in 2012. (see Exhibits C and D to show change in zoning during the Comprehensive Rezoning)

For the reasons set forth below the Applicant submits that the decision of the Board during the Comprehensive Rezoning to rezone the Interchange Parcel to the HI district, but NOT further deciding to rezone the Site to the same HI district, resulted from legal mistake, in that the Board did not take into account that the HI zoning district was significantly more appropriate for the Site as well as for the Interchange Parcel.

The Applicant further submits that there has been a substantial change in the character of the Rezoning Neighborhood sufficient to justify the rezoning request. Based on both mistake in zoning and change in the character of the neighborhood, the Applicant requests that the Site be reclassified to the HI zoning district.

THE PURPOSE OF THE HI DISTRICT IS TO "PROVIDE SUITABLE LOCATIONS FOR COMMERCIAL ACTIVITIES OR LIGHT INDUSTRIAL LAND USES

THAT SERVE HIGHWAY TRAVELERS, PROVIDE GOODS AND SERVICES TO A REGIONAL POPULATION, OR USES THAT HAVE A NEED TO BE LOCATED NEAR THE INTERSTATE HIGHWAY SYSTEM TO FACILITATE ACCESS BY A LARGE NUMBER OF EMPLOYEES, OR THE RECEIPT OR SHIPMENT OF GOODS BY HIGHWAY VEHICLES. IN ADDITION TO PROVIDING ACCESSIBLE LOCATIONS, THE HIGHWAY INTERCHANGE DISTRICT IS INTENDED TO PROTECT THE SAFE AND EFFICIENT OPERATION OF THE INTERCHANGE AND TO PROMOTE ITS VISUAL ATTRACTIVENESS.

2. ZONING HISTORY OF THE SITE

The Site, being located within the Urban Growth Area boundary around the City of Hagerstown, was among those “17,000 parcels and 38,000 acres of land” rezoned as part of the Comprehensive Rezoning of the Urban Growth Area in 2012. *See* Ordinance No. ORD-2012-08, p. 1. In adopting the Comprehensive Rezoning, the Board’s goal was to “promote compatibility amongst varied uses while providing the range of land uses needed to accommodate the needs of a growing community.” *See* Ordinance No. ORD-2012-08, p. 6. During the Comprehensive Rezoning process, the Board eliminated the agriculture zone in the Urban Growth Area which “resulted in the assignment of different zoning classification to 8,861 acres of land ... [and] all of the reclassifications result in ... ***decreases in land area devoted to residential and commercial*** uses.” *See* Ordinance No. ORD-2012-08, p. 5 (emphasis added). To that end, the Comprehensive Rezoning of the Urban Growth Area was aimed to “positively reflect the general planning principles of providing for increased diversity, density, and intensity of uses as proximity increases towards the urban core of the County.” *See* Ordinance No. ORD-2012-08, pp. 5-6. Given the Site’s location adjacent to the I70 interchange, near extensive commercial development existing and occurring to the east and with the less intense single-family residential development separated from the Site to the west and north, divided by roads (Halfway Boulevard) and parks, the HI district should have been deemed as appropriate for the Site as it

was for the Interchange Parcel, which was comprehensively rezoned to HI zone from its prior residential RM zoning under the goals of the 2012 comprehensive rezoning.

The Comprehensive Rezoning was guided by the principles and recommendations contained in the 2002 comprehensive plan for the County (the “Comprehensive Plan”) which identifies, as major goals, the objective of promoting “the retention and expansion of existing businesses and industry while encouraging the development of new manufacturing and hi-tech industries to broaden the employment base” and providing “locations for new industry that encourage the use of existing infrastructure facilities and that take advantage of the interstate transportation system” *See Comprehensive Plan, p. 13.*

The Site, being located within the urban core of the County and adjacent to a highway interchange, is clearly appropriate for the HI zoning district, and designation of the HI zoning classification is compatible with the adjoining and nearby properties. At the time of the comprehensive rezoning of the Urban Growth Area was adopted, the Planning Department advised the Board that “at least 75% of those specific [zoning modification] requests received from property owners were approved,” and that the Board would have opportunities in the future to address certain areas of the Urban Growth Area if it elected to do so. *See Board of County Commissioners Meeting Minutes from April 17, 2012, p. 3.* Therefore, the Applicant submits that if the Board were today to apply the very same policy criteria that it did during the 2012 Comprehensive Rezoning, it would not designate the Site in the RS district but rather would re-classify the Site to the HI district.

3. CHANGES TO THE NEIGHBORHOOD.

While the Site has been used for residential purposes long before the enactment of the Ordinance, changes to the neighborhood have occurred since the original and last Comprehensive Rezoning. During the Comprehensive Rezoning, several of the parcels within the Rezoning

Neighborhood were zoned to more intensive uses. As stated above, the Interchange Parcel was rezoned HI from RM-Residential Multi-Family, and the above referenced Parcels 262, 464 and 258, located south of I70 were rezoned from ORT-Office Research and Technology to HI. Similarly, the Marty Snook Park parcel was also rezoned from A-Agricultural to RS. Finally, the approval of the new Sheetz convenience store immediately across Downsville Pike from the Site will greatly influence changes to the Rezoning Neighborhood.

In addition, traffic travelling through the Rezoning Neighborhood has significantly increased since the Comprehensive Rezoning. As shown on the Maryland Department of Transportation, State Highway Administration Annual Average Daily Traffic 2009-2015 chart, (Exhibit E), traffic on that portion of Downsville Pike from Halfway Boulevard to Downsville Pike increased from 10,960 daily trips in 2012 to 12,361 daily trips in 2015. Notably, average daily trips have increased each year since 2012.

4. LEGAL ARGUMENT.

A. The Law.

A local legislative body (in Washington County, the Board of County Commissioners) may approve a piecemeal zoning map amendment, which changes the zoning classification of a property outside of the comprehensive planning process, upon finding that either there was a mistake in the existing zoning classification or that there has been a substantial change in the character of the neighborhood where the property is located. Md. Ann. Code Lane Use, §4-204(b)(2).

B. Mistake In Zoning.

Mistake in zoning, as defined by the Maryland Court of Appeals in numerous opinions related over the years, is proved by introducing evidence that shows either that the approving body failed to take into account factors at the time of comprehensive zoning which would (or should) have justified a different zoning classification, or that events have occurred subsequent to the comprehensive rezoning which show that the approving body's assumptions and premises have

since proved to be invalid. Howard County v. Dorsey, 292 Md. 351, 438 A.2d 1339 (1982). Specifically, “when the assumption upon which a particular use is predicated proves, with the passage of time, to be erroneous, this is sufficient to authorize a rezoning.” Mayor of Rockville v. Stone, 271 Md. 655, 319 A.2d 536 (1974); see also Anne Arundel County v. A-Pac Ltd., 67 Md. App. 122, 506 S. 2d 671 (1986) (stating, “when subsequent events demonstrate that any significant assumption made by the Council at the time of the comprehensive rezoning was invalid, the presumption of validity accorded to the comprehensive rezoning is overcome.”). In addition, the “evidentiary burden [of proving error in existing zoning] can be accomplished ... by producing evidence that the Council failed to make any provision to accommodate a project, trend or need which it, itself, recognized as existing at the time of the comprehensive rezoning.” Boyce v. Sembly, 25 Md. App. 43, 334 A.2d 137 (1975), citing also Jobar Corp. v. Rodgers Forge Community Ass'n., 236 Md. 106, 202 A.2d 612 (1964) and Rohde v. County Board of Appeals 234 Md. 259, 199 A.2d 216 (1964).

In the case at hand, evidence exists and is presented herein which specifically and unequivocally shows that:

(1) In adopting the Comprehensive Rezoning of the Urban Growth Area, the Board intended to “positively reflect the general planning principles of providing for increased diversity, density, and intensity of uses as proximity increases towards the urban core of the County.” See Ordinance No. ORD-2012-08, pp. 5-6. The Board mistakenly retained the RS zoning on the Site while rezoning the neighboring Interchange Parcel to the HI district instead of accounting for the Site’s ideal location for HI uses and its unsuitability as an ongoing residential area due to the I70 interchange substantially similar to the situation facing the Interchange Parcel;

(2) At the time the Board maintained the RS zoning district on the Site, it also reclassified the adjoining Interchange Parcel from the RM district to the HI district despite the fact that the Interchange Parcel is undevelopable and the same facts and circumstances which justified the change in zoning for the Interchange Parcel apply to the Site. The Board did not account for the fact that designating this Site as HI would be compatible and consistent with its reclassification for the Interchange Parcel. The Board made a legal mistake by failing to recognize that the adjoining Interchange Parcel, like the Site, fronts on Downsville Pike and is significantly impacted by the traffic leaving I70, such that future development of both properties should be oriented toward highway uses and not residential uses.

This evidence is sufficient to allow the Board to grant the requested rezoning on the basis of a mistake in the existing zoning.

C. Change in the Character of the Neighborhood.

In determining if there has been a substantial change in character of the neighborhood, one must first determine what constitutes the neighborhood. Montgomery v. Board of County Commissioners for Prince George's County, Maryland, et al. 263 Md. 1, 280 A.2d 901 (1971). The concept of a neighborhood is a flexible one, and will vary according to the geographical location involved. Montgomery, at 5. The Applicant asserts that while adjoining properties located along Halfway Boulevard to the west are similarly zoned RS, the "neighborhood" should more properly include those commercially zoned and/or utilized properties adjoining the Site along the east side of Downsville Pike, including the coming Sheetz convenience store immediately across from the Site, zoned HI and further including the land zoned HI and ORI south of I70. The neighborhood that faces the same situation as the Site, in reality, is not the nearby residential neighborhoods along Halfway Boulevard but more appropriately is the commercial corridor along Downsville Pike and near or adjacent to its interchange with I70. The Downsville Pike commercial corridor is highlighted in yellow on Exhibit B.

While the Site has been used for residential purposes for many years, it is currently uninhabited and is, frankly, uninhabitable. Changes to the neighborhood have occurred since the both original comprehensive zoning and the 2012 Comprehensive Rezoning. During the Comprehensive Rezoning, several parcels within Applicant's defined neighborhood were zoned to more intensive uses. As stated above, the Interchange Parcel was rezoned HI from RM, and the above referenced Parcels 262, 464 and 258, located south of I70 were rezoned HI from ORT. The adjacent Marty Snook Park land was also rezoned from A to RS.

In addition, as stated above, traffic within the neighborhood has also increased significantly. As shown on Exhibit C, traffic on that portion of Downsville Pike from Halfway Boulevard to Downsville Pike increased from 10,960 daily trips in 2012 to 12,361 daily trips in 2015. Notably, average daily trips have increased each year since 2012.

When considering the issue of "substantial change in a neighborhood, the County should consider 'all changes and pertinent facts' together in totality." The Bowman Group v. Dawson Moser, 112 Md.App. 694, 686 A.2d 643 (1996). In Bowman case, the Court upheld the rezoning of appellant's property by taking into consideration the following factors: 1) previous rezonings; 2) upgrades made to roads; and 3) new water and sewer lines. Id. Considering that multiple parcels in the neighborhood have been rezoned to HI, there has been a significant increase in traffic along Halfway Boulevard and Downsville Pike, improvements made to Halfway Boulevard, and the recently approved and coming Sheetz convenience store, these facts in totality clearly establish that there has been a substantial change in the neighborhood sufficient to justify the proposed map amendment, and that the requested HI zoning for the Site is more appropriate than the existing RS zoning.

In addition, the County anticipated and provided for the future development of the Site when including the Property in the Urban Grown Area. The commercial corridor along Downsville Pike and rezoning of parcels in the neighborhood have transformed the neighborhood significantly and will continue to do so in the future. As stated, the Site would be better suited for a commercial use permitted by the HI District, given its location along Halfway Boulevard, Downsville Pike and the

I70 interchange and the impact of the interchange and the adjacent Park and Ride property on the continuing ability to use the Site for residential purposes, as well as its proximity and access to I70.

In conclusion, the Applicant avers that it is conclusive that a substantial change in the character of the neighborhood has occurred which legally justifies a decision to approve the requested rezoning.

5. AVAILABILITY OF PUBLIC FACILITIES.

- a. Public Water and Sewer. Public water and sewer are currently available to serve the Site.
- c. Protective Services. The Site will be served by the Halfway Fire Company. Police protection will be provided by the Washington County Sheriff's Department.

6. PRESENT AND FUTURE TRANSPORTATION PATTERNS.

The Site is bounded by Halfway Boulevard and Downsville Pike and could potentially be serviced by entrances on either or both roads. Highway access to the Site is via the Downsville Pike/I70 Interchange, making access for both regional and local travelers convenient and safe. These roads and this interchange are ideal for the requested HI zoning. Both Downsville Pike and Halfway Boulevard are classified as Arterial Roads.

7. COMPATIBILITY WITH EXISTING AND PROPOSED DEVELOPMENT FOR THE AREA.

As stated above, the Site is surrounded by a mix of residential and commercial uses, and the adjacent properties to the east along Downsville Pike are all classified in the HI district, and compatible with the requested zoning classification for the Site. A new Sheetz convenience store will be located immediately across Downsville Pike from the Site. The Site's proximity to

the I70 interchange and the adjacent Park and Ride make continued residential use clearly unsuitable. The Site is well suited to serving the travelling public, however, due to this proximity, and thus the requested HI zoning makes much more sense from a land use perspective than the existing residential zoning.

8. POPULATION CHANGE.

The Site is currently unoccupied and this is unlikely to change in any circumstance. Rezoning the Site to HI will have no effect on the population of the Rezoning Neighborhood. The population of the Rezoning Neighborhood is, however, growing.

9. COMPREHENSIVE PLAN.

The Comprehensive Plan identifies, as major goals, the objective of promoting “the retention and expansion of existing businesses and industry while encouraging the development of new manufacturing and hi-tech industries to broaden the employment base” and providing “locations for new industry that encourage the use of existing infrastructure facilities and that take advantage of the interstate transportation system” *See Comprehensive Plan, p. 13*. In addition, the Comprehensive Plan discusses the need to sustain and expand existing businesses. *See Comprehensive Plan, p. 60*. The proposed rezoning of the Site to HI will allow for the redevelopment of the Site from a decrepit and aging single family residence to a much more appropriate retail operation serving the neighborhood and the travelling public along Downsville Pike and I70. Given the Site’s location at the intersection of Halfway Boulevard and Downsville Pike (both Arterial Roads) and being at the end of the off-ramp from I70, such a commercial use is much more suitable for the Site and in keeping with the Comprehensive Plan. The Comprehensive Plan also identifies that appropriate commercial site locations should reflect the need to be located where the market can best be served. *See Comprehensive Plan, p. 61*. The Applicant avers that a commercial site located at the intersection of Halfway Boulevard and

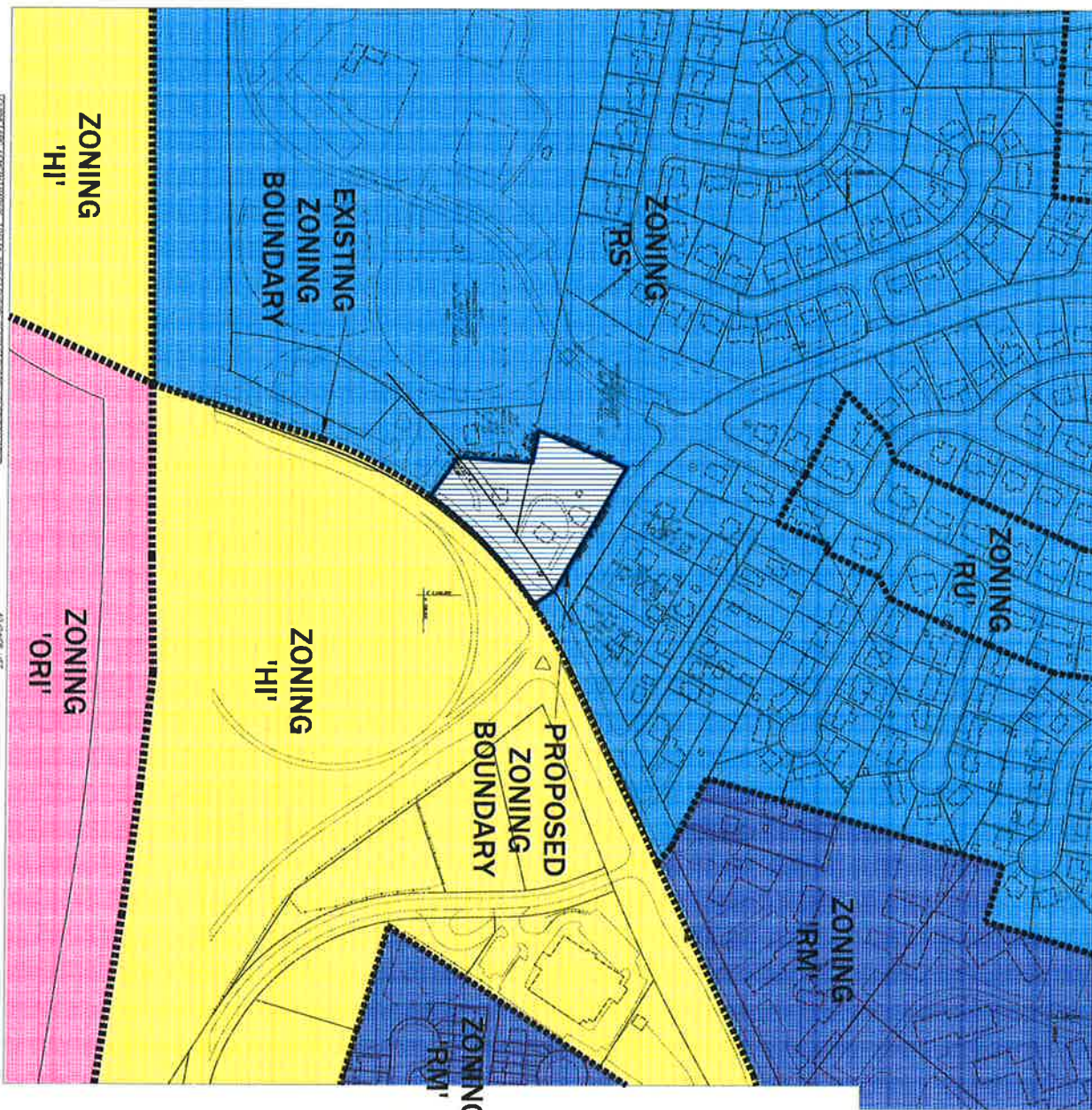
Downsville Pike and directly across from the I70 off-ramp and adjacent to the Park and Ride is an ideal location for a commercial use to serve the Halfway and South Hagerstown markets as well as interstate travelers.

8. CONCLUSION.

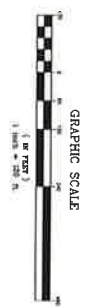
The Applicant requests that the Board approve this rezoning application as the request meets all of the legal requirements for map amendments under the Washington County Zoning Ordinance and under Maryland law to be approved. The Applicant's requested zoning map amendment will remedy the Board's failure to designate the Site for HI use. Moreover, the requested zoning map amendment will correct the Board's failure to take into account various factors related to the Site at the time of comprehensive rezoning which would have justified the HI zoning classification, and will properly reflect the substantial changes to the Rezoning Neighborhood outlined in this statement.

**L&B 6445218v1/13291.0001

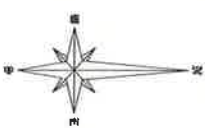
EXHIBIT A



1. 1" = 100' (GRAPHIC SCALE)
 2. 1" = 100' (GRAPHIC SCALE)
 3. 1" = 100' (GRAPHIC SCALE)
 4. 1" = 100' (GRAPHIC SCALE)
 5. 1" = 100' (GRAPHIC SCALE)
 6. 1" = 100' (GRAPHIC SCALE)
 7. 1" = 100' (GRAPHIC SCALE)
 8. 1" = 100' (GRAPHIC SCALE)
 9. 1" = 100' (GRAPHIC SCALE)
 10. 1" = 100' (GRAPHIC SCALE)
 11. 1" = 100' (GRAPHIC SCALE)
 12. 1" = 100' (GRAPHIC SCALE)
 13. 1" = 100' (GRAPHIC SCALE)
 14. 1" = 100' (GRAPHIC SCALE)
 15. 1" = 100' (GRAPHIC SCALE)
 16. 1" = 100' (GRAPHIC SCALE)
 17. 1" = 100' (GRAPHIC SCALE)
 18. 1" = 100' (GRAPHIC SCALE)
 19. 1" = 100' (GRAPHIC SCALE)
 20. 1" = 100' (GRAPHIC SCALE)



LEGEND
 AREA TO BE REZONED FROM RS TO HI (1.60 AC.)
 EXISTING ZONING BOUNDARY



PROJECT NO. 17-020
 DATE: 08/17/2017
 DRAWING NO. 01
 SHEET NO. 1 OF 1

REZONING EXHIBIT
DOWNSVILLE PIKE LAND LLC
 SITUATE NORTH OF DOWNSVILLE PIKE & EAST OF HALFWAY BLVD.
 ELECTION DISTRICT 26
 WASHINGTON COUNTY, MARYLAND

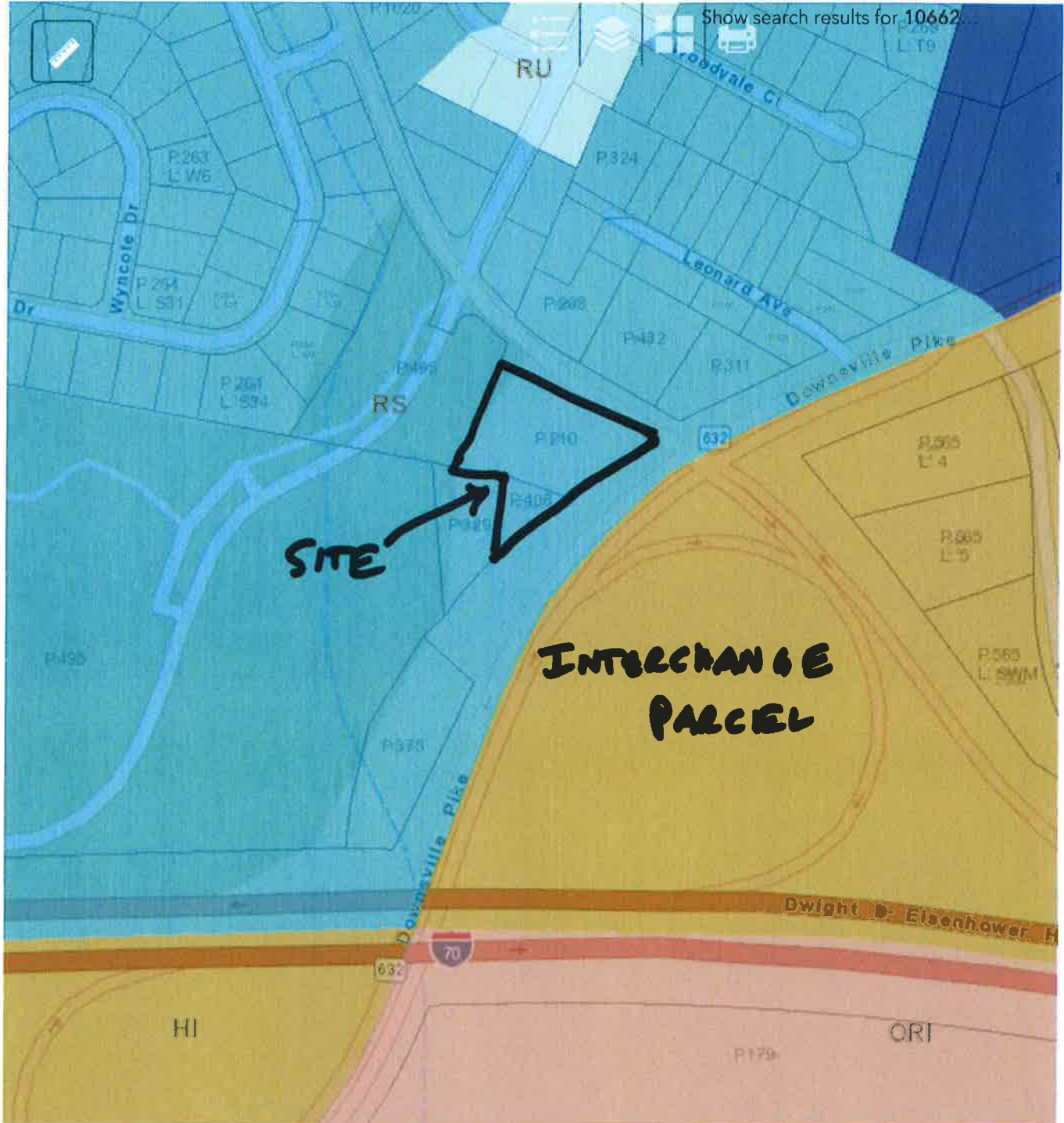
FOX & ASSOCIATES, INC.
 ENGINEERS • SURVEYORS • PLANNERS
 881 MT. AETHA ROAD WASHINGTON, MD 21740
 PHONE: (301)733-8500
 OR (301)416-7250
 FAX: (301)733-1853
 82 WORMANS MILL COURT SUITE 102 FREDERICK, MD 21701
 PHONE: (301)919-0660
 FAX: (301)955-6009
 www.foxandassociates.com Email: foxand@foxandassociates.com

EXHIBIT 10-G

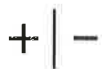


▼	10662 downsville pike	✕	🔍
---	-----------------------	---	---

Show search results for 10662...



2012 ZONING

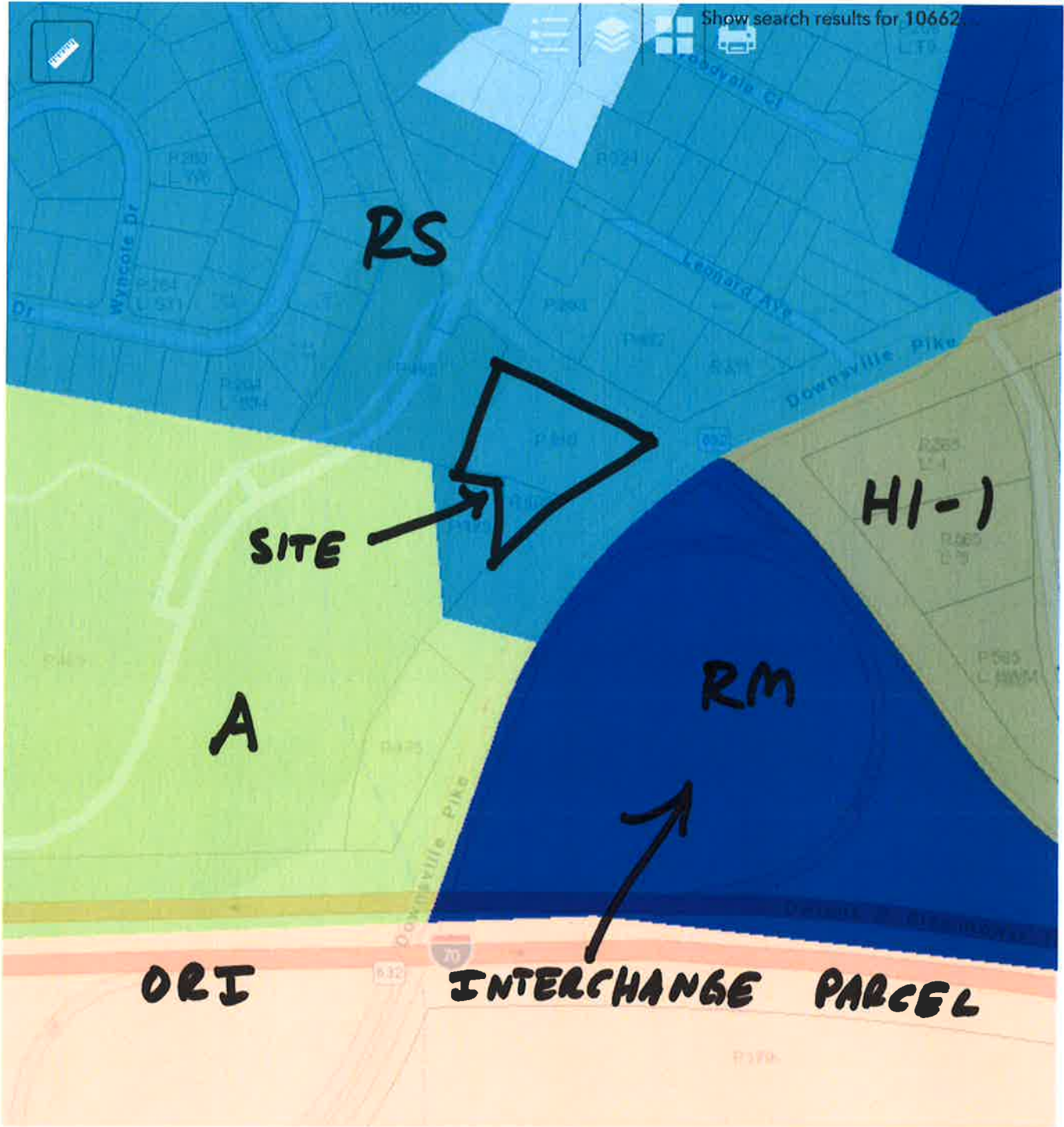


-77.750 39.611 Degrees

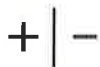
EXHIBIT plc G



10662 downsville pike X Q



2005 ZONING



300ft

-77.750 39.611 Degrees

EXHIBIT p10 G

**MARYLAND DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ADMINISTRATION
OFFICE OF PLANNING AND PRELIMINARY ENGINEERING
DATA SERVICES ENGINEERING DIVISION**

AADT'S OF STATIONS FOR THE YEARS 2009 - 2015

This report reflects the Annual Average Daily Traffic (AADT) in Maryland for the last seven years (2009 through 2015). It contains the county, route, mile point, location ID, location description (description of the road segment for which the AADT applies) and the historic AADT for each station. The report is sorted by county, route, and mile point in ascending order.

Stations denoted by a "P" followed by a four-digit number, contain data collected from Automatic Traffic Recorders (ATR's). These ATR's collect length, volume and/or classification data, which is then downloaded, loaded into a database and validated on a daily basis. Stations denoted by a "T" followed by a four-digit number, contain data provided by Maryland Toll Authority.

Stations denoted by a "B" or "S" followed by a multiple-digit number, contain data from Maryland's portable count program. The portable count program only collects volume and/or classification data, which is manually validated and loaded. The data for these stations is collected on a three or six year cycle depending on the roadway. Growth Factors are applied to counts which were not taken during the current year.

The AADT data contained in this report is estimated. The AADT estimates are derived by taking 48-hour machine count data and applying factors from permanent count stations.

A special numeric code was added to the AADT numbers, starting in 2006, to identify the years when the count was actually taken. The last digit represents the number of years prior to the actual count. Where "0" represents the current year when data was collected (in 2015), "1" represents the count taken in 2014, "2" represents the count taken in 2013, "3" represents the count taken in 2012 and so forth.

MARYLAND DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ADMINISTRATION
DATA SERVICES ENGINEERING DIVISION
ANNUAL AVERAGE DAILY TRAFFIC (AADT) 2009-2015
As of: 06/21/2016



ROUTE	ROADNAME	LOCATION	BEGIN MP	END MP	LOCATION DESCRIPTION	AADT									
						2009	2010	2011	2012	2013	2014	2015			
MD 67	ROHRERSVILLE RD	B3982	2.80	5.10	YARROWSBURG RD TO GAPLAND RD	4,402	4,270	4,191	4,202	4,320	4,321	4,432			
MD 67	ROHRERSVILLE RD	B3983	5.10	12.20	GAPLAND RD TO US 40AL	5,422	5,420	5,321	5,332	5,130	5,131	5,252			
MD 68	CLEARSPRING RD	B4022	0.00	2.74	US 40 TO MD 66	2,482	2,580	2,531	2,542	2,533	2,534	2,505			
MD 68	CLEARSPRING RD	B3984	2.74	3.92	MD 66 TO CEDAR RIDGE RD	1,922	2,050	2,011	2,022	2,120	2,121	2,172			
MD 68	CLEARSPRING RD	B3985	3.92	7.31	CEDAR RIDGE RD TO US 11	4,532	4,510	4,421	4,432	4,040	4,041	4,142			
MD 68	CONOCOCHIEGUE ST	B3986	7.31	8.29	US 11 TO IS 81	3,162	3,310	3,321	3,292	3,050	3,041	3,122			
MD 68	LAPPANS RD	B3967	8.29	10.48	IS 81 TO MD 632	9,602	10,170	9,981	10,002	10,960	10,951	11,212			
MD 68	LAPPANS RD	B3969	10.48	13.35	MD 632 TO MD 65	4,662	4,740	4,651	4,662	4,643	4,644	4,765			
MD 68	LAPPANS RD	B3970	13.35	16.58	MD 65 TO BARNES RD	2,592	2,670	2,581	2,562	2,573	2,574	2,645			
MD 68	LAPPANS RD	B3971	16.58	18.50	BARNES RD TO US 40AL	2,202	2,140	2,101	2,112	2,112	2,130	2,182			
MD 77	FOXVILLE RD	B3980	0.00	0.17	MD 64 TO WOLFVILLE RD	4,511	4,552	4,220	4,231	4,231	4,213	4,314			
MD 77	FOXVILLE RD	B3981	0.17	2.51	WOLFVILLE RD TO PLEASANT VALLEY RD	3,821	3,852	3,500	3,511	3,492	3,493	3,584			
MD 77	FOXVILLE RD	B3983	2.51	3.02	PLEASANT VALLEY RD TO FREDERICK COIL	3,381	3,412	3,130	3,141	3,141	3,132	3,214			
MD 144	WASHINGTON ST	B3994	0.00	1.47	US 40 TO WESTERN MARYLAND PKWY	4,502	4,640	4,661	4,622	4,622	4,990	4,981	5,112		
MD 144	WB WESTERN PIKE	B3991	0.00	2.77	RAMPS NORTH OF IS 68 TO LOCHER RD	972	983	964	975	960	961	982			
MD 144	WB WESTERN PIKE	B3992	2.77	3.67	LOCHER RD TO MD 894	4,051	4,082	4,003	4,014	3,995	2,650	2,711			
MD 144	WB MAIN ST	B3993	3.67	5.91	MD 894 TO IS 70	8,201	8,272	8,123	8,144	8,105	6,770	6,931			
MD 418	RINGGOLD PIKE	B3995	0.00	2.77	MD 60 TO MD 64	4,060	4,091	4,012	4,023	4,004	4,005	4,190			
MD 418	RINGGOLD PIKE	B3997	2.77	4.62	MD 64 TO PENNSYLVANIA STL	5,880	5,931	5,822	5,833	5,804	5,805	6,320			
MD 491	RAVEN ROCK RD	B3999	0.00	4.69	MD 64 TO FREDERICK COIL	2,130	2,151	2,112	2,123	2,114	2,115	2,200			
MD 491	RAVEN ROCK RD	B3999	6.40	6.78	FREDERICK COIL TO MD 560	2,130	2,151	2,112	2,123	2,114	2,115	2,200			
MD 494	FAIRVIEW RD	B4000	0.00	0.84	PENNSYLVANIA STL TO MD 57	2,701	2,722	2,680	2,691	2,682	2,663	2,754			
MD 494	FAIRVIEW RD	B4036	0.84	6.00	MD 57 TO BLACKBERRY LA	1,641	1,652	1,580	1,581	1,572	1,573	1,614			
MD 494	FAIRVIEW RD	B4001	6.00	6.83	BLACKBERRY LA TO MD 63	3,451	3,482	3,170	3,181	3,172	3,173	3,254			
MD 550	FORT RITCHIE RD	B4003	0.00	1.81	FREDERICK COIL TO PENNERSVILLE RD	1,871	1,882	1,893	1,884	1,895	1,895	1,945			
MD 550	PEN MAR RD	S2011210333	1.81	2.01	PENNERSVILLE RD TO PEN MAR RD	1,210	1,210	1,210	1,201	1,201	1,202	1,234			
MD 615	HEAVENLY ACRES RIDGE	B4004	0.00	4.35	IS 70 RAMP TO PENNSYLVANIA STL	581	592	583	584	585	580	500			
MD 632	DOWNSVILLE PIKE	B4005	0.00	2.24	MD 63 TO MD 68	2,521	2,542	2,493	2,504	2,495	2,420	2,481			
MD 632	DOWNSVILLE PIKE	B4006	2.24	5.12	MD 68 TO HALFWAY BLVD	5,601	5,652	5,553	5,564	5,545	5,640	5,781			
MD 632	DOWNSVILLE PIKE	B4026	5.12	6.71	HALFWAY BLVD TO DOWNSVILLE PIKE	12,081	12,152	10,960	10,871	10,892	12,050	12,361			
MD 845 A	S MAIN ST	B210043	0.00	1.23	MD 34 TO MD 34	490	491	482	483	484	485	480			
MD 903	MOUNTAIN RD	B210074	0.25	1.16	MOUNTAIN RD (BACK) TO NATIONAL PIKE (AHEAD)	80	81	82	83	84	85	100			
CO 6	MOUNTAIN RD	B210074	0.00	0.25	PENNSYLVANIA STL TO MD 903 (AHEAD)	80	81	82	83	84	85	100			
CO 23	WOODMONT RD	B210063	0.00	6.33	PEARRE RD TO MD 144	174	185	185	195	195	70	71			
CO 3	PENNSYLVANIA AVE	S2011210321	0.81	1.79	188 TO PENNSYLVANIA AVE	4,240	4,251	4,232	4,233	4,344					

Note: AADTs that are bold and italicized are counted that year



DEPARTMENT OF PLANNING & ZONING
 COMPREHENSIVE PLANNING | LAND PRESERVATION | FOREST CONSERVATION | GIS

September 8, 2017

Case #: RZ-17-003

**Application for Map Amendment
 Staff Report and Analysis**

Property Owner(s) :	Downsville Pike Land, LLC
Applicant(s) :	Christopher R. Smith
Location :	NW side of Downsville Pike, ¼ mile North of I-70
Election District :	#26 – Halfway
Comprehensive Plan Designation :	Low Density Residential
Zoning Map :	57
Parcel(s) :	P. 210 & P. 408
Acreage :	1.60 acres (P. 210: 1.10 ac; P. 408: .50 ac)
Existing Zoning :	RS – Residential, Suburban
Requested Zoning :	HI – Highway Interchange
Date of Hearing :	September 25, 2017

I. Background and Findings Analysis:

1. Site Description

The subject parcels are located along the northwest side of Downsville Pike, approximately .25 miles north of Interstate 70. The total acreage of the two parcels that are the subject of this rezoning case is 1.60 acres. Each is described below:

Subject Parcel #1: Tax Map 57; Grid 002; Parcel 210 – The parcel has a regular rectangular shape consisting of 1.10 acres. A single family detached residence and a dilapidated accessory structure sit currently on the parcel, accessed from Halfway Boulevard. The property sits atop a small hill which slopes moderately to the southwest towards Marty Snook Park. Mature trees and brush cover much of the parcel. There are no environmentally sensitive areas on the property.



Subject Parcel #2: Tax Map 57; Grid 002; Parcel 408 – The triangular shaped parcel comprises .50 acres. The **Anita Rice House** (historic site WA-I-692) is located on the parcel, and is currently in poor condition. Mature trees and brush surround the house, which sits mid-slope between Parcel 210 and Parcel 329. There are no environmentally sensitive areas on the property.

Both properties are located within the Urban Growth Area that surrounds the City of Hagerstown and the Towns of Williamsport and Funkstown. An intermittent stream, Saint James Run, separates adjacent parcel 329 from the Park at the base of the hill, just offsite.

2. Population Analysis

To evaluate the change in population, information was compiled from the US Census Bureau over a thirty-year time frame. A thirty year horizon was chosen to show long term population trends both in the election district of the proposed rezoning, as well as the overall trends of the County.

The two parcels subject to this rezoning are located within the Halfway Election District (#26). As shown in the table below, the population in this district has grown more slowly than the County has over the thirty year time frame between 1980 and 2010. District 26 has grown 13.54% over the thirty year period (.45%) per year while the County as a whole has increased in population by 30.36% (1.01% per year) during the same period. Both jurisdictions experienced their greatest population increase between 2000 and 2010, within the time period in question.

Table 1: Halfway Election District Population Trends

Population Trends 1980 - 2010			
Year	Area	Population	% change from previous decade
1980	District	9489	
	County	113086	
1990	District	9418	-0.7%
	County	121393	7.3%
2000	District	9854	4.6%
	County	131932	8.7%
2010	District	10774	9.3%
	County	147430	11.7%

Source: US Census Bureau

3. Availability of Public Facilities

A. Water and Sewerage

The adopted Water and Sewerage Plan for the County establishes the policies and recommendations for public water and sewer infrastructure to help guide development in a manner that helps promote healthy and adequate service to citizens. By its own decree, the purpose of the Washington County Water and Sewerage Plan is "...to provide for the continued health and well-being of Washington Countians and our downstream neighbors..."¹ This is achieved through implementing recommendations within the County Comprehensive Plan and the Water and Sewerage Plan to provide for services in a timely and efficient manner and by establishing an inventory of existing and programmed services.

Water:

W1-Existing Service (County Line – City Treatment)

¹ Washington County, Maryland Water and Sewerage Plan 2009 Update, Page I-2

Both parcels are served by existing (W-1) public water facilities as they are located within the Urban Growth Area. Water distribution lines in this area are owned by the County while treatment is provided by the City of Hagerstown. Areas immediately adjacent to the subject properties, along Downsville Pike are designated as W-3, programmed service (City), in the County's 2009 Water and Sewerage Plan. The City of Hagerstown Water Division offered no comment on the proposed development when sent the application for review.

Wastewater:

W1-Existing Service (County)

The subject parcels are served by existing (W-1) public sewerage facilities within the Urban Growth Area. The County provides wastewater service for this area at the Conococheague Wastewater Treatment Plant. Adjacent areas along Downsville Pike are also programmed for service (W-3) by the County within its Water and Sewerage Plan.

The Department of Water Quality is the wastewater provider for this area and, therefore, the application was sent to the Department of Water Quality for review and comment. The Department had no comments for this application.

B. Emergency Services

Fire and Emergency Services:

Volunteer Fire Company of Halfway (1114 Lincoln Avenue) – 1 mile away

Parcels 210 and 408 are located within the service area of the Volunteer Fire Company of Halfway. This same entity also provides the nearest emergency rescue services. Their station is located approximately 1 mile away from the properties subject to the rezoning.

A copy of this application was sent to the Halfway Fire Company as well as to the Washington County Division of Emergency Services. No comments were received.

Schools

The subject site is within the districts of Lincolnshire Elementary, Springfield Middle and Williamsport High schools. The requested zoning classification, Highway Interchange (HI), does not allow for residential development. Therefore, there would be **no school capacity mitigation requirements** for pupil generation under the County's Adequate Public Facilities Ordinance.

4. Present and Future Transportation Patterns

Highways – Access and Traffic Volume

Halfway Boulevard (which borders parcel 210 to the north) and MD 632/Downsville Pike (borders both subject parcels to the east) are both classified as minor arterial in the Transportation Element of the County's 2002 Comprehensive Plan. This classification accounts for mobility and access characteristics of the roadway in its categorization. **Minor Arterial** roads are designed to carry between 5,000 – 25,000 Average Daily Traffic in urban areas. The County's road classification system is based upon the Federal Highway Functional Classification System, but modified to reflect local road conditions.

Parcel 210 has approximately 300 feet of road frontage on Halfway Boulevard, extending from the intersection of Halfway Boulevard and Downsville Pike to the northwest. The two parcels combined have approximately 500 feet of road frontage on Downsville Pike, extending south from this same intersection.

The southbound and northbound travel lanes on Downsville Pike are divided by a median. This median extends north of the Halfway Boulevard intersection for approximately 500 feet until ending near Ventura Drive. It runs south of this intersection for approximately ½ mile until ending at the I-70E off-ramp. The median then extends briefly again for approximately another 600 feet as Downsville Pike turns southwest.

At present, **no new major roadway projects** affecting capacity or traffic flow realignment are currently slated to occur in the immediate vicinity of the subject parcels on County, State or Federal roads, according to a review of short and long term transportation planning documents.

Of roads in the vicinity of this rezoning application, the Hagerstown/Eastern Panhandle MPO's current Long Range Transportation Plan (Direction 2040) proposes the widening of I-70 to six lanes throughout the County, including the segment that runs just south of the subject parcels. These proposed improvements have not yet obtained funding or approval at this time. The County's 2002 Comprehensive Plan also calls for widening of I-70 between the Frederick County Line and the MD 63 interchange within its Transportation Element.

In addition to evaluating public access of a parcel for rezoning purposes, it is also important to evaluate traffic generation and existing traffic volumes. This is commonly accomplished through analysis of historic and existing traffic counts as well as any existing traffic impact studies. The intersection of Halfway Boulevard and Downsville Pike, located immediately adjacent to the two parcels to the northeast, offers a proximate location which has had recorded traffic counts from the Maryland State Highway Administration (SHA) throughout the time period shown below. The traffic volume data shown in the chart is expressed in annual average daily traffic volumes.

Table 2: Traffic Volumes 1980-2015

Year	Downsville Pike @ Halfway Blvd
2015	12,361
2010	12,152
2005	13,175
2000	6,900
1995	6,250
1990	14,600
1985	11,000

Source: Maryland State Highway Administration

As shown in the table above, traffic volumes have remained relatively consistent during the last ten years. Traffic volumes have grown 1.7% between 2010 and 2015. The significant dip in traffic volumes at this location between 1995 and 2000 is likely explained by I-70 interchange construction during that same period, causing traffic to divert onto other roads. Accordingly, the sharp increase in traffic volume in 2005 at this location coincides with the project's completion.

The State Highway Administration had no comment after receiving a copy of the rezoning application.

The zoning application was also sent to the Division of Plan Review and Permitting and they have supplied the following comment regarding traffic impacts:

1. Engineering Plan Review: *"Any development of the area to be rezoned that generates a large amount of traffic may require a **new access location onto Halfway Boulevard**. Any access location onto Halfway Boulevard will necessarily be in close proximity to the intersection with MD 632, which may result in traffic flow issues. A **traffic study** may be required to determine, among other things, the impact on MD 632/Halfway Blvd intersection. In addition, Halfway Boulevard is classified as a minor arterial which requires a **minimum 500 feet spacing requirement between access locations**. Any new access onto Halfway Blvd would have to meet that requirement."*

2. "Any proposed development will require a site plan prepared in accordance with Zoning Ordinance Article 4, Section 4.11 to be submitted, reviewed, and approved by the Washington County Plan Review Department."
3. "New development will have to meet the requirements of the Highway Interchange District found in Article 19 of the Washington County Zoning Ordinance. In particular, additional buffer yards with solid fencing and vegetative screening will be required between the HI zoned property and the adjacent Residential Suburban zoned properties."

Public Transportation

This area is not served by public transportation. Routes 111 and 112 (Valley Mall Via Rosehill/Summit) of the Washington County Commuter both travel south along Downsville Pike to its intersection with Oak Ridge Drive, roughly ½ mile north of the subject parcels, but the routes then continue to the northwest along Oak Ridge Drive.

5. Compatibility with Existing and Proposed Development in the Area:

Both of the subject parcels are currently zoned Residential Suburban (RS) and both are requesting a change to Highway Interchange (HI). The purpose of the HI zoning district is:

"...to provide suitable locations for commercial activities or light industrial land uses that serve highway travelers, provide goods and services to a regional population, or uses that have a need to be located near the interstate highway system to facilitate access by a large number of employees, or the receipt or shipment of goods by highway vehicles..."²

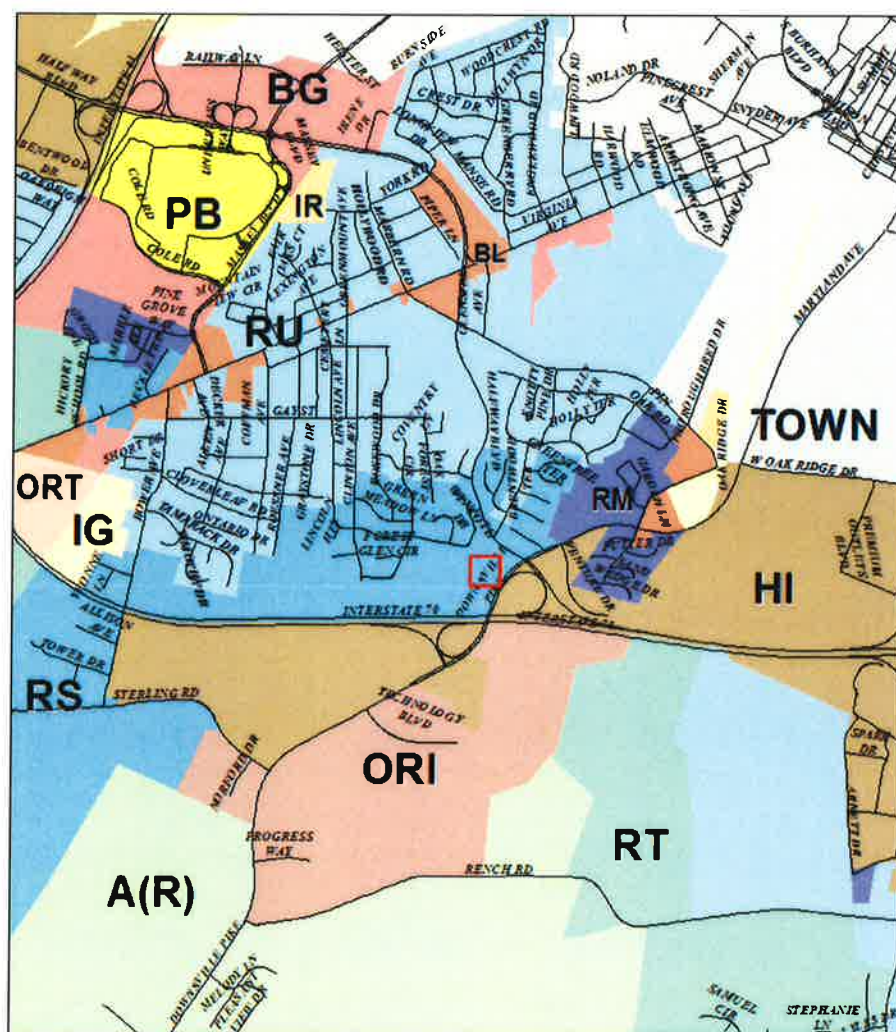
Select principal permitted uses within this zoning district include retail trades, businesses and services, including but not limited to the following and any use permitted in the BL District, **drive-in restaurants, hotels, animal hospitals, auto sales and service establishments** and more. New development in a BG zoning district must be served by public water and sewer facilities.

There is a mix of zoning classes in the immediate vicinity of the two parcels (red box) in question, as shown in Map 1 on the next page. Residential Suburban surrounds the properties to the north and west above Interstate 70. The RS block gives way to Residential Urban just beyond that, in those same directions. To the northeast is a Residential Multifamily (RM) district, while Highway Interchange (HI) lies due east across Downsville Pike above I-70. Below I-70, one finds HI to the southwest; Office, Research and Industry (ORI) to the south and Residential Transition (RT) to the southeast.

In terms of land use in the area surrounding the rezoning, residential and parkland dominate north of I-70. Marty Snook Memorial Park borders the subject parcels to the west. A park and ride lot is immediately south of adjacent parcel 329. Health at Work, a health care facility in the Meritus system, is just northeast of Halfway Boulevard. Callas Contractors, a construction firm, is found just after the I-70 underpass on Downsville Pike to the south. A small cluster of mostly retail businesses is found at the intersection of Downsville Pike and Oak Ridge Drive roughly ½ mile northeast.

² Washington County Zoning Ordinance, Section 19.1, Purpose

Map 1: Surrounding Zoning Classifications



A. Historic Sites

Another important component of compatibility is the location of historic structures on and around the parcels being proposed for rezoning. According to the Washington County Historic Sites Survey there are approximately 6 historic sites located within a 0.5 mile radius of the proposed rezoning areas. One of the six historic sites, the Anita Rice House, is located within the boundary of parcel 408, which is subject to this rezoning. Below is a listing of existing historic resources left within a 0.5 mile radius of the subject parcels.

Existing historic sites onsite:

- WA-I-692: “**Anita Rice House**” ca. 1900-1910, vernacular, 2-story wood frame dwelling located within Parcel 408.

Existing historic sites within ½ mile: (Marsh Head land grant)

- WA-I-691: “Eldridge Tenant House,” ca. 1900 vernacular , 2-story wood frame dwelling constructed as employee housing for adjoining Shafer Farm (.25 miles away).

- WA-I-264: "Shafer Farm," mid-19th agricultural complex encompassing five buildings including a 2-story brick farmhouse, two barns, smokehouse and stone springhouse associated with prominent early residents of Washington County (1/3 mile away).
- WA-I-388: "David's Friendship," 18th century, 2-story stone farmhouse associated with prominent early residents of Washington County (1/2 mile away).
- WA-I-389: "Thomas-Adams House," late 19th century 2-story brick farmhouse and wash house outbuilding associated with prominent early residents of Hagerstown (1/2 mile).
- WA-I-376: "Stockslager Farm," mid-19th century 2-story brick cased log house now converted to commercial through property adaptive reuse (1/2 mile).

6. Relationship of the Proposed Change to the Adopted Plan for the County:

The purpose of a Comprehensive Plan is to evaluate the needs of the community and balance the different types of growth to create a harmony between different land uses. In general, this is accomplished through evaluation of existing conditions, projections of future conditions, and creation of a generalized land use plan that promotes compatibility while maintaining the health, safety, and welfare of the general public.

Each of the properties is located in the sub-policy area Low Density Residential. The Comprehensive Plan offers the following definition for this policy area:

*"This policy area designation would be primarily associated with single-family and to a lesser degree two-family or duplex development. It is the largest policy area proposed for the Urban Growth Area and becomes the main transitional classification from the urban to rural areas."*³

7. "Change or Mistake" Rule

When rezonings are not part of a comprehensive rezoning by the governing body, individual map amendments (also known as piecemeal rezonings) are under an obligation to meet the test of the "Change or Mistake" Rule. The "Change or Mistake" Rule requires proof by the applicant that there has been either: a substantial change in the character in of the neighborhood since the last comprehensive zoning plan, or a mistake in designating the existing zoning classification.

As part of the evaluation to determine whether the applicant has proven whether there has been either a change or mistake in the zoning of a parcel, the Maryland Annotated Code Land Use Article and the Washington County Zoning Ordinance state that the local legislative body is required to make findings of fact on at least six different criteria in order to ensure that a consistent evaluation of each case is provided. Those criteria include: 1) *population change*; 2) *the availability of public facilities*; 3) *present and future transportation patterns*; 4) *compatibility with existing and proposed development for the area*; 5) *the recommendation of the planning commission*; and 6) *the relationship of the proposed amendment to the local jurisdiction's Comprehensive Plan*.

Even when change or mistake has been sufficiently sustained, it merely allows the local governing body the authority to change the zoning; it *does not require* the change. When conditions are right for a change the new zone must be shown to be appropriate and logical for the location and consistent with the County's Comprehensive Plan.

II. Staff Analysis:

The analysis of a rezoning request begins with a strong presumption that the current zoning is correct. It is assumed that the governing body performed sufficient analysis, exercised care, and gave

³ 2002 Washington County, Maryland Comprehensive Plan, Page 243

adequate consideration to all known concerns when zoning was applied to a parcel of land. However, there are instances by which a case can be established to show that the governing body either erred in establishment of the proper zoning of a property or that enough change has occurred within the neighborhood surrounding the property since the governing body's last assessment to require a new evaluation of the established zoning designation.

The applicant of this case has indicated in their justification statement that they believe that there has been both a **mistake** in the current zoning **and** a **substantial change in the character of the neighborhood** since the last comprehensive rezoning in 2012. As noted in the prior section describing the "Change or Mistake" Rule, the Washington County's Zoning Ordinance requires data to be presented to the local legislative body on factors such as population change, present and future traffic patterns, the availability of public facilities, the relationship of the proposed change to the Comprehensive Plan and its compatibility with existing and proposed development in order to determine how the area subject to rezoning has evolved over time.

A. Evidence for Mistake in the Current Zoning

In order to demonstrate that a mistake was made by the regulatory body in applying the existing zoning classification to the parcel, the applicant must establish error occurred as a result of factors such as:

- 1. A failure to take into account projects or trends probable of fruition;**
- 2. Decisions based on erroneous information;**
- 3. Facts that later prove to be incorrect;**
- 4. Events that have occurred since the current zoning; or**
- 5. Ignoring facts in evidence at the time of zoning application.**

The last Comprehensive Rezoning in Washington County was completed in 2012, affecting the Urban Growth Area that surrounds the City of Hagerstown and the towns of Williamsport and Funkstown. The Rezoning affected approximately 17,000 parcels and 38,000 acres of land.⁴ Information such as population projections, growth trends, transportation and infrastructure data, and the recommendations of the Comprehensive Plan were considered as a part of this effort. The input of property owners, local officials, County staff and the general public was also solicited and considered in the assignment of each parcel affected by the Comprehensive Rezoning.

The applicant's primary assertion in offering proof that a mistake was made in the designation of the current zoning classification is to question whether the location and characteristics of parcels 210 and 408 make them more representative of adjacent residential or commercially zoned areas. The applicant contends that the Board of County Commissioner's erred in their decision during the 2012 UGA Comprehensive Rezoning to rezone the land radiating northeast and southwest from the I-70 interchange to HI, but not the adjacent parcels which are the focus of this rezoning.

The applicant claims that factors such as the following were not fully considered by the Board in their decision:

- The separation of parcels 210 and 408 from adjacent residential areas to the north and west by Halfway Blvd and Marty Snook Park;
- The proximity of other commercial development to the east, and
- The proximity of the I-70 interchange (both for its development potential and traffic impacts on a residential use)

⁴ Washington County Ordinance No. ORD-2012-08

For these reasons, the applicant feels that the subject parcels should have been considered similarly situated to those located adjacent to the I-70 interchange which were rezoned to HI in 2012 by the Board.

Given the Board's decision in 2012 was to retain the RS zoning classification for these parcels, we can only conclude that the governing body judged that the site more closely fit the character of the nearby residential neighborhoods than it did adjacent areas that either had or were given a commercial zoning class.

We can surmise that there are good reasons for such a conclusion. As noted by the applicant on multiple occasions within his justification statement, the parcel has a **long history of residential usage**. Residential use on parcel 408 goes back more than 100 years, for example.

In addition to the established residential history of these properties, there are also **challenges with the existing transportation patterns**. The location of the two parcels at the intersection of Halfway Blvd and MD 632 presents a challenge in terms of access, as noted by SHA in their comments on page 5 of this report. There is a concrete median running north and south along MD 632 from approximately 500 feet south of the intersection with I-70 eastbound off ramp north to Venture Drive, with the only interrupted area being at Halfway Blvd in the vicinity of the site.

It is evident from this configuration that the State Highway Administration is attempting to limit the number of left hand turn movements in this vicinity due to its proximity with Interstate off ramps and high volumes of traffic. While the developer may not be asking for an additional break in the median, creating a retail destination area on these properties could increase the amount of U-turn traffic at the intersection with Halfway Boulevard and create additional traffic issues at this intersection. Furthermore, there is very limited road access to Halfway Boulevard. Almost the entire road frontage along Halfway Boulevard has dual left turn lanes meaning that traffic entering the site will need to cross two lanes of on-coming traffic. The alternative to access on the subject parcel would be to divert access to the entrance of Marty Snook Regional Park. This presents a safer access point but then has an impact on the traffic related to the park.

For these reasons, it is reasonable to assume that the local legislative body took in the relevant factors and concluded that the continuation of the RS zoning class was a good fit at this particular location.

B. Evidence for Substantial Change in the Character of the Neighborhood

In addition to the claim that the Board made a mistake in the application of the current zoning, the applicant also argues that there has been a substantial **change** in the character of the neighborhood since the time of the last comprehensive zoning plan. In order to demonstrate that a substantial change has occurred in the character of the neighborhood since the passage of the last Comprehensive Zoning Plan, the applicant must establish:

1. *What area reasonably constitutes the "neighborhood" of the subject property;*
2. *The changes that have occurred in the neighborhood since the comprehensive rezoning;*
3. *Proof that these changes resulted in a change in the character of the neighborhood.*

Maryland case law has consistently established that these factors must be considered cumulatively, not individually, if the applicant is to demonstrate proof that a substantial change in the character of the neighborhood has occurred. Correspondingly, a substantial change in any one individual factor doesn't necessarily illustrate that substantial change has occurred in the neighborhood overall.

C. Neighborhood Definition

In determining what reasonably constitutes the neighborhood surrounding parcels 210 and 408, we again confront the challenge of answering the question presented within the prior “mistake” section: is this site more similarly situated to nearby residential or commercial areas? The Applicant’s Exhibit B presents their interpretation of the boundaries of the neighborhood. While this Exhibit displays an aerial photo utilizing a 1 mile radius around the site to encompass the “neighborhood,” the applicant narrows down its borders considerably by saying:

“The neighborhood that faces the same situation as the Site, in reality, is not the nearby residential neighborhoods along Halfway Boulevard but more appropriately the commercial corridor along Downsville Pike and near or adjacent to its interchange with I-70.”⁵

While the concept of a neighborhood is flexible according to its geographical context, as the applicant notes citing *Montgomery v. Board of County Commissioners for Prince George’s County (1971)*, subsequent Maryland case law demonstrates that the neighborhood must be reasonable, not “unduly restrictive” and include the “immediate environs of the subject property.”⁶

The neighborhood defined by the applicant in the aerial photograph meets this test, appropriately encompassing the influence of the commercial and residential areas that are immediately adjacent. The applicant’s above written statement however fails the “immediate environs” and “unduly restrictive” tests that would render their interpretation of the neighborhood’s boundaries fairly debatable by marginalizing all of the surrounding property zoned for residential uses (zoning classes RS and RM) in the immediate vicinity of the property to the west, north and northeast as being immaterial to the site. By extension, Marty Snook Park, which is also zoned RS, and directly abuts the property on two sides, would also be excluded by this narrow neighborhood definition. The applicant reinforced this narrowed interpretation by highlighting the Downsville Pike commercial corridor in the application package provided to the planner.

D. Changes that have occurred in the Neighborhood

The applicant contends in their Justification Statement that a substantial change has occurred in the character of the neighborhood since the 2012 Comprehensive Rezoning of the UGA. As evidence they offer:

1. *The rezoning of several adjacent parcels as a part of the 2012 Urban Growth Area Rezoning to all for more intensive uses*
2. *An increase in annual average daily traffic at the intersection of Halfway Boulevard and Downsville Pike from 2012 to 2015*
3. *The approval of a new Sheetz across Downsville Pike from the site*

i. Zoning Changes in the Vicinity

Typically, piecemeal rezoning cases seeking to establish a claim that there has been a change in the character of the neighborhood should use the last comprehensive rezoning of the area as their starting point to illustrate substantial change. ***“Changes contemplated prior to the last comprehensive are usually not relevant in determining whether a substantial change has occurred to support rezoning of the property”⁷.***

⁵ Applicant’s Justification Statement, P.7

⁶ *Sedney v. Lloyd*, 44 Md. App. 633, 410 A.2d 616 (1980)

⁷ Guide to Maryland Zoning Decisions, 5th Edition, Stanley Abrams referencing Maryland Court of Appeals Case *Buckel v. Board of County Commissioners of Frederick County*, 80 Md. App. 305, 562 A.2d 1297 (1989)

Staff Report and Analysis
RZ-17-003 Downsville Pike Land LLC

Though not typical, there have been cases whereby the Maryland Court system has provided leeway for applicants to use zoning and other changes that occurred prior to the last comprehensive rezoning to be used as evidence of a substantial change; however, they must be coupled with evidence showing substantial change after the fact.

"Changes which may have occurred prior to the last comprehensive rezoning need not be wholly disregarded when a change from that zoning is under consideration. It may be, as was the case here, that it was a rather close question in the minds of the officials concerned whether a change in the zoning of the land involved should not have been made at the time of the last comprehensive zoning, and additional changes thereafter may bring the zoning status of the land as to which action is sought over the line dividing different zones."⁸

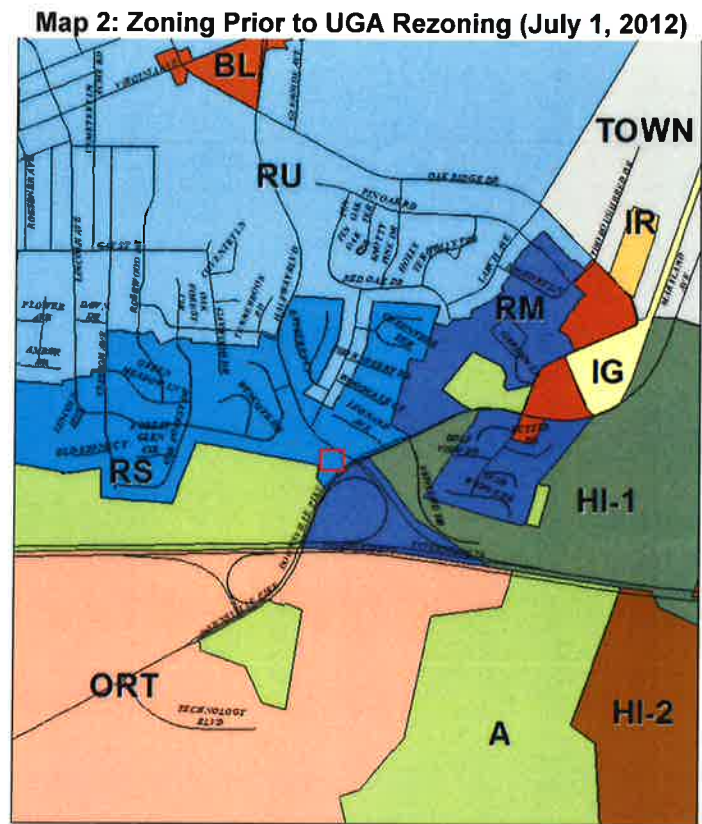
In this case the applicant does not call out specific rezoning cases that occurred previous to the last comprehensive rezoning adopted in 2012. Rather the applicant simply states that the comprehensive rezoning in and of itself constitutes a substantial change. This argument has repeatedly been struck down in the court system due to the fact that the point of a comprehensive rezoning is to analyze historic changes and future growth projections to establish the appropriate zoning on parcels in their jurisdiction. If the property owner felt aggrieved by the decision they had the option to appeal the rezoning of the property at that time.

For the sake of argument, Staff has reviewed the zoning of the area prior to the 2012 Urban Area Comprehensive Rezoning. Map 2 shows the zoning in the vicinity just before the Comprehensive Rezoning of the UGA. This image provides a baseline image from which to detect how the area's zoning has changed in the time since 2012.

In Map 2 we can see that both before and after the adoption of the Comprehensive UGA Rezoning in 2012, the subject parcels were zoned Residential Suburban (RS). At that time, the properties were bounded on the north and northwest by RS zoning; Agricultural (A) zoning to the south and west; Highway Interchange (HI-1) to the east, and Residential Multi-family to the south, east and northeast. South of Interstate 70 Office, Research and Technology (ORT), Agricultural and Highway Interchange (HI-2) zoning could be found within the immediate vicinity of the site.

The HI-2 zoning district, which was a predominantly high density residential zoning district that also allowed some light industrial uses, was located roughly ½ mile southeast of the subject parcels. These prior zoning classifications can be seen in Map 2 below, which approximates the site location in a red box.

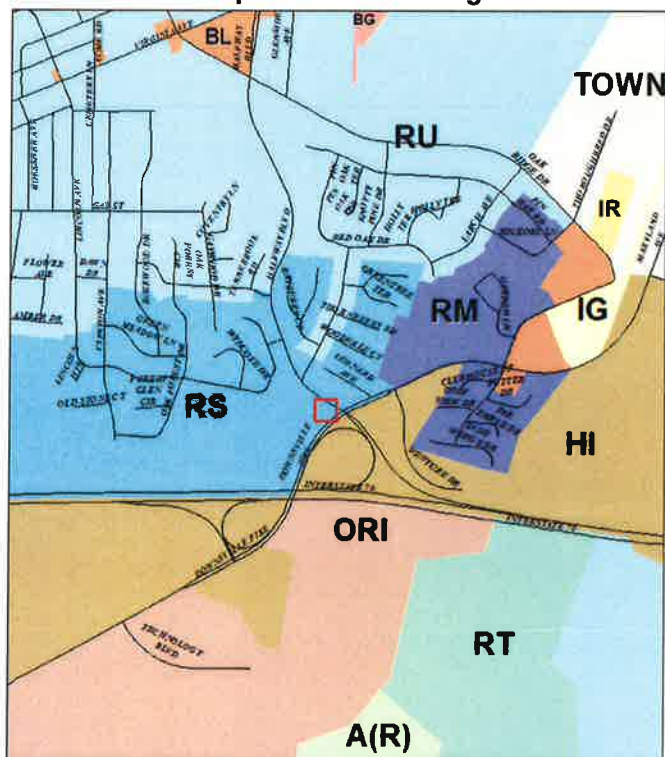
⁸ Town of Somerset v. County, 229 Md. 42 (1962) & Runyon v. Glackin, 45 Md. App. 457, 413 A.2d 291 (1980)



The current zoning, shown below, demonstrates the effects of Urban Area Comprehensive Rezoning. The old Agricultural zoning classification that applied to several adjacent parcels in the vicinity was eliminated, necessitating their reassignment to new zoning classes. By and large, most of these parcels were assigned to varying residential classes that are fitting of the gradually decreasing density that signals the transition from the core to the fringes inside of the Urban Growth Area. Notably, Marty Snook Park was assigned to the RS zoning class as it was determined that this designation most closely fit its most immediate neighborhood, in addition to allowing the park as a principal permitted use. The HI-2 district has also been replaced by the similar Residential Urban (RU) zoning class with the repeal of the HI-2 classification in 2012.

The RM zoning district adjacent to the parcels subject to this rezoning also was changed to HI during the 2012 UGA Comprehensive Rezoning. It's important to understand that the RM zoning for this parcel was in place prior to the completion of the I-70 interchange that significantly transformed immediate portions of the neighborhood following its completion in 1999. Thus, in 2012 when the UGA Comprehensive Rezoning occurred, the rezoning of the Interchange Parcel reflected administrative recognition that the site conditions on the parcel had been transformed by the construction and reflected that in the zoning. The same could not be said of parcels 210 and 408, where the onsite and surrounding neighborhood conditions remained largely the same as they were in the past. Accordingly, the site conditions of the Interchange Parcel (which encompasses the recently approved Sheetz) were qualitatively different than those found on parcel's 210 and 408, to significant degree, when the decision was made by the Board to rezone the former to HI, but keep the latter parcels as RS.

Map 3: Current Zoning



Aside from the interchange parcel, additional expanded areas of Highway Interchange (HI) also appear on Map 3. These new areas demonstrate administrative recognition with stakeholder input, during the Comprehensive Urban Growth Area Rezoning, of the land use changes that had occurred in the area as a result of the completion of the I-70 interchange at Downsville Pike in 1999. The HI wedges shown below radiate outward from the boundaries of this interchange, replacing notable portions of the former ORT immediately south of I-70. ORT became ORI (Office, Research and Industry) in the remaining portion, which allowed for a greater range of uses within a similar zoning class.

These comprehensive rezoning changes encompass parcels 258, 262, and 264, which are specifically noted by the applicant in their Justification Statement as being indicative of substantial neighborhood change. As stated above in discussing the interchange parcel, these properties are qualitatively different sites than parcels 210 and 408. They are located distant to any dense residential neighborhoods and have long been planned for either commercial industrial use. Their location directly on I-70 makes their use unsuitable for anything but these types of uses, in contrast to the subject parcels, which clearly are influenced by the adjacent park and residential neighborhoods. It is debatable whether these particular parcels should be considered part of the “neighborhood” given these characteristics, and their distant location to the parcels in question.

The rezoning of the block of parcels to the east of the subject site from HI-1 to HI represents administrative recognition that existing uses on those properties, such as Premium Outlets on parcel 176, serve a regional population in keeping with the definition of the present HI zoning district. Given the location of the subject site; bordered by a park and substantial residential neighborhoods, a zoning classification that serves primarily a local, not regional population, would seem more logical for the site.

The last approved piecemeal rezoning in the immediate vicinity of the site occurred in 2000 (RZ-00-002), lending further credence to the stable character of the neighborhood.

Summarily, from a zoning standpoint, the changes which occurred in the neighborhood resulting from the construction of the I-70 interchange at Downsville Pike were considered and responded to by the implementation of the Comprehensive Rezoning of UGA the 2012. Since that time, there hasn't been significant activity that suggests substantial change has occurred in the neighborhood, as evidenced by the lack of requests for piecemeal rezoning.

Note: Applicant's Exhibit D is labeled "2012 Zoning" but actually shows the Current Zoning just after the UGA Rezoning took place in that year.

ii. Changes in Average Annual Daily Traffic

While the applicant presents accurate data on the on Annual Average Daily Traffic from the State Highway Administration between 2012 and 2015, it is important to understand the caveats to the Applicant's conclusion that traffic is increasing to a considerable degree in the neighborhood.

First, traffic count data was considered by the Board as a part the Urban Area Comprehensive Rezoning in 2012, and was factored into the ultimate decisions about the appropriate zoning classification for the subject parcels, and the surrounding area. Second, traffic data can vary considerably from year to year at any given location, due to factors that may not necessarily be locally derived. If, for example, construction work on a nearby arterial road necessitates closure or diversion of traffic to alternate routes, neighboring roads can see short-term upticks in traffic that may not necessarily be indicative of long-term traffic increases.

Long-term traffic data tells a different story about area traffic volume than the short term data presented by the Applicant at the Halfway Boulevard/Downsville Pike intersection. The applicant's Exhibit E makes this clear, as does Table 2 of this report on page 2.

Exhibit E shows that traffic did increase from 2012 to 2015 (10,871 to 12,361 ADT) as the Applicant contends. This trend obscures the fact that the 2012 traffic count also represented a slight **decrease** in traffic volume from 2011 (10,960 in 2011 to 10,871 ADT in 2012).

- Traffic also **decreased** in the three years prior to 2012 (12,152 in 2010 to 10,871 in 2012).
- Further, the 2015 traffic count represents a 15.33% **decrease** from the peak traffic count at this location, which occurred in 1990, as shown in Table 2 (14,600 in 1990 to 12,361 in 2015 ADT).

In effect, the traffic at this intersection has yet to regain the volume that it reached prior to the construction of the interchange at I-70 and Downsville Pike. Thus, while traffic has marginally increased in the last few years at this intersection, the increase has not increased traffic volume to past its historic levels.

A traffic impact analysis was also conducted in February 2017 as a part of the development review process for the Sheetz gas station and convenience store recently approved by the Planning Commission and noted by the applicant for this proposed rezoning. The study concluded that traffic volume has remained largely flat at the Downsville Pike/Halfway Blvd intersection in the time since the interchange was constructed in 1999.⁹

iii. Relationship to 2002 Washington County Comprehensive Plan

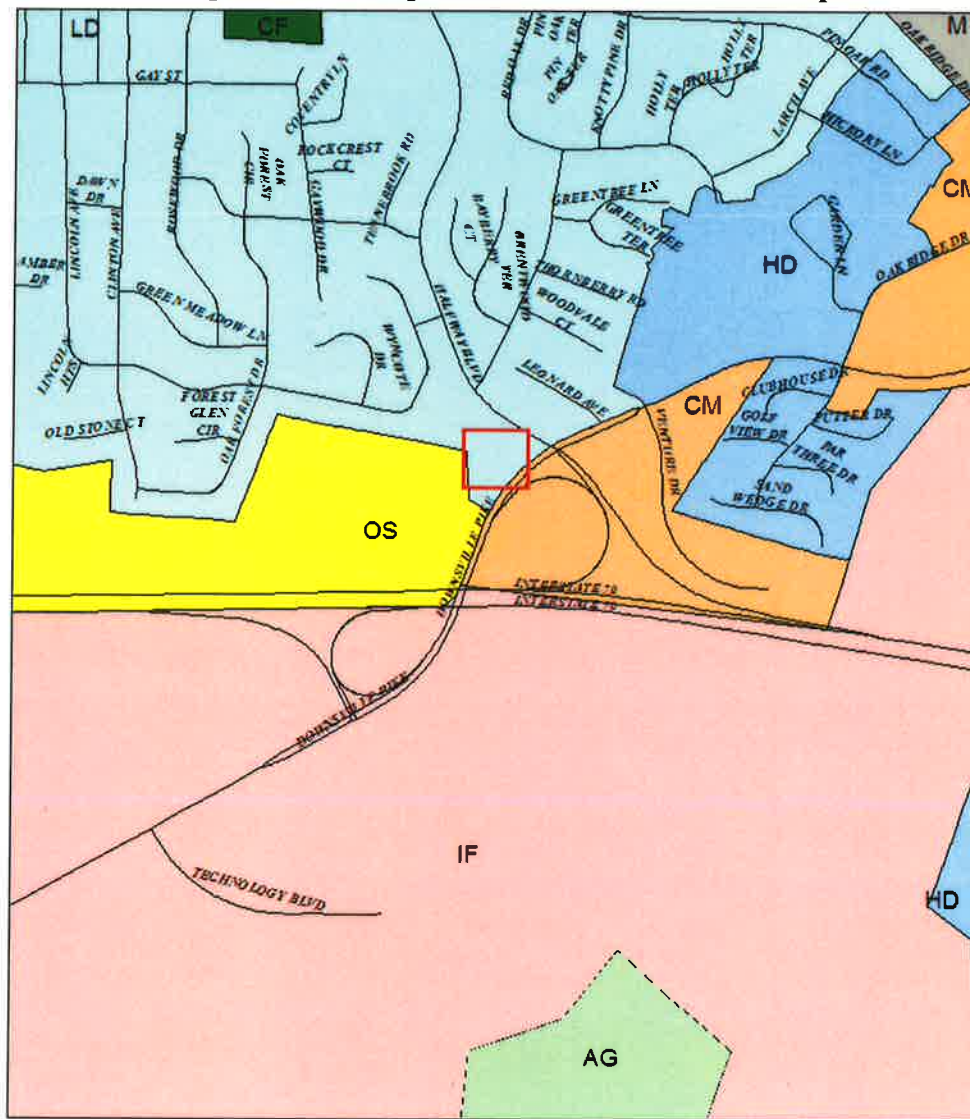
In 2002 the Washington County Comprehensive Plan was updated. As part of that update an evaluation of existing and projected land uses were evaluated to develop a guide for future land use

⁹ Traffic Impact Analysis (TIS-17-001) conducted February 13, 2017 by Street Traffic Studies, Ltd.

decisions in the County; the Land Use Map. This map provides a generalized analysis and projection of land uses in various regions of the County. The Land Use Map was heavily consulted as part of the Urban Growth Area Rezoning.

As shown in the map below, cropped from the adopted Land Use Map in Chapter 12 of that Plan, the County projected that land within and surrounding the subject parcels to develop in the manner eventually realized in the 2012 Comprehensive Rezoning: Industrial Flex (IF) south of I-70 and east of Downsville Pike; Low and High Density Residential (LD, HD) to the north, Commercial (CM) surrounding the northern Interchange Parcel and Open Space (OS) for Marty Snook Park. By and large, what was projected in this map has been borne out on the ground over the last 14 years. Thus, projected changes in the neighborhood were largely accounted for in prior long range planning and comprehensive rezoning efforts by the County. The 2002 Comprehensive Land Use Map can be seen below.

Map 4: 2002 Comprehensive Plan Land Use Map



iv. Recommendation:

The applicant claims that both a mistake in the designation of the existing zoning and a substantial change in the character of the neighborhood have or did occur since the time of the last comprehensive rezoning, thereby warranting their petition to rezone the property from RS to HI.

The burden of the applicant in a "Mistake" case is to provide evidence that the Board:

1. Failed to take into account projects or trends probable of fruition,
2. Made decisions based on erroneous information,
3. Used facts that later prove to be incorrect,
4. Couldn't have foreseen events that have occurred since the current zoning,
5. Ignored facts in evidence at the time of zoning application.

The burden of the applicant in a "Change" case is to illustrate three points:

1. Defining the boundaries of the neighborhood,
2. Demonstrating that substantial changes have occurred since the last Comprehensive Rezoning Plan, and
3. Showing that those changes resulted in the altered character of the neighborhood.

Regarding the charge of mistake, this analysis has revealed that the Board very likely did consider the facts presented by the applicant during the UGA Comprehensive Rezoning (such as the challenges and unique characteristics of the site's location noted on page 9), and concluded in 2012 that the site more closely fit with the residential neighborhoods to the north and west, than it did the commercial neighborhoods located to the east and south for reasons such as those provided on that same page.

The analysis has also revealed that the applicant has not met the burdens in proving that a substantial change has occurred in the neighborhood since the 2012 UGA Rezoning. First, the applicant fails to reasonably define the neighborhood boundaries by marginalizing the adjacent residential neighborhoods and parkland that immediately abut the property to the north and west in favor of those parcels in the vicinity that are zoned commercial. Second, the changes cited by the applicant which have occurred in the neighborhood; in terms of zoning changes in the vicinity, traffic counts, and road improvements, were all considered and accounted for in full during the Comprehensive Rezoning of the Urban Growth Area in 2012. Accordingly, the building of a new Sheetz store nearby should be recognized as an example of planned growth, not as evidence of neighborhood change.

Finally, as stated on page 10, "**Changes contemplated prior to the last comprehensive are usually not relevant in determining whether a substantial change has occurred to support rezoning of the property.**"¹⁰ Insufficient evidence beyond the intentional changes resulting from the UGA Rezoning itself have been offered by the applicant demonstrating recent substantial change in the character of the neighborhood since 2012.

When paired with the background information cited at the beginning of this Staff Report, such as the Halfway District population growing more slowly than the County as a whole and modest growth in traffic volume, a picture emerges that substantial change in the character of the neighborhood has not occurred in the past five years.

¹⁰ Guide to Maryland Zoning Decisions, 5th Edition, Stanley Abrams referencing Maryland Court of Appeals Case Buckel v. Board of County Commissioners of Frederick County, 80 Md. App. 305, 562 A.2d 1297 (1989)

Staff Report and Analysis
RZ-17-003 Downsville Pike Land LLC

Consequently, the staff analysis has concluded that convincing proof has not been offered by the applicant demonstrating either a mistake in the current zoning, or a substantial change in the character of the neighborhood since the 2012 UGA Rezoning in their petition to rezone the property from RS to HI.

Respectfully Submitted,



Travis Allen
Comprehensive Planner



DEPARTMENT OF PLANNING & ZONING
COMPREHENSIVE PLANNING | LAND PRESERVATION | FOREST CONSERVATION | GIS

October 30, 2017

RZ-17-003

**APPLICATION FOR MAP AMENDMENT
PLANNING COMMISSION RECOMMENDATION**

Property owner(s):	Downsville Pike Land, LLC
Applicant(s):	Christopher R. Smith
Location:	Northwest side of Downsville Pike, ¼ mile north of I-70
Election District:	#26 - Halfway
Comprehensive Plan Designation:	Low Density Residential
Zoning Map:	57
Parcel(s):	Parcel 210 and Parcel 408
Acreage:	1.60 acres (P. 210 – 1.10 ac.; P. 408 - .50 ac.)
Existing Zoning:	RS – Residential Suburban
Requested Zoning:	HI – Highway Interchange
Date of Public Meeting:	September 25, 2017

RECOMMENDATION

The Washington County Planning Commission took action at its regular meeting held on Monday, October 2, 2017 to recommend approval of Map Amendment RZ-17-003 to the Board of County Commissioners. The Commission considered the applicant's claim that there was a mistake in the zoning of the property during the 2012 Comprehensive Urban Growth Area Rezoning and that there has been a change in the character of the neighborhood since the 2012 Comprehensive UGA rezoning. The Commission evaluated the supporting documentation submitted with the application and the applicant's presentation during the public rezoning information meeting. The Commission also considered the Staff Report and Analysis, verbal comments of interested parties provided during the public rezoning information meeting and written comments received by the Department of Planning & Zoning.

The Commission evaluated supporting documents submitted with the application that cited the location near the interchange, other Highway Interchange rezonings, traffic impacts, and the recent abandonment of the parcels for residential purposes as support for the mistake claim. Further, the Planning Commission considered the applicant's proposition that other zoning changes have occurred in the neighborhood along the Downsville Pike and continued commercial development along with traffic impacts have caused change in the character of the neighborhood. The Planning Commission recognized that continued residential use may be difficult in light of intersection expansions that will further complicate residential access and, that in the future, commercial uses may be more suitable and able to accommodate access restrictions.

120 West Washington Street, 2nd Floor | Hagerstown, MD 21740 | P: 240.313.2430 | F: 240.313.2431 | TDD: 7-1-1

WWW.WASHCO-MD.NET



Agenda Report Form

Open Session Item

SUBJECT: Bid Award (PUR-1380) Janitorial Services for Washington County

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Brandi Naugle, CPPB, Buyer - Purchasing Department, and John Pennesi, Deputy Director, Parks and Facilities Department

RECOMMENDED MOTION: Move to award the Janitorial Services contract to the responsible, responsive, bidder under Option No. 1 to P2 Cleaning Service LLC of Laurel, MD for the total amount of \$227,612.91 annually and unit cost as follows: Additional carpet cleaning as required (per square foot) \$.18, Hourly labor rate per person for additional services as required, regular rate per hour \$20.00, and Hourly labor rate per person for additional services as required Saturdays, Sundays and Holidays \$25.00.

REPORT-IN-BRIEF: The County accepted bids for the Janitorial Services on March 14, 2018. The bid was advertised on the State of Maryland's "eMaryland Marketplace" website and the County's web site, and in the local newspaper. Twenty-Five (25) persons/companies registered and downloaded the bid document on-line and Nine (9) bids were received. The contract term is for one (1) year with an option by the County to renew for up to four (4) additional consecutive one (1) year periods tentatively commencing July 1, 2018. The County reserves the right to accept or reject any request for renewal by the Bidder and any increase in monthly costs for each specified building.

DISCUSSION: N/A

FISCAL IMPACT: Funds are budgeted for these services within the following FY'19 accounts.

County Administration Building – 515270-10-10910 - \$42,928.96
County Administration Building No. 2 – 515270-10-10915 - \$24,079.08
County Court House and Annex – 515270-10-10930 - \$61,140.88
County Extension Services Office Building – 515270-10-23050 - \$15,529.92
County Office Building – 515270-10-10940 - \$47,783.76
Emergency Services – 515270-10-11440 - \$18,120.00

CONCURRENCES: Jim Sterling, Director of Public Works

ALTERNATIVES: N/A

ATTACHMENTS: Bid Tabulation Matrix

AUDIO/VISUAL NEEDS: N/A

**PUR-1380
Janitorial Services**

OPTION NO. 1: To award Location Nos. 1 to 7 to one (1) contractor

Clean Keepers, LLC Arlington, VA	P2 Cleaning Services, LLC Laurel, MD	Beck & Call Professional Services Laurel, MD	Stockwell Maintenance Systems, Inc. Williamsport, MD	D & D Busy Broom, Inc. dba BBI Williamsport, MD
-------------------------------------	--	--	--	---

Location No. 1 - County Administration Complex:

A - Annual Price	\$56,534.40	\$39,997.00	\$42,550.90	\$61,806.12	\$67,050.00
B - Annual Strip/Wax & Buff Hard Floors	\$300.00	\$325.00	\$300.00	\$350.00	\$250.00
C - Annual Window Cleaning	\$200.00	\$1,325.00	\$400.00	\$250.00	\$575.00
Total Annual Price	\$57,034.40	\$41,647.00	\$43,250.90	\$62,406.12	\$67,875.00

Location No. 2 - Court House & Court House Annex:

A - Annual Price	\$55,121.04	\$67,943.00	\$60,250.50	\$60,291.00	\$64,950.00
B - Annual Strip/Wax & Buff Hard Floors	\$250.00	\$200.00	\$275.00	\$275.00	\$350.00
C - Annual Window Cleaning	\$170.00	\$1,200.00	\$150.00	\$200.00	\$250.00
Total Annual Price	\$55,541.04	\$69,343.00	\$60,675.50	\$60,766.00	\$65,550.00

Clean Keepers, LLC Arlington, VA	P2 Cleaning Services, LLC Laurel, MD	Beck & Call Professional Services Laurel, MD	Stockwell Maintenance Systems, Inc. Williamsport, MD	D & D Busy Broom, Inc. dba BBI Williamsport, MD
-------------------------------------	--	--	--	---

Location No. 3 - Administrative Annex Building:

A - Annual Price	\$14,133.60	\$17,188.00	\$15,250.25	\$16,351.56	\$16,025.00
B - Annual Strip/Wax & Buff Hard Floors	\$75.00	\$120.00	\$100.00	\$100.00	\$75.00
C - Annual Window Cleaning	\$50.00	\$250.00	N/A	\$75.00	\$0.00
Total Annual Price	\$14,258.60	\$17,558.00	\$15,350.25	\$16,526.56	\$16,100.00

Location No. 4 - County Office Building:

A - Annual Price	\$42,400.80	\$39,662.00	\$45,578.50	\$46,654.56	\$49,000.00
B - Annual Strip/Wax & Buff Hard Floors	\$400.00	\$430.00	\$500.00	\$450.00	\$500.00
C - Annual Window Cleaning	\$50.00	\$1,500.00	\$50.00	\$75.00	\$150.00
Total Annual Price	\$42,850.80	\$41,592.00	\$46,128.50	\$47,179.56	\$49,650.00

Location No. 5 - Extension Services Office Building/Rural Heritage Museum Office:

A - Annual Price	\$14,133.60	\$8,645.00	\$15,350.50	\$16,351.56	\$15,800.00
B - Annual Strip/Wax & Buff Hard Floors	\$150.00	\$150.00	\$150.00	\$175.00	\$150.00
C - Annual Window Cleaning	\$50.00	\$250.00	N/A	\$100.00	
Total Annual Price	\$14,333.60	\$9,045.00	\$15,500.50	\$16,626.56	\$15,950.00

Clean Keepers, LLC Arlington, VA	P2 Cleaning Services, LLC Laurel, MD	Beck & Call Professional Services Laurel, MD	Stockwell Maintenance Systems, Inc. Williamsport, MD	D & D Busy Broom, Inc. dba BBI Williamsport, MD
-------------------------------------	--	--	--	---

Location No. 6 - Division of Emergency Services:

A - Annual Price	\$14,133.60	\$15,553.00	\$24,000.00	\$16,351.56	\$16,900.00
B - Annual Strip/Wax & Buff Hard Floors	\$200.00	\$250.00	\$400.00	\$200.00	\$500.00
C - Annual Window Cleaning	\$50.00	\$150.00	\$50.00	\$125.00	\$125.00
Total Annual Price	\$14,383.60	\$15,953.00	\$24,450.00	\$16,676.56	\$17,525.00

Location No. 7 - Women Infants & Children (WIC) Location:

A - Annual Price	\$28,267.20	\$32,074.91	\$43,350.50	\$31,503.12	\$33,000.00
B - Annual Strip/Wax & Buff Hard Floors	\$600.00	\$250.00	\$500.00	\$150.00	\$400.00
C - Annual Window Cleaning	\$150.00	\$150.00	N/A	\$100.00	\$0.00
Total Annual Price	\$29,017.20	\$32,474.91	\$43,850.50	\$31,753.12	\$33,400.00

TOTAL LUMP SUM BID for Option No. 1 (Location Nos. 1 through 7)	\$227,419.24	\$227,612.91	\$249,206.15	\$251,934.48	\$266,050.00
--	---------------------	---------------------	---------------------	---------------------	---------------------

Clean Keepers, LLC Arlington, VA	P2 Cleaning Services, LLC Laurel, MD	Beck & Call Professional Services Laurel, MD	Stockwell Maintenance Systems, Inc. Williamsport, MD	D & D Busy Broom, Inc. dba BBI Williamsport, MD
-------------------------------------	--	--	--	---

OPTION NO. 2: To award each location (Location Nos. 1 to 7) separately:

Location No. 1 - County Administration Complex:

A - Annual Price	\$56,534.40	\$41,234.00	\$44,500.50	\$61,806.12	\$67,050.00
B - Annual Strip/Wax & Buff Hard Floors	\$300.00	\$325.00	\$600.00	\$350.00	\$250.00
C - Annual Window Cleaning (Interior)	\$200.00	\$1,325.00	\$350.00	\$250.00	\$575.00
Total Annual Price	\$57,034.40	\$42,884.00	\$45,450.50	\$62,406.12	\$67,875.00

Location No. 2 - Court House & Court House Annex:

A - Annual Price	* \$55,121.00	\$70,044.00	\$62,900.50	\$60,291.00	\$64,950.00
B - Annual Strip/Wax & Buff Hard Floors	\$250.00	\$200.00	\$400.00	\$275.00	\$350.00
C1 - Annual Window Cleaning	\$170.00	\$1,200.00	\$200.00	\$200.00	\$250.00
Total Annual Price	* \$55,541.00	\$71,444.00	\$63,500.50	\$60,766.00	\$65,550.00

Location No. 3 - Administrative Annex Building:

A - Annual Price	\$14,133.60	\$17,720.00	\$17,500.50	\$16,351.56	\$16,025.00
B - Annual Strip/Wax & Buff Hard Floors	\$75.00	\$120.00	\$175.00	\$100.00	\$75.00
C1 - Annual Window Cleaning	\$50.00	\$250.00	N/A	\$75.00	\$0.00

* Corrected calculations based on unit pricing

	Clean Keepers, LLC Arlington, VA	P2 Cleaning Services, LLC Laurel, MD	Beck & Call Professional Services Laurel, MD	Stockwell Maintenance Systems, Inc. Williamsport, MD	D & D Busy Broom, Inc. dba BBI Williamsport, MD
Total Annual Price	\$14,258.60	\$18,090.00	\$17,675.50	\$16,526.56	\$16,100.00

Clean Keepers, LLC Arlington, VA	P2 Cleaning Services, LLC Laurel, MD	Beck & Call Professional Services Laurel, MD	Stockwell Maintenance Systems, Inc. Williamsport, MD	D & D Busy Broom, Inc. dba BBI Williamsport, MD
-------------------------------------	--	--	--	---

Location No. 4 - County Office Building:

A - Annual Price	\$42,400.80	\$40,888.00	\$49,575.50	\$46,654.56	\$49,000.00
B - Annual Strip/Wax & Buff Hard Floors	\$400.00	\$430.00	\$550.00	\$450.00	\$500.00
C - Annual Window Cleaning	\$50.00	\$1,500.00	\$100.00	\$75.00	\$150.00
Total Annual Price	\$42,850.80	\$42,818.00	\$50,225.50	\$47,179.56	\$49,650.00

Location No. 5 - Extension Services Office Building/Rural Heritage Museum Office:

A - Annual Price	\$14,133.60	\$8,912.00	\$17,500.50	\$16,351.56	\$15,800.00
B - Annual Strip/Wax & Buff Hard Floors	\$150.00	\$150.00	\$200.00	\$175.00	\$150.00
C - Annual Window Cleaning	\$50.00	\$250.00	N/A	\$100.00	
Total Annual Price	\$14,333.60	\$9,312.00	\$17,700.50	\$16,626.56	\$15,950.00

Location No. 6 - Division of Emergency Services Facility:

A - Annual Price	\$14,133.60	\$16,034.00	\$25,500.50	\$16,351.56	\$16,900.00
B - Annual Window Cleaning	\$200.00	\$250.00	\$550.00	\$200.00	\$500.00
C - Annual Strip/Wax & Buff Hard Floors	\$50.00	\$150.00	\$100.00	\$125.00	\$125.00
Total Annual Price	\$14,383.60	\$16,434.00	\$26,150.50	\$16,676.56	\$17,525.00

Clean Keepers, LLC Arlington, VA	P2 Cleaning Services, LLC Laurel, MD	Beck & Call Professional Services Laurel, MD	Stockwell Maintenance Systems, Inc. Williamsport, MD	D & D Busy Broom, Inc. dba BBI Williamsport, MD
-------------------------------------	--	--	--	---

Location No. 7 - Women Infants & Children (WIC) Location:

A - Annual Price	\$28,267.20	\$33,066.91	N/A	\$31,503.12	\$33,000.00
B - Annual Window Cleaning	\$600.00	\$250.00	N/A	\$150.00	\$400.00
C - Annual Strip/Wax & Buff Hard Floors	\$150.00	\$150.00	N/A	\$100.00	\$0.00
Total Annual Price	\$29,017.20	\$33,466.91	\$0.00	\$31,753.12	\$33,400.00

OPTIONS:					
Additional Carpet Cleaning, as required (per square foot)	\$0.10	\$0.18	N/A	\$0.16	\$0.19
Hourly Labor Rate per person for Additional Services as required. Regular (per hour)	\$13.59	\$20.00	N/A	\$12.15	\$10.10
Hourly Labor Rate per person for Additional Services as required Saturdays, Sundays and Holidays: (per hour)	\$13.59	\$25.00	N/A	\$13.75	\$17.20

*** Corrected Calculations Based On Unit Pricing**

As stated on the General Conditions & Instructions to Bidders:

When an error is made in extending total prices, "the written unit bid price shall govern. In the absence of written prices, the unit bid price shall govern".

Clean Keepers, LLC Arlington, VA	P2 Cleaning Services, LLC Laurel, MD	Beck & Call Professional Services Laurel, MD	Stockwell Maintenance Systems, Inc. Williamsport, MD	D & D Busy Broom, Inc. dba BBI Williamsport, MD
---	---	---	---	--

**PUR-1380
Janitorial Services**

OPTION NO. 1: To award Location Nos. 1 to 7 to one (1) contractor

Sentral Services Kensington, MD	Servtec Custodial, Inc. Hagerstown, MD	Clean Team Janitorial Service, Inc. Washington, DC	Associated Building Maintenance Co., Inc. Crofton, MD
------------------------------------	---	--	---

Location No. 1 - County Administration Complex:

A - Annual Price	\$65,328.00	\$63,953.95	\$72,744.00	\$60,150.52
B - Annual Strip/Wax & Buff Hard Floors	\$1,565.00	\$1,000.00	\$4,087.00	\$720.00
C - Annual Window Cleaning	\$1,200.00	\$1,500.00	\$4,050.00	\$500.00
Total Annual Price	\$68,093.00	\$66,453.95	\$80,881.00	* \$6,370.52

Location No. 2 - Court House & Court House Annex:

A - Annual Price	\$63,156.00	\$62,478.97	\$70,925.40	\$59,486.11
B - Annual Strip/Wax & Buff Hard Floors	\$936.00	\$1,000.00	\$2,883.75	\$720.00
C - Annual Window Cleaning	\$1,340.00	\$1,500.00	\$2,500.00	\$500.00
Total Annual Price	\$65,432.00	\$64,978.97	\$76,309.15	\$60,706.11

Sentral Services Kensington, MD	Servtec Custodial, Inc. Hagerstown, MD	Clean Team Janitorial Service, Inc. Washington, DC	Associated Building Maintenance Co., Inc. Crofton, MD
--	---	---	--

Location No. 3 - Administrative Annex Building:

A - Annual Price	\$16,488.00	\$19,704.80	\$18,186.00	\$14,777.59
B - Annual Strip/Wax & Buff Hard Floors	\$780.00	\$1,000.00	\$900.00	\$160.00
C - Annual Window Cleaning	\$650.00	\$1,500.00	\$200.00	\$150.00
Total Annual Price	\$17,918.00	\$22,204.80	\$19,286.00	\$15,087.59

Location No. 4 - County Office Building:

A - Annual Price	\$49,728.00	\$49,204.23	\$54,558.00	\$45,564.50
B - Annual Strip/Wax & Buff Hard Floors	\$3,040.00	\$1,000.00	\$4,660.50	\$1,040.00
C - Annual Window Cleaning	\$250.00	\$1,500.00	\$600.00	\$750.00
Total Annual Price	\$53,018.00	\$51,704.23	\$59,818.50	\$47,354.50

Location No. 5 - Extension Services Office Building/Rural Heritage Museum Office:

A - Annual Price	\$16,260.00	\$19,704.80	\$18,186.00	\$14,777.59
B - Annual Strip/Wax & Buff Hard Floors	\$250.00	\$1,000.00	\$2,000.00	\$716.80
C - Annual Window Cleaning	\$250.00	\$500.00	\$200.00	\$150.00
Total Annual Price	\$16,760.00	\$21,204.80	\$20,386.00	\$15,644.39

Sentral Services Kensington, MD	Servtec Custodial, Inc. Hagerstown, MD	Clean Team Janitorial Service, Inc. Washington, DC	Associated Building Maintenance Co., Inc. Crofton, MD
--	---	---	--

Location No. 6 - Division of Emergency Services:

A - Annual Price	\$15,408.00	\$19,704.80	\$18,186.00	\$14,777.59
B - Annual Strip/Wax & Buff Hard Floors	\$250.00	\$1,000.00	\$750.00	\$143.60
C - Annual Window Cleaning	\$250.00	\$500.00	\$300.00	\$250.00
Total Annual Price	\$15,908.00	\$21,204.80	\$19,236.00	\$15,171.19

Location No. 7 - Women Infants & Children (WIC) Location:

A - Annual Price	\$33,888.00	\$34,454.51	\$36,372.00	\$30,978.48
B - Annual Strip/Wax & Buff Hard Floors	\$250.00	\$1,000.00	\$2,000.00	\$2,304.00
C - Annual Window Cleaning	\$300.00	\$400.00	\$250.00	\$250.00
Total Annual Price	\$34,438.00	\$35,854.51	\$38,622.00	\$33,532.48

TOTAL LUMP SUM BID for Option No. 1 (Location Nos. 1 through 7)	* \$271,567.00	\$283,606.06	\$314,538.65	* \$193,866.78
--	-----------------------	---------------------	---------------------	-----------------------

Sentral Services Kensington, MD	Servtec Custodial, Inc. Hagerstown, MD	Clean Team Janitorial Service, Inc. Washington, DC	Associated Building Maintenance Co., Inc. Crofton, MD
------------------------------------	---	--	---

OPTION NO. 2: To award each location (Location Nos. 1 t

Location No. 1 - County Administration Complex:

A - Annual Price	No Bid	No Bid	\$76,900.80	\$63,818.23
B - Annual Strip/Wax & Buff Hard Floors	No Bid	No Bid	\$4,087.00	\$1,080.00
C1 - Annual Window Cleaning (Interior)	No Bid	No Bid	\$4,050.00	\$600.00
Total Annual Price	\$0.00	\$0.00	\$85,037.80	\$65,498.23

Location No. 2 - Court House & Court House Annex:

A - Annual Price	No Bid	No Bid	\$74,978.28	\$63,113.31
B - Annual Strip/Wax & Buff Hard Floors	No Bid	No Bid	\$2,883.75	\$1,080.00
C1 - Annual Window Cleaning	No Bid	No Bid	\$2,500.00	\$600.00
Total Annual Price	\$0.00	\$0.00	* \$80,362.03	\$64,793.31

Location No. 3 - Administrative Annex Building:

A - Annual Price	No Bid	No Bid	\$19,225.20	\$15,678.66
B - Annual Strip/Wax & Buff Hard Floors	No Bid	No Bid	\$900.00	\$240.00
C1 - Annual Window Cleaning	No Bid	No Bid	\$200.00	\$350.00

* Corrected calculations based on unit pricing

	Sentral Services Kensington, MD	Servtec Custodial, Inc. Hagerstown, MD	Clean Team Janitorial Service, Inc. Washington, DC	Associated Building Maintenance Co., Inc. Crofton, MD
Total Annual Price	\$0.00	\$0.00	\$20,325.20	\$16,268.66

Sentral Services Kensington, MD	Servtec Custodial, Inc. Hagerstown, MD	Clean Team Janitorial Service, Inc. Washington, DC	Associated Building Maintenance Co., Inc. Crofton, MD
------------------------------------	---	--	---

Location No. 4 - County Office Building:

A - Annual Price	No Bid	No Bid	\$57,675.60	\$48,342.82
B - Annual Strip/Wax & Buff Hard Floors	No Bid	No Bid	\$4,660.50	\$1,560.00
C - Annual Window Cleaning	No Bid	No Bid	\$600.00	\$1,000.00
Total Annual Price	\$0.00	\$0.00	\$62,936.10	\$50,902.82

Location No. 5 - Extension Services Office Building/Rural Heritage Museum Office:

A - Annual Price	No Bid	No Bid	\$19,225.20	\$15,678.66
B - Annual Strip/Wax & Buff Hard Floors	No Bid	No Bid	\$2,000.00	\$1,075.20
C - Annual Window Cleaning	No Bid	No Bid	\$200.00	\$350.00
Total Annual Price	\$0.00	\$0.00	\$21,425.20	\$17,103.86

Location No. 6 - Division of Emergency Services Facility:

A - Annual Price	No Bid	No Bid	* \$19,225.00	\$15,678.66
B - Annual Window Cleaning	No Bid	No Bid	\$300.00	\$215.40
C - Annual Strip/Wax & Buff Hard Floors	No Bid	No Bid	\$750.00	\$500.00
Total Annual Price	\$0.00	\$0.00	* \$20,275.00	\$16,394.06

* Corrected calculations based on unit pricing

Sentral Services Kensington, MD	Servtec Custodial, Inc. Hagerstown, MD	Clean Team Janitorial Service, Inc. Washington, DC	Associated Building Maintenance Co., Inc. Crofton, MD
--	---	---	--

Location No. 7 - Women Infants & Children (WIC) Location:

A - Annual Price	No Bid	No Bid	\$38,450.40	\$32,867.41
B - Annual Window Cleaning	No Bid	No Bid	\$250.00	\$3,456.00
C - Annual Strip/Wax & Buff Hard Floors	No Bid	No Bid	\$2,000.00	\$500.00
Total Annual Price	\$0.00	\$0.00	\$40,700.40	\$36,823.41

OPTIONS:					
Additional Carpet Cleaning, as required (per square foot)	*	\$0.10	\$0.20	\$0.10	\$0.175
Hourly Labor Rate per person for Additional Services as required. Regular (per hour)	*	\$18.00	\$17.50	\$17.50	\$15.72
Hourly Labor Rate per person for Additional Services as required Saturdays, Sundays and Holidays: (per hour)	*	\$27.00	\$22.50	\$26.75	\$23.47

Remarks/Exceptions:

Sentral Services

Total Lum Sum Bid for Option No. 1:

Pricing Complies with MD minimum wage and Sick & Safe Leave Act

Options:

* Minimum Charge \$250.00

Sentral Services Kensington, MD	Servtec Custodial, Inc. Hagerstown, MD	Clean Team Janitorial Service, Inc. Washington, DC	Associated Building Maintenance Co., Inc. Crofton, MD
--	---	---	--

* Minimum 4 hours

* Minimum 4 hours



Agenda Report Form

Open Session Item

SUBJECT: Rejection of Bids (PUR-1377) – Brumbaugh-Kendle-Grove Farmstead Demolition.

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Brandi Naugle, Buyer - Purchasing Department and Phil Ridenour – Director, Hagerstown Regional Airport

RECOMMENDED MOTION: Move to take action that it is in the best interest of the County by requesting that all the bids received for PUR-1377 Brumbaugh-Kendle-Grove Farmstead Demolition project be rejected, and to re-advertise to solicit new pricing for the demolition of the project.

REPORT-IN-BRIEF: Notice of the Invitation to Bid (ITB) was published in the local newspaper, listed on the State of Maryland’s “eMaryland Marketplace” website, and the County’s website. Bids were received on March 28, 2018. Thirty-four (34) person’s/companies registered/downloaded the bid document on-line. Three (3) bids were received, two (2) of the bids were deemed non-responsive due the bidders submitted the wrong pricing forms and the third bid exceeds the available budget.

DISCUSSION: N/A

FISCAL IMPACT: Funds for this project are in the division’s CIP account 515000-35-45010-STY022 in the amount of \$150,000.

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: Bid Matrix Tabulation.

AUDIO/VISUAL NEEDS: N/A

Bid Tabulation

PUR-1377

Brumbaugh-Kendle-Grove Farmstead Demolition at Hagerstown Regional Airport

		National Abatement & Wrecking Clarksburg, MD	Reclaim Company Fairmont, WV	The Dirt Express Company Glen Burnie, MD
Item No.	Base Bid Description	Total Price	Total Price	Total Price
X-100-5.1	Residential Lot Clearing - Parcel 421	\$81,028.00	\$98,000.00	\$262,200.00
Total Lump Sum Bid Item X-100-5.1		\$81,028.00	\$98,000.00	\$262,200.00



Open Session Item

SUBJECT: Consider reinstatement of the Health Advisory Board (HAB) to the Board of Health under the auspices of the Washington County Board of County Commissioners.

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Julie Rohm, Chair and Gary Bockrath, Vice Chair, Washington County Economic Development Commission (EDC)

RECOMMENDED MOTION: Approve the reinstatement of the Health Advisory Board, and approve the EDC to act as the lead organizer in this effort.

REPORT-IN-BRIEF: The EDC was made aware of economic development initiatives, both commercial and residential, which were being impeded by the Washington County Health Department's regulatory practices and policies. To investigate this matter, the EDC hosted representatives from the Washington County Department of Health during its regular meeting on February 8, 2018. It was noted the HAB has been inactive for nearly 10 years thereby the Board of Health was not receiving timely information on issues negatively impacting economic development progress in the county.

DISCUSSION: During a joint meeting of the Board of County Commissioners and the EDC on February 27, 2018, members strongly recommended the reinstatement of the HAB for Washington County. EDC members will establish an internal work team to identify community stakeholders and work within established parameters to develop guidelines and processes for reporting to the Board of Health.

FISCAL IMPACT: None

CONCURRENCES: The Washington County Economic Development Commission

ALTERNATIVES: Do not reinstate the Health Advisory Board for Washington County, or appoint another agency to reinstate the HAB.

ATTACHMENTS: None

AUDIO/VISUAL NEEDS: None



Agenda Report Form

Open Session Item

SUBJECT: Medical Supply Agreement – Meritus Medical Center

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: David Chisholm, Assistant Director and R. David Hays, Director,
Division of Emergency Services

RECOMMENDED MOTION: Move to approve the contract with Meritus Medical Center for providing expendable medical supplies for the Division of Emergency Services.

REPORT-IN-BRIEF: This agreement is between the Division of Emergency Services and the Meritus Medical Center for the provision of emergency medical supplies and medications. The hospital currently serves as the purchasing agent for certain supplies and medications and then sells them at cost to the Division of Emergency Services who in turn provides them at no cost to the emergency services organizations in the County. This agreement codifies the current verbal agreement that has been in place for the past decade. The costs associated with this agreement will continue to be paid out of the Medical Supplies account (525030-10-11520).

DISCUSSION: The Division of Emergency Services provides supplies and medications to the fire and EMS companies in Washington County. Meritus Medical Center provides these supplies at cost to the Division and oversees the distribution machines located at the hospital's emergency department.

FISCAL IMPACT: Loss of this agreement would result in a significant increase in the cost of purchasing supplies and medications and overburden existing staff with the procurement and distribution of these supplies.

CONCURRENCES: Rick Curry, Director, Purchasing
Kendall McPeak, Assistant County Attorney

ALTERNATIVES: None

ATTACHMENTS: Washington County DES/Meritus Agreement

AUDIO/VISUAL NEEDS: None

CONSULTING AGREEMENT

This CONSULTING AGREEMENT (this "Agreement") is made and entered into by and between THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland, by and through the Washington County Division of Emergency Services ("Purchaser"), and MERITUS MEDICAL CENTER ("Consultant"), effective as of _____, 2018 ("Effective Date").

WHEREAS, Purchaser desires to engage Consultant to provide services as set forth below and Consultant desires to be so engaged;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually agree as follows:

ARTICLE I – ENGAGEMENT

1.1 **Engagement.** Subject to the terms and conditions of this Agreement, Purchaser hereby engages Consultant and Consultant hereby accepts such engagement in accordance with the terms and conditions set out herein.

ARTICLE II - TERM

2.1 **Effective Date.** The Effective Date of this Agreement is as defined above in the introductory paragraph.

2.2 **Term.** The initial term of this Agreement will begin on the Effective Date and continue for a one (1) year period, unless terminated earlier as set forth herein ("Initial Term"). This Agreement will automatically renew for additional one (1) year terms upon the expiration of the Initial Term, subject to the termination provisions set forth herein (each a "Renewal Term"). The Initial Term and each Renewal Term is individually and collectively referred to as the "Term." This Agreement may be renewed an unlimited number of Renewal Terms.

ARTICLE III – CONSULTANT SERVICES

3.1 **Services.** The Consultant agrees to provide the services to Purchaser set forth on **Schedule 1** ("Services"), which is attached hereto and incorporated by this reference herein.

3.2 **Independent Contractor.** It is expressly acknowledged by the parties hereto that the Consultant is an independent contractor of the Purchaser, and nothing in this Agreement is intended or shall be construed to create with the Purchaser an employer/employee relationship, a joint venture relationship, or a lease or landlord/tenant relationship, or to allow the Purchaser to exercise control or direction over the manner or method by which the Consultant performs the Services which are the

subject of this Agreement. Neither shall the Consultant have any control over the medical judgment or decisions of the Purchaser.

ARTICLE IV - COMPENSATION

4.1 **Compensation.** In consideration for the provision of Consultant's services under this Agreement, Purchaser agrees to pay Consultant a consultation fee as set forth in **Schedule 2**, which shall be due and payable within thirty (30) days following receipt of Consultant's invoice during the term of this Agreement. Consultant may charge Purchaser interest on any overdue fees, charges, or expenses at a rate equal to the lesser of 1.5% per month or the highest rate permitted by law.

ARTICLE V - TERMINATION

5.1 **Material Breach.** Either party shall have the right to terminate this Agreement in the event the other party is in breach of any material term of this Agreement, provided that the breaching party fails to cure such breach within ten (10) days of receipt of written notice from the non-breaching party.

5.2 **Voluntary Termination.** Either party may voluntarily elect to terminate this Agreement, at any time during this Agreement, by providing written notice of termination to the other party hereto at least ninety (90) days prior to the effective date of termination.

5.3 **Effect of Termination.** Upon non-renewal or termination of this Agreement, neither party shall have any further rights or obligations hereunder except for rights and obligations accruing prior to the date of termination, or arising as a result of any breach or termination of this Agreement.

ARTICLE VI - MISCELLANEOUS

6.1 **Notices.** All notices, requests, consents, and other communications hereunder shall be in writing and personally delivered or addressed to the intended party at the address set forth on the signature page to this Agreement and shall be (i) delivered by hand; (ii) sent by commercial overnight courier with written verification of receipt; or (iii) sent by registered or certified mail, return receipt requested, postage prepaid.

All notices, requests, consents, and other communications hereunder shall be deemed to have been given (i) if by hand, at the time of the delivery thereof; (ii) if sent by overnight delivery, on the next business day following the day such mailing is made; or (iii) if sent by certified or registered mail, on the third business day following the date of such mailing thereof.

6.2 **Amendments.** This Agreement may not be amended, modified, or supplemented in whole or in part except in a written agreement setting forth such changes and executed by the parties hereto.

6.3 **Compliance with Law.** The parties acknowledge and agree at all times during the Term

of this Agreement to comply with all applicable federal, state, and local laws in performing their obligations hereunder, including but not limited to the Deficit Reduction Act of 2005, the Federal False Claims Act, and other federal and state laws addressing anti-kickback, self-referral, fraud, waste, and whistleblower protections for those reporting violations of such laws.

6.4 Business Information. Each party may have access to business information of the other party including confidential information related to the identity of patients, managed care contracts, third party payor arrangements, health care provider agreements, business plans, and/or strategic plans. Each party shall not use or disclose any confidential information of the other party at any time following the termination or expiration of this Agreement. During the Term of this Agreement, each party will maintain confidentiality with respect to such information except for authorized disclosures in the normal course of the party's duties and except for disclosure as required by law.

6.5 Rights in the Services. Consultant and Purchaser hereby agree that all right, title, and interest to the Services shall belong solely to Consultant without Purchaser reserving or otherwise having any right in the Services. Specifically, and without limiting the generality of the foregoing, all intellectual property rights relating to the Services, and all parts thereof, shall belong solely to Consultant.

6.6 Indemnification. Each party shall be responsible for its own acts and omissions and the acts and omissions of its employees. A party shall not be liable for any claims, demands, actions, costs, expenses, and liabilities, including reasonable attorneys' fees, which may arise in connection with the failure of the other party to perform any of its obligations under this Agreement. The foregoing provision shall survive termination of this Agreement and any investigation with respect thereto by any party hereto.

6.7 Total Damages. A party's total cumulative liability under, in connection with or related to this Agreement, will be limited to the total fees paid by Purchaser to Consultant under this Agreement during the twelve (12) month period preceding the date of the claim, as applicable, whether based on breach of contract, warranty, tort, product liability, or otherwise.

6.8 Exclusion of Damages. In no event will a party be liable under, in connection with, or related to this Agreement, for any special, incidental, indirect, or consequential damages, including, but not limited to, lost profits or loss of goodwill, whether based on breach of contract, warranty, tort, product liability, or otherwise, and whether or not a claiming party has been advised of the possibility of such damage.

6.9 Subcontracting. Consultant may provide the Services through any third party ("Third Party Supplier"). The parties agree that Consultant shall not be held responsible nor liable for the Services and performance of the Third Party Supplier.

6.10 Professional Responsibility. Purchaser acknowledges and agrees that any clinical content furnished by Consultant hereunder is for informational purposes only and that its use contemplates and requires the involvement of trained individuals. The parties agree that Consultant does not provide medical services to patients and is not engaged in the practice of medicine, and that Purchaser's use of the Services does not absolve Purchaser of its obligation to exercise independent medical judgment in

rendering health care services to patients. Purchaser acknowledges that the professional duty to the patient in providing healthcare services lies solely with the healthcare professional providing the services. Consultant makes no warranty as to the nature or quality of the content of results, messages, or information of the Services.

6.11 Solicitation. Purchaser shall not, during the Term of this Agreement and for one (1) year thereafter, directly or indirectly, solicit for employment, employ, or advise or recommend to any other person or entity that such person or entity employ or solicit for employment, directly or indirectly, any person employed by Consultant or any of its affiliates or who has been so employed during the preceding twelve (12) month period, or whose employment would result in a breach of any agreement with Consultant.

6.12 Non-Assignment. Purchaser agrees that the parties shall not assign or transfer their respective rights or obligations under this Agreement without the other party's prior written consent; provided, however, that Consultant may assign this Agreement to any of its direct or indirect parent or subsidiary corporations or divisions now or hereafter existing.

6.13 Governing Law. This Agreement shall be governed by the laws of the State of Maryland.

6.14 Waiver of Breach. The failure of either party to exercise any right hereunder shall not operate as a waiver hereof, or be construed to be a waiver of any subsequent breach of the same or other provision hereof, nor shall any single or partial exercise of any right by either party hereto exclude any other or future exercise thereof or the exercise of any other right.

6.15 Severability. If any portion or portions of this Agreement shall be, for any reason, invalid or unenforceable, the remaining portion or portions shall nevertheless be valid, enforceable, and carried into effect, unless to do so would clearly violate the present and valid intention of the parties hereto.

6.16 Headings. The headings contained in this Agreement are for reference only, are not part of this Agreement, and shall have no substantive meaning.

6.17 Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties and their heirs, executors, administrators, and respective successors and permitted assigns.

6.18 Entire Agreement. This Agreement represents the entire understanding between the parties hereto with respect to the subject matter hereof, there being no terms or conditions other than those contained herein, and all prior agreements or understandings, whether written or unwritten, are superseded by this Agreement.

6.19 Execution of Agreement. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but which together constitute one and the same agreement.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned hereto have duly executed this Agreement as of the date and year below written.

PURCHASER

BOARD OF COUNTY COMMISSIONERS OF
WASHINGTON COUNTY, MARYLAND, BY
AND THROUGH WASHINGTON COUNTY
DIVISION OF EMERGENCY SERVICES

Date

By: _____

Notice Address: Washington County Division
of Emergency Services
16232 Elliott Parkway
Williamsport, MD 21795

CONSULTANT

MERITUS MEDICAL CENTER, INC.

Date

By: _____

Notice Address:
11116 Medical Campus Road
Hagerstown, MD 21742
Attn: Trauma/EMS Manager

SCHEDULE 1

CONSULTING SERVICES

Consultant will provide Purchaser's personnel with physical access to Consultant's automated medication dispensing system on an as-needed basis for the purpose of restocking Purchaser's ambulances with supplies and pharmaceuticals for patient care in the pre-hospital environment. Non-stock items cannot be ordered and therefore will not be stocked for purchase. Selection of brands and manufacturers will be the prerogative of Consultant. Supplies and pharmaceuticals will be provided in their new, unused, as-is condition, without warranty of any kind, expressed or implied.

Consultant will provide Services subject to the compliance of Purchaser's personnel with terms and conditions established by Consultant for the use of Consultant's automated medication dispensing system.

Consultant will direct all notifications of any hazard or recall alert of inventory items in a writing delivered personally or communicated by fax and/or electronically or otherwise to the following: David E. Chisholm, Assistant Director – EMS Operations, Washington County Division of Emergency Services, 16232 Elliott Parkway, Williamsport, MD 21795, Office 240-313-4367, Cell 240-500-5045, Fax 240-313-4375, Email dchisholm@washco-md.net. Consultant will direct any such hazard or recall alert within thirty (30) days of becoming aware of such event for all stocked items made available for purchase pursuant to this Agreement.

SCHEDULE 2

COMPENSATION

Consultant will charge Purchaser for the supplies and pharmaceuticals at Consultant's cost.

Upon Purchaser's request, Consultant will verify to Purchaser the cost of any inventory item subject to this Agreement.

Consultant will give Purchaser notice of any price variation of any inventory item subject to this Agreement within thirty (30) days of Consultant becoming aware of such change.

Upon receipt of each monthly itemized invoice referenced in Section 4.1, Purchaser will review the charges and formally raise any charge dispute by submitting a written explanation and request for chargeback to Consultant. Any charge dispute that Purchaser does not raise within thirty (30) days of receipt of the affected invoice shall be waived.

Purchaser is permitted to bill patients and/or payors on its own behalf for any of the inventory provided by Consultant in connection to this Agreement.



Open Session Item

SUBJECT: Hagerstown Urban Improvement Project-Grant Agreement and Sub-Recipient Agreement Review and Approval

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Susan Buchanan, Director, Office of Grant Management

RECOMMENDED MOTION: Move to approve the presented sub-recipient agreements for execution by The Maryland Theatre, Inc. for consideration and formal approval by their Board; allow for non-substantive modifications to the sub-recipient agreements with the concurrence of the County Attorney; and upon execution of the sub-recipient agreements, approve execution of two (2) Fiscal Year 2018 Capital Projects Grant Agreements between the State of Maryland (Funder), the County (Grantee) and The Maryland Theatre, Inc.

REPORT-IN-BRIEF: In 2017, the Hagerstown Urban Improvement Project received two (2) Maryland Capital Bond Bill awards. One award in the amount of one hundred fifty-five thousand Dollars (\$155,000) and the second in the amount of forty-five thousand dollars (\$45,000). The Bond Bill language designated Washington County as the Grantee and City of Hagerstown as the beneficiary on both bond bills. As the grantee, the County is responsible to draft and enter into sub-recipient agreements with the beneficiary. Those sub-recipient agreements were presented to the Board on February 6, 2018 and approved for submission to the City of Hagerstown for their review and execution. During a meeting on March 12, 2018 attended by Senator Serafini, staff from both the County and City of Hagerstown, and staff from the Maryland Department of General Services and Department of Budget & Management, a decision was made to remove the City of Hagerstown as beneficiary and replace them with The Maryland Theatre as originally intended.

DISCUSSION: The sub-recipient agreement primarily serves as a means to detail agreed upon financial considerations as well as the obligations associated with the receipt of such funding. The entire agreement is contingent upon receipt of funding from the State. The document details specific reporting procedures and remedies available to the County for a default of agreement. Most importantly, the document incorporates the Capital Project Grant Agreement into the sub-recipient agreement and holds the beneficiary responsible to the same conditions and requirements as the County. The agreement also serves to limit the County's risk of fiscal recovery by the funder in the event of a default of agreement.

Upon execution of the sub-recipient agreements the County and beneficiary must agree to and execute the Capital Projects Grant Agreements to receive awarded funding. Should approval be provided upon the agreements presented herein, any substantive requests from sub-recipients will be brought before the Board for formal approval.

FISCAL IMPACT: The execution of the sub-recipient agreements and the Capital Grant Agreement will have no fiscal impact to the County. However, the County could be responsible initially for fiscal recovery in the event of a default by the sub-recipient. The sub-recipient agreement will provide the County remedies to recover any liabilities from the sub-recipients of the awarded funding.

CONCURRENCES: County Administrator, Chief Operations Officer

ALTERNATIVES: Deny the awarded funding thereby eliminating the need for sub-recipient agreements.

ATTACHMENTS: 2018 Capital Bond Bill Draft Sub-Recipient Agreements (2)

AUDIO/VISUAL NEEDS:

**HAGERSTOWN URBAN IMPROVEMENT PROJECT
LEGISLATIVE BOND BILL
SUBRECIPIENT AGREEMENT
FISCAL YEAR 2018**

THIS SUBRECIPIENT AGREEMENT (“Agreement”) is made this _____ day of _____, 2018, by and between **THE MARYLAND THEATRE ASSOCIATION** a Maryland non-profit corporation of the State of Maryland (the “Subrecipient”) and the **BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, MARYLAND**, a body corporate and politic and a political subdivision of the State of Maryland (the “County”).

RECITALS

The Maryland General Assembly has authorized a Grant entitled “Hagerstown Urban Improvement Project”. The authorization of this grant in the form of a Bond Bill was authorized by the Maryland General Assembly and enacted into Law by Chapter 022, Acts of 2017.

Pursuant to a CAPITAL PROJECTS GRANT AGREEMENT (the “Grant Agreement”) between the State of Maryland (the “State”) acting by and through the Board of Public Works (the “BPW”) and the County, a copy of which is attached hereto as Attachment #1 and which is incorporated herein by reference and made a part of this Agreement as if entirely stated herein, the County has received an award of grant funds for the Hagerstown Urban Improvement Project (the “UIP”) in the amount of Forty Five Thousand Dollars (\$45,000.00) (the “Grant”). The purpose of the Grant is to provide funding for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of the UIP, located in Hagerstown, Washington County, Maryland.

As part of the Grant Agreement, Subrecipient has agreed to comply with all requirements of the Grant as set forth in the Grant Agreement, and as a result the County has designated Subrecipient to be the beneficiary of the authorized funding for eligible expenses, and has allocated Forty-Five Thousand Dollars (\$45,000.00) (“Subrecipient Grant Funds”) to Subrecipient for that purpose.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and intending to be legally bound, the parties agree as follows:

1. Subrecipient shall faithfully perform and certify the performance of the UIP as outlined in the Grant Agreement.
2. Subrecipient recognizes there is a matching funds requirement associated with the acceptance of this Grant. The matching funds equal Forty Five Thousand Dollars (\$45,000) or the amount of the Grant funds as stated in the Enabling Act.
3. Subrecipient shall arrange for and provide satisfactory evidence of all matching funds to the UIP budget as may be required under the Grant Agreement.
4. The County, as recipient of grant funds, shall reimburse Subrecipient on a periodic basis in an amount equal to the actual expenses incurred by Subrecipient for approved Grant activities as certified to the County by Subrecipient using the prescribed forms. The receipt of State grant funds from BPW is a condition precedent to the County's obligation to reimburse Subrecipient as set forth in this paragraph.
5. Subrecipient shall maintain accurate financial records and shall prepare and certify all reports required by the Grant Agreement and by this Agreement. Certified reports shall be provided to the assigned Washington County Office of Grant Management Grant Manager ("OGM Grant Manager") for approval and forwarding to the State.
6. Subrecipient shall submit all required or requested fiscal and programmatic reports to the OGM Grant Manager in a timely manner upon request. For reports with established due dates, Subrecipient shall submit all required reports on or before the corresponding due date.
7. Subrecipient acknowledges that the County has the right to take any and all corrective action it deems necessary in its sole and absolute discretion to address Subrecipient's failure to comply with established reporting requirements. Corrective action includes, but is not limited to, withholding of payments, instituting financial penalties, and declaring Subrecipient in default of this Agreement.
8. Subrecipient acknowledges that all payments for work performed under the provisions of this Agreement shall be made utilizing a "reimbursement method" unless otherwise specified and agreed to by all parties subject to this Agreement.

- (a) Disbursement of funds under this Agreement shall be for actual expenses only as determined by the County to have been properly incurred and allowable by the Grant Agreement.
 - (b) Subrecipient may request funds to pay for eligible, actual costs already incurred in connection with the UIP. The County shall have the right at any time to request the Subrecipient provide additional supporting documentation in connection with any request for disbursement.
 - (c) The Request for Disbursement should utilize the Payment Request form which is available at www.dgs.maryland.gov/documents/grants/payment-req.pdf and provided as an attachment to this Agreement as Attachment 2. The request must include supporting documentation, including sufficient receipts, invoices, and cancelled checks.
 - (d) The County has the right to withhold disbursement of the Subrecipient Grant Funds if it is determined that the Subrecipient is not performing or completing the UIP in accordance with the terms and provisions of this Agreement.
9. The parties agree that Subrecipient shall act as an independent contractor for the purposes of fulfilling its duties and obligations under this Agreement.
10. Subrecipient shall be subject to the same terms and conditions applicable to the County as contained in the Grant Agreement between the County and the State. Should a conflict arise during the performance or administration of the UIP between this Agreement and the Grant Agreement, the terms of the Grant Agreement shall prevail.
11. Subrecipient acknowledges that the County has designated the assigned OGM Grant Manager to administer the Grant Agreement and this Agreement.
12. The designated contact person for Subrecipient shall be the President of the Maryland Theatre Association or his/her designee. The contact person shall be responsible to ensure that all communications received from the County in relation to the Grant Agreement and this Agreement are reviewed and addressed to in a timely manner.

13. Any modifications to the UIP as described in this Agreement, which are mutually agreed upon by the County, State, and Subrecipient may be incorporated into this Agreement by a written letter of amendment upon approval by all parties.
14. Subrecipient agrees that the County or its agents has the right to periodically review/monitor the fiscal and programmatic records of the Subrecipient relating to this Agreement and further agrees to fully cooperate with any reasonable request(s) by the County in relation to any said review/monitoring.
15. Subrecipient shall permit the County, OGM, or their agents, and any authorized representatives of the State to inspect and audit all data and records of Subrecipient relating to its performance under this Agreement at any time during the term of this Agreement. This section shall survive any termination of this Agreement.
16. If the Subrecipient contracts any portion of the work to another organization, person(s), business or entity they must fully comply with and follow all provisions related to procurement, contractor selection, debarment, and necessary contract clauses, required by the County and the State. All eligible contracts including contracts for matching funds shall be submitted to the State and the County for approval prior to requesting reimbursement for incurred costs. The subrecipient must provide evidence to the County that any selected person, business, or entity is not debarred from doing business with the State or County prior to entering into any binding contract to perform work related to the UIP. Detailed instructions regarding the procedures for obtaining State approval for contracts granted under this award are found in the Maryland Capital Grants Projects (Information for State of Maryland Capital Grant Recipients) found at <http://dgs.maryland.gov/Documents/grants/cglbook.pdf>.
17. Subrecipient acknowledges that all correspondence, questions, or concerns in relation to this Agreement should be directed to the OGM Grant Manager or Director of the OGM.
18. In performance of its obligations under this Agreement, Subrecipient, its agents, employees and assigns, shall comply with all applicable State, federal, and local laws, regulations and requirements. Subrecipient shall promptly notify the appropriate OGM Grant Manager in the event of any allegations or evidence of theft, misappropriation of funds, or any other criminal act or civil litigation.
19. The following provisions regarding equal employment opportunity shall apply:

- A. Subrecipient shall comply with all applicable federal, State and local laws, rules and regulations pertaining to equal employment opportunity and shall not discriminate in any manner against any employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, marital status, national origin, ancestry or disability of a qualified individual with a disability. Subrecipient will take affirmative action to insure that applicants are employed and employees are treated fairly during employment without regard to their race, color, religion, creed, age, sex, sexual orientation, marital status, national origin, ancestry or disability of a qualified individual with a disability. Such action shall include, but not be limited to the following: employment, promotion, demotion, transfer, recruitment, or recruitment advertising, furloughs or terminations, rates of pay or other forms of compensation, and selection for training, including apprenticeships. Subrecipient shall post in a conspicuous place, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- B. Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of Subrecipient; state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, age, sex, sexual orientation, marital status, national origin, ancestry or disability of a qualified individual with a disability.
- C. Subrecipient shall permit access to its books, records and accounts by the State, County, OGM, or their agents for purposes of investigation and review to ascertain compliance with this section.
- D. If Subrecipient fails to comply with the nondiscrimination clauses of this Agreement, this Agreement may be terminated/cancelled in whole or in part by written notice from the County and Subrecipient may be declared ineligible for further agreements with the County. Subrecipient shall include the provisions of the foregoing paragraphs in every subcontract or purchase order so that such provision will be binding upon each subcontractor or vendor. Subrecipient shall take such action with respect to any subcontract or purchase order as the County may direct as means of enforcing such provisions including sanctions for noncompliance. Provided, however, that if Subrecipient becomes involved in or is threatened with litigation with the subcontractor or vendor as a result of such direction by the County, Subrecipient may request the County to enter into such litigation to protect the interest of the County.

20. Default, Repayment and Remedies:

- a) A default under this Agreement shall occur if:
 - 1. Subrecipient fails to obligate and expend the Subrecipient Grant Funds within the time frames set forth in Section 3 of the Grant Agreement.
 - 2. There is any use of the Subrecipient Grant Funds by Subrecipient for any purpose other than authorized by the Act, the Regulations, any documents promulgated under the Regulations, this Agreement, and as specifically described in the Purpose description located in Section 1 of the Grant Agreement.
 - 3. There is a breach of any covenant, agreement, provision, representation, warranty or certification of Subrecipient which was made in this Agreement or the Grant Agreement or any grant application.

- b) Upon the occurrence of any default, the County shall have the right to terminate this Agreement by notice to Subrecipient, subject to the provisions of Section 12 of the Grant Agreement. Pursuant to Section 12(a) of the Grant Agreement; upon default the County may:
 - 1. Require Subrecipient to repay the Grant, in whole or in part.
 - 2. Recoup the amount the Grant already paid from funds due the Subrecipient from any other current or future State or County grant or loan or any other funds, otherwise due and owing Subrecipient.
 - 3. Withhold further payments under this Agreement.
 - 4. Terminate this Agreement.

- c) Except in the case of a default under Section 20(a) (1) of this Agreement, Subrecipient shall have thirty (30) days from the date of the County's notice to cure the default, unless the State or County requests the repayment of any Subrecipient Grant Funds in which case Subrecipient shall immediately return the Subrecipient Grant Funds to the County. If repayment has not been requested and, after the conclusion of the thirty (30) day period referenced above, Subrecipient

has not cured the default to the satisfaction of the County, the County may terminate this Agreement.

- d) In the event of termination of this Agreement as provided for herein:
 - 1) Subrecipient's authority to request any further disbursement shall immediately cease and Subrecipient shall have no right, title, or interest in or to any of the Subrecipient Grant Funds not disbursed; and
 - 2) The County may demand the immediate repayment of all or a portion of the Subrecipient Grant Funds which have been previously disbursed.
- e) Any and all of the County's remedies may be exercised contemporaneously, and all of such rights shall survive any termination of this Agreement.
- f) If a default occurs, the County may at any time proceed to protect and enforce all rights available to the County under the Regulations, the Act, at law or in equity, or by any other appropriate proceedings, which rights and remedies shall survive the termination of this Agreement. Furthermore, no failure or delay by the County to insist upon the strict performance of any term, condition, representation or warranty of this Agreement or to exercise any right, power or remedy shall constitute a waiver of any such term, condition, representation or warranty nor preclude the County or State from exercising any such right, power, or remedy at any later time.

21. All covenants, agreements, representations and warranties made in this Agreement and in any other documents delivered pursuant hereto shall survive closeout of the Grant Agreement and shall continue in full force and effect until the County has complied with all terms and conditions of the close-out agreement executed by and between State and the County for the UIP.

21. In accordance with the guidelines of the Capital Projects Grant program, no officer, member or employee of the County, or other local public agencies which exercise any functions or responsibilities in review or approval of the undertaking or carrying out of this Agreement, shall have any personal interest, direct or indirect, apart from his or her official duties, in this Agreement or its proceeds.

23. This Agreement contains the entire understanding and obligations of the parties and supersedes all prior representation, understandings, and communications. Furthermore, this Agreement shall not be construed to imply that the County will pay for any expenses incurred by Subrecipient as provided above and beyond the period ending June 1, 2024.

DULY EXECUTED on behalf of the parties as of the day and year first written.

ATTEST/WITNESS:

THE MARYLAND THEATRE ASSOCIATION

BY: _____

Benito Vattelana, President

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND

BY: _____

Vicki C. Lumm, Clerk

Terry L. Baker, President

Approved:

Approved as to form and
Legal sufficiency:

Susan M. Buchanan, Director
Washington County Office of
Grant Management

John M. Martirano
County Attorney

**HAGERSTOWN URBAN IMPROVEMENT PROJECT
LEGISLATIVE BOND BILL
SUBRECIPIENT AGREEMENT
FISCAL YEAR 2018**

THIS SUBRECIPIENT AGREEMENT (“Agreement”) is made this _____ day of _____, 2018, by and between **THE MARYLAND THEATRE ASSOCIATION** a Maryland non-profit corporation of the State of Maryland (the “Subrecipient”) and the **BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, MARYLAND**, a body corporate and politic and a political subdivision of the State of Maryland (the “County”).

RECITALS

The Maryland General Assembly has authorized a Grant entitled “Hagerstown Urban Improvement Project”. The authorization of this grant in the form of a Bond Bill was authorized by the Maryland General Assembly and enacted into Law by Chapter 022, Acts of 2017.

Pursuant to a CAPITAL PROJECTS GRANT AGREEMENT (the “Grant Agreement”) between the State of Maryland (the “State”) acting by and through the Board of Public Works (the “BPW”) and the County, a copy of which is attached hereto as Attachment #1 and which is incorporated herein by reference and made a part of this Agreement as if entirely stated herein, the County has received an award of grant funds for the Hagerstown Urban Improvement Project (the “UIP”) in the amount of One Hundred Fifty Five Thousand Dollars (\$155,000.00) (the “Grant”). The purpose of the Grant is to provide funding for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of the UIP, located in Hagerstown, Washington County, Maryland.

As part of the Grant Agreement, Subrecipient has agreed to comply with all requirements of the Grant as set forth in the Grant Agreement, and as a result the County has designated Subrecipient to be the beneficiary of the authorized funding for eligible expenses, and has allocated One Hundred Fifty Five Thousand Dollars (\$155,000.00) (“Subrecipient Grant Funds”) to Subrecipient for that purpose.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and intending to be legally bound, the parties agree as follows:

1. Subrecipient shall faithfully perform and certify the performance of the UIP as outlined in the Grant Agreement.
2. Subrecipient recognizes there is a matching funds requirement associated with the acceptance of this Grant. The matching funds equal One Hundred Fifty Five Thousand Dollars (\$155,000.00) or the amount of the Grant funds as stated in the Enabling Act.
3. Subrecipient shall arrange for and provide satisfactory evidence of all matching funds to the UIP budget as may be required under the Grant Agreement.
4. The County, as recipient of grant funds, shall reimburse Subrecipient on a periodic basis in an amount equal to the actual expenses incurred by Subrecipient for approved Grant activities as certified to the County by Subrecipient using the prescribed forms. The receipt of State grant funds from BPW is a condition precedent to the County's obligation to reimburse Subrecipient as set forth in this paragraph.
5. Subrecipient shall maintain accurate financial records and shall prepare and certify all reports required by the Grant Agreement and by this Agreement. Certified reports shall be provided to the assigned Washington County Office of Grant Management Grant Manager ("OGM Grant Manager") for approval and forwarding to the State.
6. Subrecipient shall submit all required or requested fiscal and programmatic reports to the OGM Grant Manager in a timely manner upon request. For reports with established due dates, Subrecipient shall submit all required reports on or before the corresponding due date.
7. Subrecipient acknowledges that the County has the right to take any and all corrective action it deems necessary in its sole and absolute discretion to address Subrecipient's failure to comply with established reporting requirements. Corrective action includes, but is not limited to, withholding of payments, instituting financial penalties, and declaring Subrecipient in default of this Agreement.
8. Subrecipient acknowledges that all payments for work performed under the provisions of this Agreement shall be made utilizing a "reimbursement method" unless otherwise specified and agreed to by all parties subject to this Agreement.

- (a) Disbursement of funds under this Agreement shall be for actual expenses only as determined by the County to have been properly incurred and allowable by the Grant Agreement.
 - (b) Subrecipient may request funds to pay for eligible, actual costs already incurred in connection with the UIP. The County shall have the right at any time to request the Subrecipient provide additional supporting documentation in connection with any request for disbursement.
 - (c) The Request for Disbursement should utilize the Payment Request form which is available at www.dgs.maryland.gov/documents/grants/payment-req.pdf and provided as an attachment to this Agreement as Attachment 2. The request must include supporting documentation, including sufficient receipts, invoices, and cancelled checks.
 - (d) The County has the right to withhold disbursement of the Subrecipient Grant Funds if it is determined that the Subrecipient is not performing or completing the UIP in accordance with the terms and provisions of this Agreement.
9. The parties agree that Subrecipient shall act as an independent contractor for the purposes of fulfilling its duties and obligations under this Agreement.
10. Subrecipient shall be subject to the same terms and conditions applicable to the County as contained in the Grant Agreement between the County and the State. Should a conflict arise during the performance or administration of the UIP between this Agreement and the Grant Agreement, the terms of the Grant Agreement shall prevail.
11. Subrecipient acknowledges that the County has designated the assigned OGM Grant Manager to administer the Grant Agreement and this Agreement.
12. The designated contact person for Subrecipient shall be the President of The Maryland Theatre Association or his/her designee. The contact person shall be responsible to ensure that all communications received from the County in relation to the Grant Agreement and this Agreement are reviewed and addressed to in a timely manner.

13. Any modifications to the UIP as described in this Agreement, which are mutually agreed upon by the County, State, and Subrecipient may be incorporated into this Agreement by a written letter of amendment upon approval by all parties.
14. Subrecipient agrees that the County or its agents has the right to periodically review/monitor the fiscal and programmatic records of the Subrecipient relating to this Agreement and further agrees to fully cooperate with any reasonable request(s) by the County in relation to any said review/monitoring.
15. Subrecipient shall permit the County, OGM, or their agents, and any authorized representatives of the State to inspect and audit all data and records of Subrecipient relating to its performance under this Agreement at any time during the term of this Agreement. This section shall survive any termination of this Agreement.
16. If the Subrecipient contracts any portion of the work to another organization, person(s), business or entity they must fully comply with and follow all provisions related to procurement, contractor selection, debarment, and necessary contract clauses, required by the County and the State. All eligible contracts including contracts for matching funds shall be submitted to the State and the County for approval prior to requesting reimbursement for incurred costs. The subrecipient must provide evidence to the County that any selected person, business, or entity is not debarred from doing business with the State or County prior to entering into any binding contract to perform work related to the UIP. Detailed instructions regarding the procedures for obtaining State approval for contracts granted under this award are found in the Maryland Capital Grants Projects (Information for State of Maryland Capital Grant Recipients) found at <http://dgs.maryland.gov/Documents/grants/cglbook.pdf>.
17. Subrecipient acknowledges that all correspondence, questions, or concerns in relation to this Agreement should be directed to the OGM Grant Manager or Director of the OGM.
18. In performance of its obligations under this Agreement, Subrecipient, its agents, employees and assigns, shall comply with all applicable State, federal, and local laws, regulations and requirements. Subrecipient shall promptly notify the appropriate OGM Grant Manager in the event of any allegations or evidence of theft, misappropriation of funds, or any other criminal act or civil litigation.
19. The following provisions regarding equal employment opportunity shall apply:

- A. Subrecipient shall comply with all applicable federal, State and local laws, rules and regulations pertaining to equal employment opportunity and shall not discriminate in any manner against any employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, marital status, national origin, ancestry or disability of a qualified individual with a disability. Subrecipient will take affirmative action to insure that applicants are employed and employees are treated fairly during employment without regard to their race, color, religion, creed, age, sex, sexual orientation, marital status, national origin, ancestry or disability of a qualified individual with a disability. Such action shall include, but not be limited to the following: employment, promotion, demotion, transfer, recruitment, or recruitment advertising, furloughs or terminations, rates of pay or other forms of compensation, and selection for training, including apprenticeships. Subrecipient shall post in a conspicuous place, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- B. Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of Subrecipient; state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, age, sex, sexual orientation, marital status, national origin, ancestry or disability of a qualified individual with a disability.
- C. Subrecipient shall permit access to its books, records and accounts by the State, County, OGM, or their agents for purposes of investigation and review to ascertain compliance with this section.
- D. If Subrecipient fails to comply with the nondiscrimination clauses of this Agreement, this Agreement may be terminated/cancelled in whole or in part by written notice from the County and Subrecipient may be declared ineligible for further agreements with the County. Subrecipient shall include the provisions of the foregoing paragraphs in every subcontract or purchase order so that such provision will be binding upon each subcontractor or vendor. Subrecipient shall take such action with respect to any subcontract or purchase order as the County may direct as means of enforcing such provisions including sanctions for noncompliance. Provided, however, that if Subrecipient becomes involved in or is threatened with litigation with the subcontractor or vendor as a result of such direction by the County, Subrecipient may request the County to enter into such litigation to protect the interest of the County.

20. Default, Repayment and Remedies:

- a) A default under this Agreement shall occur if:
 - 1. Subrecipient fails to obligate and expend the Subrecipient Grant Funds within the time frames set forth in Section 3 of the Grant Agreement.
 - 2. There is any use of the Subrecipient Grant Funds by Subrecipient for any purpose other than authorized by the Act, the Regulations, any documents promulgated under the Regulations, this Agreement, and as specifically described in the Purpose description located in Section 1 of the Grant Agreement.
 - 3. There is a breach of any covenant, agreement, provision, representation, warranty or certification of Subrecipient which was made in this Agreement or the Grant Agreement or any grant application.

- b) Upon the occurrence of any default, the County shall have the right to terminate this Agreement by notice to Subrecipient, subject to the provisions of Section 12 of the Grant Agreement. Pursuant to Section 12(a) of the Grant Agreement; upon default the County may:
 - 1. Require Subrecipient to repay the Grant, in whole or in part.
 - 2. Recoup the amount the Grant already paid from funds due the Subrecipient from any other current or future State or County grant or loan or any other funds, otherwise due and owing Subrecipient.
 - 3. Withhold further payments under this Agreement.
 - 4. Terminate this Agreement.

- c) Except in the case of a default under Section 20(a) (1) of this Agreement, Subrecipient shall have thirty (30) days from the date of the County's notice to cure the default, unless the State or County requests the repayment of any Subrecipient Grant Funds in which case Subrecipient shall immediately return the Subrecipient Grant Funds to the County. If repayment has not been requested and, after the conclusion of the thirty (30) day period referenced above, Subrecipient

has not cured the default to the satisfaction of the County, the County may terminate this Agreement.

- d) In the event of termination of this Agreement as provided for herein:
 - 1) Subrecipient's authority to request any further disbursement shall immediately cease and Subrecipient shall have no right, title, or interest in or to any of the Subrecipient Grant Funds not disbursed; and
 - 2) The County may demand the immediate repayment of all or a portion of the Subrecipient Grant Funds which have been previously disbursed.
- e) Any and all of the County's remedies may be exercised contemporaneously, and all of such rights shall survive any termination of this Agreement.
- f) If a default occurs, the County may at any time proceed to protect and enforce all rights available to the County under the Regulations, the Act, at law or in equity, or by any other appropriate proceedings, which rights and remedies shall survive the termination of this Agreement. Furthermore, no failure or delay by the County to insist upon the strict performance of any term, condition, representation or warranty of this Agreement or to exercise any right, power or remedy shall constitute a waiver of any such term, condition, representation or warranty nor preclude the County or State from exercising any such right, power, or remedy at any later time.

21. All covenants, agreements, representations and warranties made in this Agreement and in any other documents delivered pursuant hereto shall survive closeout of the Grant Agreement and shall continue in full force and effect until the County has complied with all terms and conditions of the close-out agreement executed by and between State and the County for the UIP.

21. In accordance with the guidelines of the Capital Projects Grant program, no officer, member or employee of the County, or other local public agencies which exercise any functions or responsibilities in review or approval of the undertaking or carrying out of this Agreement, shall have any personal interest, direct or indirect, apart from his or her official duties, in this Agreement or its proceeds.

23. This Agreement contains the entire understanding and obligations of the parties and supersedes all prior representation, understandings, and communications. Furthermore, this Agreement shall not be construed to imply that the County will pay for any expenses incurred by Subrecipient as provided above and beyond the period ending June 1, 2024.

DULY EXECUTED on behalf of the parties as of the day and year first written.

ATTEST/WITNESS:

THE MARYLAND THEATRE ASSOCIATION

BY: _____

Benito Vattelana, President

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND

BY: _____

Vicki C. Lumm, Clerk

Terry L. Baker, President

Approved:

Approved as to form and
Legal sufficiency:

Susan M. Buchanan, Director
Washington County Office of
Grant Management

John M. Martirano
County Attorney



Agenda Report Form

Open Session Item

SUBJECT: Contract Award (PUR-1376) – Independent Auditing Services

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Rick Curry, CPPO - Director of Purchasing Department and Kim Edlund - Director of Budget & Finance

RECOMMENDED MOTION: Move to award the contract for independent auditing services to the responsive, responsible proposer with the lowest total lump sum price for Fiscal Years 2018 thru 2022.

REPORT-IN-BRIEF: These services are required by the State of Maryland’s audit requirements enumerated in Article 19, Section 19, Section 40 of the Maryland Annotated Code. The RFP was also advertised on the County’s web site and also the State’s “eMaryland Marketplace” web site, and in the local newspaper. There were forty-four (44) persons/companies registered/downloaded the RFP document on-line. Proposals were received from six (6) firms consisting of Qualifications and Experience/Technical Proposals (Q&E) and Price Proposals. The Q&Es of the all firms were evaluated and four (4) were considered to be qualified, experienced, and responsive. Each of the firms considered provided a lump sum contract price for each Fiscal Year Audit as indicated on the attached cost proposal sheet.

The Coordinating Committee was comprised of the following members: County Administrator, County Chief Financial Officer, County Director of Budget & Finance (Committee Chairperson), County Director of Purchasing, and the County Senior Accountant. The contract term is for a one (1) year period with an option by the County to renew for up to four (4) additional consecutive one (1) year periods. The County reserves the right to accept or reject any request for renewal.

DISCUSSION: N/A

FISCAL IMPACT: The FY’ 18 budget includes \$70,000.00 for audit fees in the General Fund and \$6,230.00 in other funds. The State reimburses the County for the 9-1-1 audit fee; therefore, it is not budgeted.

CONCURRENCES: As recommended by the Coordinating Committee named above.

ALTERNATIVES: N/A

ATTACHMENTS: N/A

AUDIO/VISUAL NEEDS: N/A



Open Session Item

SUBJECT: Position Review Procedures

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Stephanie Stone, Director Health & Human Services; Deb Peyton, Deputy Director, Human Resources

RECOMMENDATION: Informational Purposes Only

REPORT-IN-BRIEF: On April 10, 2018, staff presented to the Board and staff, the completed Wage and Salary Scale Study for Washington County. As recommended by the study and reported to the Board, staff has begun the planning of position reviews for all County departments.

As the first step in this process a Position Review Team was chosen to conduct the position reviews. The make-up of that team was determined by leadership to be the Chief Operations Officer, Chief Financial Officer, Director of Health and Human Services and Deputy Director of Human Resources.

On April 13, 2018, the team met for the first time to plan for the review process. The team will meet as frequently as necessary to carry out its charge in an efficient and expeditious manner and will provide the Board with periodic updates of the progress.

DISCUSSION: The Review Team discussed various review procedures and scheduling options. The chief consideration was efficiency, expediency, and equity among all departments. Bearing this in mind and subject to approval and amendment by the Board, it is the recommendation of the team that the review procedures be as follows:

1. A memorandum will be sent to ALL Division Directors and Department Heads requesting the submission of a Position Review Form and supporting documentation for each position in which they feel an inequity or anomaly exists and further review is warranted.
2. May 14, 2018 will be the deadline for ALL position review submissions. In addition to the submissions from staff, the team will utilize the salary study, assessment tools and job descriptions as part of its review.
3. The team will consider all requests for review submitted by staff. In addition, the team will thoroughly review any position in which an inequity or anomaly exists based on the available resources.
4. After an initial review the Division Director, Department Head or their designees will be contacted and given an appointment to meet with the team to explain and articulate their request and to answer questions in relation to the position.

5. Once the requests have been thoroughly reviewed the team will rank the request based on three (3) equally weighted criteria which are: 1) Level of inequity 2) Justification of inequity 3) Salary position score. The salary position score will be determined utilizing a published tool for the purpose. The scores will be tabulated, averaged and the position will be ranked according to the highest score.
6. The positions will be considered for adjustment by order of ranking and within the confines of the available budget.
7. Once all positions have been reviewed and considered a draft report will be presented to the Board for review and comment.

FISCAL IMPACT: The fiscal impact will be limited to the available budget. At this time an amount of \$400,000 exists in the Fiscal Year 2019 Operating Budget to address review findings.

CONCURRENCES: James Hovis, Chief Operations Officer and Sara Greaves, Chief Financial Officer

ALTERNATIVES: Amend the procedures as necessary

ATTACHMENTS: None

AUDIO/VISUAL NEEDS: None



Agenda Report Form

Open Session Item

SUBJECT: Meritus Medical Center Agreement for Law Enforcement Coverage

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Sheriff Doug Mullendore/Lee Shaver, Vice President Meritus

RECOMMENDED MOTION: Move to approve the Meritus Substation Agreement as presented.

REPORT-IN-BRIEF: It is the desire of Meritus Medical Center that the Washington County Sheriff's Office provide three deputies and a supervisor to provide law enforcement coverage at the Emergency Department and other locations throughout Meritus Medical Center.

DISCUSSION: In June 2017, the Sheriff was contacted by Lee Shaver, Vice President of Professional Support Services, Meritus Medical Center to inquire about providing 24x7 law enforcement coverage at the Emergency Department of Meritus Medical Center. Meetings were held over the next few months to work out the operational details of how the coverage could be provided. A proposal for cost and operations was submitted to Meritus Medical Center. On November 17, 2017 the Sheriff was notified by Lee Shaver that the Meritus Medical Center Board of Directors approved the proposal. It was at this time the Sheriff's Office, County Attorney's Office and Meritus Medical Center Legal staff began to meet to develop an Agreement to memorialize the proposal and provide for all operational and contractual issues related to providing the law enforcement coverage. County Administrator Rob Slocum was also notified of the intent for an Agreement. The Sheriff and Meritus Medical Center finalized an Agreement for signature by all parties pending approval by the Commissioners. The Agreement stipulates the Sheriff's Office will provide overtime coverage to Meritus Medical Center during an interim period while four deputies are sent through a police academy and Field Training. Once the four deputies are assigned to solo patrol, three deputies and a supervisor would be assigned to provide coverage to the Emergency Department and other areas of the hospital. Meritus Medical Center agrees to pay the cost of four deputies at an entry level salary and benefits the first year and then pay the true salary and benefits of the personnel assigned thereafter. The Sheriff's Office will also provide deputies on overtime status to fill in any gaps as determined by Meritus Medical Center. They have also agreed to pay for four vehicles and equipment as well as the uniforms and personal equipment necessary for these deputies to perform as sworn law enforcement deputies. There are provisions in the Agreement to allow either party to terminate the Agreement or to modify the Agreement as necessary in the future as long as all parties approved the modifications.

FISCAL IMPACT: There is no fiscal impact to the County as all costs would be paid for through contractual agreement by Meritus Medical Center.

CONCURRENCES: County Attorney's Office (as to legal sufficiency of agreement) and Meritus Medical Center

ALTERNATIVES: N/A

ATTACHMENTS: N/A

AUDIO/VISUAL NEEDS: N/A



Agenda Report Form

Open Session Item

SUBJECT: County Administration Building – Project Closeout Change Orders

PRESENTATION DATE: April 24, 2018

PRESENTATION BY: Scott Hobbs, P.E., Director, Division of Engineering

RECOMMENDED MOTION: Move to approve change orders in the amount of \$104,873.46 for the County Administration Building construction contract, and \$161,509.41 for the design contract as part of the final project closeout.

REPORT-IN-BRIEF: This is part of the final closeout for the first floor renovations to the County Administration Building at 100 West Washington Street. The contract value for Building Systems Inc. and BFM Architects, Inc. will be increased accordingly, and these final change orders will close out the project.

DISCUSSION: The additional costs include expanded/extended design services, construction, and construction administration. There is available funding in the Capital Improvement Plan (CIP).

FISCAL IMPACT: Budgeted CIP projects BLD070 and BLD091.

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS: N/A

AUDIO/VISUAL TO BE USED: N/A