NEW ISSUES-DTC BOOK-ENTRY ONLY

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants in the Tax Certificate and Compliance Agreement to be executed and delivered by the County on the date of delivery of the 2021A Bonds, and subject to the conditions stated herein under "Tax Matters," under existing law, (a) the interest on the 2021A Bonds is excluded from gross income for federal income tax purposes, and (b) the interest on the 2021A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. In the opinion of Bond Counsel, interest on the Series 2021B Bonds will be includable in gross income for federal income tax purposes. As described herein under "Tax Matters," other federal income tax consequences may arise from ownership of the Bonds. It is also the opinion of Bond Counsel that, under existing law of the State of Maryland, the interest on the Bonds and the profit realized from the sale or exchange of the Bonds is exempt from income taxation by the State of Maryland or by any of its political subdivisions, but no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Bonds or the income therefrom. See "Tax Matters" herein.

$185,345,000
FREDERICK COUNTY, MARYLAND

$154,495,000 General Obligation Public Facilities Project and Refunding Bonds, Series 2021A
$30,850,000 General Obligation Public Facilities Taxable Refunding Bonds, Series 2021B

Dated: Date of Delivery | **Due: October 1, shown on inside cover**

Bond Ratings	Fitch Ratings: AAA Moody's: Aaa Standard & Poor's: AAA
Redemption	Bonds maturing on or after October 1, 2032, are redeemable in whole or in part, on or after October 1, 2031.
Security	General Obligations of Frederick County, Maryland
Purpose	The 2021A Bonds are being issued by the County for the purpose of (i) financing certain capital projects of the County's Capital Improvement Program, (ii) currently refunding the County's outstanding General Obligation Public Facilities Bond, Series 2020B and (iii) paying costs of issuance related thereto. The 2021B Bonds are being issued by the County for the purpose of (i) advance refunding outstanding bonds of the County and (ii) paying costs of issuance related thereto.
Interest Payment Dates	April 1 and October 1, beginning April 1, 2022
Closing/Settlement	On or about September 28, 2021
Denominations	$5,000
Book-Entry Only Form	The Depository Trust Company, New York, NY
Paying Agent/Registrar/Escrow Agent	Manufacturers and Traders Trust Company, Baltimore, MD
Bond Counsel	Venable LLP, Baltimore, MD
Financial Advisor	Davenport & Company LLC, Towson, MD
Issuer Contact	Frederick County Director of Finance: (301) 600-1193

For additional information related to the County, please visit the Investor Relations platform Munite® (https://go.munite.com/#/retail/frederickcountymd/obligor/24351/0)

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Venable LLP, Baltimore, Maryland, Bond Counsel. The date of this Official Statement is September 14, 2021 and the information contained herein speaks only as of that date.

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

$154,495,000 General Obligation Public Facilities Project and Refunding Bonds, Series 2021A

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

Maturing October 1	Principal Amount	Interest Rate*	Price or Yield*	CUSIP	Maturing October 1	Principal Amount	Interest Rate*	Price or Yield*	CUSIP
2022	$4,995,000	5.000%	0.080%	35569PFS7	2032	$8,185,000	4.00%	1.050%†	35569PGC1
2023	5,250,000	5.000	0.120	35569PFT5	2033	8,410,000	1.500	1.600	35569PGD9
2024	5,515,000	5.000	0.180	35569PFU2	2034	8,545,000	1.625	1.680	35569PGE7
2025	5,795,000	5.000	0.290	35569PFV0	2035	8,675,000	1.625	1.740	35569PGF4
2026	6,100,000	5.000	0.420	35569PFW8	2036	8,830,000	1.750	1.790	35569PGG2
2027	6,405,000	5.000	0.570	35569PFX6	2037	8,985,000	1.750	1.860	35569PGH0
2028	6,725,000	5.000	0.700	35569PFY4	2038	9,155,000	1.875	1.900	35569PGJ6
2029	7,075,000	5.000	0.820	35569PFZ1	2039	9,330,000	2.000	1.920†	35569PGK3
2030	7,445,000	5.000	0.910	35569PGA5	2040	9,515,000	2.000	1.970†	35569PGL1
2031	7,820,000	5.000	0.990	35569PGB3	2041	9,710,000	2.000	2.000	35569PGM9

$965,000 2.000% Term Bonds due October 1, 2046 Yield 2.190% CUSIP 35569PGS6

$1,065,000 2.000% Term Bonds due October 1, 2051 Yield 2.230% CUSIP 35569PGX5

$30,850,000 General Obligation Public Facilities Taxable Refunding Bonds, Series 2021B

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

Maturing October 1	Principal Amount	Interest Rate**	Price or Yield**	CUSIP	Maturing October 1	Principal Amount	Interest Rate**	Price or Yield**	CUSIP
2022	$165,000	0.200%	0.200%	35569PGY3	2031	$4,700,000	1.550%	1.540%	35569PHH9
2023	165,000	0.250	0.250	35569PGZ0	2032	4,795,000	1.600	1.640	35569PHJ5
2024	165,000	0.400	0.400	35569PHA4	2033	1,535,000	1.800	1.800	35569PHK2
2025	305,000	0.750	0.750	35569PHB2	2034	1,565,000	1.900	1.900	35569PHL0
2026	330,000	0.870	0.870	35569PHC0	2035	1,595,000	2.050	2.050	35569PHM8
2027	765,000	1.120	1.120	35569PHD8	2036	1,635,000	2.150	2.150	35569PHN6
2028	5,070,000	1.200	1.200	35569PHE6	2037	1,665,000	2.250	2.250	35569PHP1
2029	390,000	1.350	1.350	35569PHF3	2038	1,710,000	2.350	2.350	35569PHQ9
2030	2,545,000	1.420	1.420	35569PHG1	2039	1,750,000	2.500	2.500	35569PHR7

†Price to call date.

*The interest rates and prices or yields shown above are the interest rates payable by the County resulting from the successful bid for the 2021A Bonds on September 14, 2021. The interest rates and prices or yields shown above are furnished by Bank of America Securities (the "Successful 2021A Bidder"). Other information concerning the terms of reoffering of the 2021A Bonds, if any, should be obtained from the Successful 2021A Bidder and not from the County (see "SALE AT COMPETITIVE BIDDING" herein).

**The interest rates and prices or yields shown above are the interest rates payable by the County resulting from the successful bid for the 2021B Bonds on September 14, 2021. The interest rates and prices or yields shown above are furnished by Morgan Stanley & Co. LLC (the "Successful 2021B Bidder"). Other information concerning the terms of reoffering of the 2021B Bonds, if any, should be obtained from the Successful 2021B Bidder and not from the County (see "SALE AT COMPETITIVE BIDDING" herein).

CUSIP (Committee on Uniform Securities Identification Procedures) data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association ("ABA") by S&P Global Market Intelligence. "CUSIP" is a registered trademark of the ABA. CUSIP numbers are included solely for the convenience of the holders of the Bonds. Neither the County nor the Underwriter take any responsibility for the accuracy of CUSIP information. The CUSIP number for a specific maturity is subject to change after the issuance of the Bonds in certain circumstances. The County has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the assigned CUSIP numbers set forth herein. 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.

FREDERICK COUNTY, MARYLAND
OFFICIAL ROSTER OF COUNTY OFFICIALS

COUNTY EXECUTIVE

Jan H. Gardner

COUNTY COUNCIL

M.C. Keegan-Ayer, President
Michael Blue, Vice President
Phil Dacey
Jerry Donald
Jessica Fitzwater
Kai Hagen
Steve McKay

CERTAIN APPOINTED AND MANAGERIAL OFFICIALS

Richard P. Harcum
Chief Administrative Officer

Lori L. Depies, CPA
Chief Financial Officer

Charles F. Nipe
Director, Public Works Division

Mark A. Schweitzer
Director, Division of Water & Sewer Utilities

Helen Propheter
Director, Office of Economic Development

Bryon C. Black
County Attorney

Erin White, CPA
Director, Finance Division

Steven C. Horn
Director, Planning & Permitting Division

Phillip Harris
Director, Solid Waste & Recycling

Kelly M. Weaver, CPA
Director, Budget

BOND COUNSEL
Venable LLP
Baltimore, Maryland

FINANCIAL ADVISOR
Davenport & Company LLC
Towson, Maryland

COUNTY AUDITOR
SB & Company
Owings Mills, Maryland

PAYING AGENT, BOND REGISTRAR AND ESCROW AGENT
Manufacturers and Traders Trust Company
Baltimore, Maryland

VERIFICATION AGENT
American Municipal Tax-Exempt Compliance (AMTEC)
Avon, Connecticut

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No dealer, broker, salesman, or other person has been authorized by the County or the Underwriter to give any information or to make any representations 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 an 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 explanations 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 opinion 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 or the date hereof.

Figures used in this Official Statement relating to tax collections, assessed value of property and the financial position of the County have been taken from official records of the County.

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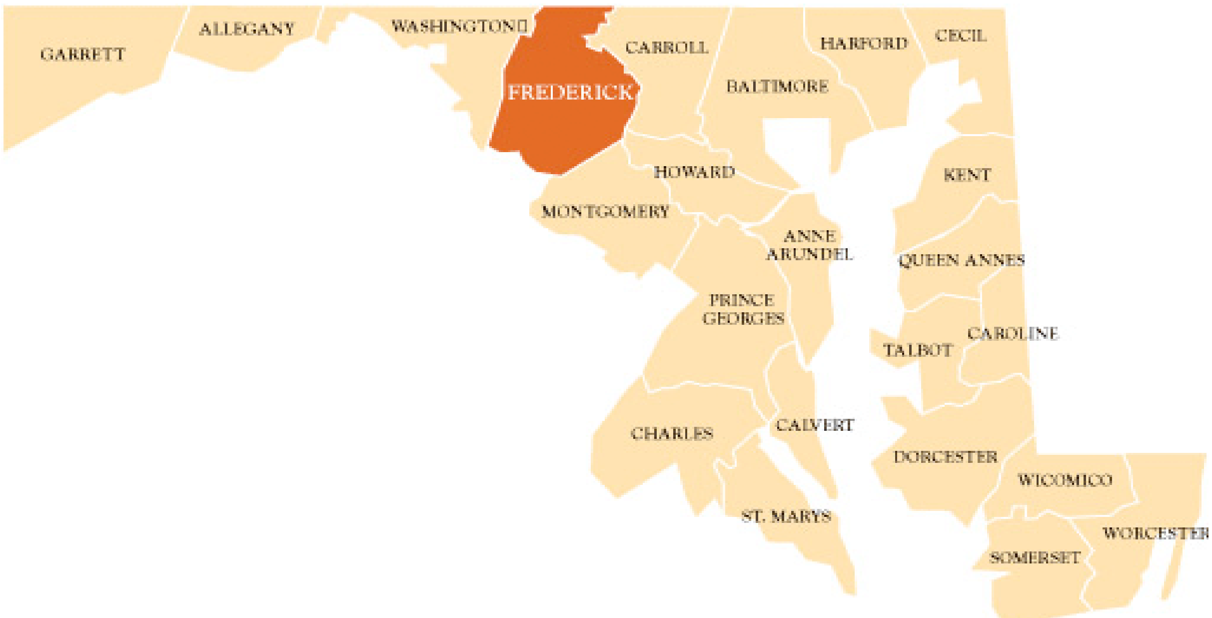
LOCATION

The County is located in the north central part of the State of Maryland, 245 miles from New York City, 150 miles from Philadelphia, 45 miles from Baltimore, and 45 miles from Washington, D.C.



OFFICIAL STATEMENT

$185,345,000

FREDERICK COUNTY, MARYLAND

$154,495,000 General Obligation Public Facilities Project and Refunding Bonds, Series 2021A

$30,850,000 General Obligation Public Facilities Taxable Refunding Bonds, Series 2021B

INTRODUCTION

The purpose of this Official Statement, including the cover page, inside cover page and Appendices hereto, is to set forth certain information in connection with the issuance and sale by Frederick County, Maryland (the "County") and the $154,495,000 General Obligation Public Facilities Project and Refunding Bonds, Series 2021A (the "2021A Bonds") and $30,850,000 General Obligation Public Facilities Taxable Refunding Bonds, Series 2021B (the "2021B Bonds" and, together with the 2021A Bonds, the "Bonds"). 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.

The material and information contained in this Official Statement have been provided by the County and the execution and distribution of this Official Statement have been authorized and approved by the County.

For information regarding the County and its finances, see Appendix A attached hereto and incorporated herein by reference. Information concerning the County is also available on the County's investor information website at https://go.munite.com/#/retail/frederickcountymd/obligor/24351/0. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of or incorporated into this Official Statement.

Frederick County, founded in 1748, originally included the present Maryland counties of Garrett, Allegany, Washington, Carroll and Montgomery. It is located in the north central part of Maryland and is 664 square miles in area. The County is bordered on the north by Pennsylvania, on the west by Washington County, on the east by Howard and Carroll Counties, and on the south by Montgomery County and Virginia. According to the 2020 U.S. Census data, the population of the County is 271,717.

There are 12 incorporated towns within the County. The County seat and largest city is the City of Frederick. According to the 2020 U.S. Census data, the population of City is 78,171. The City of Frederick is located approximately 45 miles northwest of Washington, D.C. and 45 miles west of Baltimore, Maryland.

The County is a body politic and corporate and a political subdivision of the State of Maryland (the "State"), and is a "charter county" under the Maryland Constitution. As a charter county, the County has significant home rule powers, including the powers to enact local laws, to levy and collect taxes and assessments, and to incur debt. See "COUNTY GOVERNMENT AND ADMINISTRATION" below.

The executive offices of the County are located at Winchester Hall, 12 East Church Street, Frederick, Maryland. The County's central telephone number is (301) 600-1100 and the County's website is www.frederickcountymd.gov.

Any questions regarding this Official Statement or the Bonds should be directed to the Director of Finance, Frederick County, Maryland, Winchester Hall, 12 East Church Street, Frederick, Maryland 21701, telephone number (301) 600-1193.

THE BONDS

General

The Bonds will be dated with the date of their delivery and will bear interest at the rates and mature in the amounts and at the times set forth on the inside front cover page hereof.

Interest on the Bonds, calculated on the basis of a 30-day month/360-day year factor, will be payable semiannually on April 1 and October 1, commencing April 1, 2022, until the principal amount is paid.

Interest on the Bonds shall be payable to the person in whose name such Bond is registered on the registration books for the Bonds as of the 30th calendar day of the month immediately preceding each interest payment date.

The Bonds will be issued in fully-registered form without coupons and will be issued 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 "DTC and Book-Entry Only System" below).

So long as the Bonds are maintained in book-entry form, payments of principal, premium 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 and premium, if any, on the Bonds will be payable at the principal corporate trust office of Manufacturers and Traders Trust Company, Baltimore, Maryland (the "Paying Agent" and "Bond Registrar"). Interest on the Bonds will be payable by check of the Paying Agent mailed to the registered owners thereof. The principal of, premium, if any, 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.

The Bonds will be valid and legally binding general obligations of the County, to which the full faith and credit and unlimited taxing power of the County will be pledged. They are not guaranteed by the State of Maryland or any other entity. Security for the Bonds is more fully described herein under "THE BONDS - Security for the Bonds".

Authorization

2021A Bonds. The 2021A Bonds are issued pursuant to the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Bond Act"), Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Refunding Act"), Bill No. 17-03, enacted by the Frederick County Council on April 4, 2017 (the "2017 Bond Bill"), Bill No. 19-19 enacted by the County Council on January 21, 2019 (the "2019 Bond Bill"), Sections 2-13-1 through 2-13-31 of the Code of Public Local Laws of Frederick County (1979), as amended (the "Water and Sewer Act"), Sections 5-601 through 5-604 of the Education Volume of the Annotated Code of Maryland, as amended (the "School Bond Act" and, together with the Bond Act, the Refunding Act, the 2017 Bond Bill, the 2019 Bond Bill, and the Water and Sewer Act, the "Acts") and in accordance with Resolution No. 21-23 adopted by the Frederick County Council (the "County Council") on August 24, 2021 (the "Resolution"). See "CERTAIN DEBT INFORMATION – Bond Indebtedness of the County" below.

2021B Bonds. The 2021B Bonds are issued pursuant to the authority of the Refunding Act and in accordance with the Resolution.

Security for the Bonds

The Acts provide 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 Acts further provide, 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 the County in rate and amount sufficient to provide for or assure the payment, when due, of the principal of and interest on all such 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.

The Acts further provide that the County may apply to the payment of the principal of and interest on any Bonds any funds received by it from the State, the United States of America, or any agency or instrumentality of either, or from any other source. If such funds are available for the purpose of assisting the County in financing the construction of the public facilities as defined in the Acts, and, to the extent of any such funds received or receivable in any fiscal year, taxes that might otherwise be required to be levied under the Acts may be reduced or need not be levied.

Indebtedness of the County presently outstanding and the County's authority to issue future debt are described herein under "CERTAIN DEBT INFORMATION".

DTC and Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (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, each in the aggregate principal amount thereof, 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. 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 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 Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry system for the Bonds 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 affect 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 will 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

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 the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments 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 the payable date 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 Participant and not of DTC, the Bond Registrar and Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments 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 Direct and Indirect Participants. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, definitive Bonds are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. The current "Rules" applicable to DTC and its Participants are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC. The information under this heading concerning DTC and DTC's book-entry only system has been obtained from sources that the County believes to be reliable. No representation is made by the Bond Registrar and Paying Agent or the County as to, and the Bond Registrar and Paying Agent and the County take no responsibility for, the completeness or the accuracy of such information or the absence of material adverse changes in such information subsequent to the date of this Official Statement.

So long as Cede & Co., or any successor thereto, is the registered owner of the Bonds, as DTC's partnership nominee, references herein to the Bond holders or registered owners of the Bonds shall mean DTC and shall not mean the Beneficial Owners of the Bonds. During such period, the Bond Registrar and Paying Agent and the County will recognize DTC or its partnership nominee as the owner of all of the Bonds for all purposes, including the payment of the principal of, redemption premium, if any, and interest on the Bonds, as well as the giving of notices and voting.

NEITHER THE COUNTY NOR THE BOND REGISTRAR AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY 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, REDEMPTION PREMIUM, IF ANY, 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 BONDOWNERS; (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.

DTC may charge the Participants a sum sufficient to cover any tax, fee or other governmental charge that may be imposed for every transfer and exchange of a beneficial interest in the Bonds, and the Participants may seek reimbursement therefor from the Beneficial Owners.

Application of Proceeds of the Bonds

2021A Bonds. The 2021A Bonds are being issued by the County for the purpose of (i) financing certain capital projects of the County's Capital Improvement Program, (ii) currently refunding the County's outstanding General Obligation Public Facilities Bond, Series 2020B, and (iii) paying related costs of issuance.

The breakdown of amounts to be financed with the proceeds of the 2021A Bonds generally include:

Sources of Funds:	
Par Amount of Series 2021A Bonds	$154,495,000.00
Net Original Issue Premium	17,380,240.10
Total Sources Funds	$171,875,240.10
Uses of Funds:	
Capital Projects:	
Public Schools (K-12)	$38,031,650.00
General Government	63,907,073.00
Transportation	48,464,335.00
Water/Sewer	5,103,641.00
Community College	7,938,301.00
Total Capital Project Funding	$163,445,00.00
Series 2020B Payoff	$7,847,421.75
Costs of Issuance/Underwriter's Discount	582,818.35
TOTAL 2021A BOND PROCEEDS	$171,875,240.10

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2021B Bonds. The proceeds of the 2021B Bonds, less the proceeds to be used to pay costs of issuance, will be applied to the purchase of non-callable direct obligations of or obligations the principal of and interest on which are guaranteed by the United States of America ("Government Obligations"). The Government Obligations will be held in trust in an escrow deposit fund ("Escrow Deposit Fund") by Manufacturers and Traders Trust Company (the "Escrow Agent") pursuant to an escrow deposit agreement between the Escrow Agent and the County. The Government Obligations will mature at such times and in such amounts, and will bear interest payable at such times and in such amounts so that sufficient money will be available to pay when due, all principal of and premium, if any, and interest on certain outstanding bonds of the County (as more fully described in Exhibit F hereto, the "Refunded Bonds") to and including their respective dates of maturity or redemption (See "VERIFICATION OF MATHEMATICAL COMPUTATIONS"). The Escrow Agent will apply the maturing principal of and the interest on the Government Obligations to the payment of the interest on the Refunded Bonds prior to their respective maturity or redemption dates and has been irrevocably instructed to redeem the Refunded Bonds at the earliest respective redemption dates at a price equal to the principal amount thereof plus any applicable premium and accrued interest. The Government Obligations will be pledged only to the payment of the principal of, premium, if any, and interest on the Refunded Bonds, and are not available for the payment of principal of or interest on the Bonds.

The breakdown of amounts to be financed with the proceeds of the 2021B Bonds generally include:

Sources:	
Par Amount of 2021B Bonds...............................	$30,850,000.00
Original Issue Discount	(14,951.90)
Equity Contribution	114,000.00
Total Sources of 2021B Funds	$30,949,048.10
Uses:	
Deposit to Advanced Refunding Escrow Fund.....	$30,802,086.02
Costs of Issuance/Underwriter's Discount	146,962.08
Total Uses of 2021B Funds	$30,949,048.10

Redemption

Optional Redemption of Bonds. The Bonds maturing on or after October 1, 2032 shall be subject to redemption prior to their respective maturities, at the option of the County, at any time on or after October 1, 2031, either as a whole or in part, but only upon payment of a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption.

If less than all of the outstanding Bonds are called for redemption, the County shall choose the maturities of the Bonds to be redeemed and the principal amount of each maturity to be redeemed, in its sole discretion; and if less than all of the Bonds of any one maturity are called for redemption, the particular Bonds to be redeemed from such maturity shall be selected by lot by the Registrar, except that so long as The Depository Trust Company ("DTC") or its nominee is the sole registered owner of the Bonds, the particular Bonds or portion to be redeemed shall be selected by lot by DTC, in such manner as DTC shall determine. Each $5,000 portion of a Bond shall be treated as a separate Bond in the selection by lot of Bonds to be redeemed.

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 a Bond or Bonds in any authorized denomination as specified by the registered owner. The aggregate principal amount of the Bond or Bonds so issued shall be equal to the unredeemed balance of the principal amount of the Bond surrendered.

If the County elects to redeem all or a portion of the Bonds outstanding, a redemption notice as prescribed in the Resolution shall be mailed by the Bond Registrar, on behalf of the County, not less than 30 days prior to the date fixed for redemption, postage prepaid, to the registered owners of the Bonds to be redeemed by first-class mail at their last addresses appearing on the registration books maintained by the Bond Registrar; provided, however, that the failure to mail such notice with respect to a particular Bond to be redeemed or any defect in such notice, or in the mailing thereof, shall not affect the sufficiency of the redemption of any other Bond. So long as DTC or its nominee is the sole registered owner of the Bonds, any redemption notice shall be given to DTC by a secure means (e.g., legible facsimile transmission, registered or certified mail or overnight express delivery) in a timely manner designed to assure that such notice is in DTC's possession no later than the close of business on such 30th day. From and after the date fixed for redemption, if notice has been duly and properly given and if funds sufficient for the payment of the redemption price of the Bonds called for redemption are held by the Bond Registrar on such date, the Bonds so called for redemption shall become due and payable at the redemption price provided for the redemption of such Bonds on such date, interest on Bonds shall cease to accrue and the registered owners of such Bonds so called for redemption shall have no rights in respect thereof expect to receive payment of the redemption price thereof from such monies held by the Bond Registrar. Upon presentation and surrender of a Bond called for redemption in compliance with the redemption notice, the Bond Registrar shall pay the appropriate redemption price of such Bond. If Bonds 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.

Mandatory Sinking Fund Redemption

The Tax-Exempt Bonds maturing on October 1, 2046, and October 1, 2051, are subject to redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory sinking fund installments on October 1 of the following years and in the following amounts:

Tax-Exempt Term Bond maturing October 1, 2046

Year	Sinking Fund Installment
2042	$185,000
2043	190,000
2044	195,000
2045	195,000
2046*	200,000

*Maturity

Tax-Exempt Term Bond maturing October 1, 2051

Year	Sinking Fund Installment
2047	$205,000
2048	210,000
2049	215,000
2050	215,000
2051*	220,000

*Maturity

If such Tax-Exempt Bonds are redeemed in part prior to the mandatory redemption date, the sinking fund installments for such Tax-Exempt Bonds shall be reduced on a pro rata basis.

Registration and Transfer

So long as the Bonds are maintained in book-entry form, transfers of ownership interests will be made as described above under "DTC and Book-Entry Only System." At any other time, the Bonds will be transferable only upon the registration books kept at the principal corporate trust office of the Bond Registrar, by the registered owner thereof upon surrender thereof together with a written instrument of transfer in form attached thereto and satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized attorney. The County may deem and treat the person in whose name a Bond is registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal or redemption price thereof and interest due thereon and for all other purposes. Upon any such transfer or exchange, the County shall execute and the Bond

Registrar shall authenticate and deliver a new registered Bond or Bonds of any authorized denomination 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 may require payment by any holder of Bonds requesting exchange or transfer of Bonds of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect to such exchange or transfer, and the County and the Bond Registrar may charge a sum sufficient to reimburse them for expenses incurred in connection with such exchange or transfer. The Bond Registrar shall not be required to transfer or exchange any Bond within fifteen (15) days preceding any interest payment date or after the mailing of notice calling such Bond or portion thereof for redemption as hereinafter described; provided, however, that the foregoing limitation shall not apply to that portion of a Bond in excess of $5,000 which is not being called for redemption.

Bondholders' Remedies

It is the opinion of Bond Counsel that the County may be sued in the event that it fails to perform its obligations under the Bonds to the registered owners thereof and that any judgments resulting from such suits would be enforceable against the County. Nevertheless, a holder 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 State law with respect to this issue, it is the opinion of Bond Counsel that the appropriate courts of the State 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 bondholders 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 of payment or imposing other constraints upon enforcement.

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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 such ratings may be obtained only from the rating agency furnishing the same. The County furnished to such rating agencies the information contained in a preliminary form of this Official Statement and other information. Generally, rating agencies base their ratings on such materials and information, as well as their own investigations, studies and assumptions. Such ratings may be changed at any time and no assurance can be given that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the Bonds.

LEGAL MATTERS

Approval of Legal Proceedings

The validity of the Bonds and their treatment for federal income tax purposes will be passed upon by Venable LLP, Baltimore, Maryland, Bond Counsel. The proposed forms of Bond Counsel's opinions are set forth in Appendix B to this Official Statement.

TAX MATTERS

Federal Income Taxation

2021A Bonds

In the opinion of Bond Counsel, under existing law, the interest on the 2021A Bonds (a) is excluded from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax.

Summary. Under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain requirements that must be met subsequent to the issuance of the 2021A Bonds in order for the interest on the 2021A Bonds to remain excludable from gross income for federal income tax purposes, including restrictions that must be complied with throughout the term of the 2021A Bonds. Such restrictions include, among other things, limitations on the yield of investments acquired with gross proceeds of the 2021A Bonds and the periodic payment to the United States of specified portions of arbitrage profit derived from such investments.

In order to comply with the requirements of the Code, the County has made covenants and agreements that are designed to satisfy the requirements of Section 103 and Sections 141 through 150, inclusive, of the Code, and the income tax regulations issued thereunder. In the opinion of Bond Counsel, these covenants and agreements are sufficient to meet the requirements (to the extent applicable to the 2021A Bonds) of Section 103 and Sections 141 through 150 of the Code. However, Bond Counsel assumes no responsibility for, and will not monitor, compliance with these covenants and agreements. In the event of noncompliance with such covenants and agreements, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the 2021A Bonds from becoming includable in gross income for federal income tax purposes retroactively to the date of issue.

Additional Consequences. The Code imposes a branch-level tax on certain earnings and profits of foreign corporations operating branches in the United States, and such earnings and profits would include interest on the 2021A Bonds. Other federal income tax consequences may arise from ownership of the 2021A Bonds, and in connection therewith, attention is directed to the following provisions of the Code: (a) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the 2021A Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the 2021A Bonds, (b) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the 2021A Bonds, (c) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on bonds such as the 2021A

Bonds, and (d) for S corporations having subchapter C earnings and profits, the receipt of certain amounts of passive investment income, which includes interest on the 2021A Bonds, may result in the imposition of income tax on such passive investment income and, in some cases, loss of S corporation status.

Bond Premium. A 2021A Bond will be considered to have been issued at a premium if, and to the extent that, the holder's tax basis in the 2021A Bond exceeds the amount payable at maturity The holder will be required to reduce his tax basis in the 2021A Bond for purposes of determining gain or loss upon disposition of the 2021A Bond by the amount of amortizable bond premium that accrues (determined on a constant yield method) during the period of ownership. No deduction (or other tax benefit) is allowable in respect of any amount of amortizable bond premium on the 2021A Bonds.

Original Issue Discount. The initial public offering price of some of the 2021A Bonds may be less than the amount payable on those Bonds at maturity. The excess, if any, of the amount payable at maturity of a 2021A Bond over the initial public offering price (plus accrued interest from the dated date of the 2021A Bond to the date of initial delivery of the 2021A Bond) at which a substantial amount of the same maturity of the 2021A Bonds was sold constitutes original issue discount ("OID") for federal income tax purposes. The full amount of OID will accrue over the term of a 2021A Bond in accordance with a constant yield method (using semiannual compounding) which allocates smaller portions of OID to earlier semiannual compounding periods and larger portions of OID to later semiannual compounding periods. In the case of an original or a subsequent holder of a 2021A Bond, the amount of OID which is treated as having accrued with respect to such 2021A Bond during the period that the holder has held it (a) is not included in the gross income of the holder for federal income tax purposes, and (b) is included in the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). Holders of 2021A Bonds should consult their tax advisors with respect to the determination, for federal income tax purposes, of OID accrued upon the sale, redemption or payment at maturity of the 2021A Bonds.

Prospective purchasers of the 2021A Bonds should consider possible state and local, excise, or franchise tax consequences arising from original issue discount on the 2021A Bonds. In addition, prospective corporate purchasers of the 2021A Bonds should consider possible federal income tax consequences arising from original issue discount on the 2021A Bonds under the alternative minimum tax and the branch profits tax described above.

IRS Examinations. The Internal Revenue Service (the "Service") has a program to audit state and local government bonds to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the Service does audit the 2021A Bonds, under current Service procedures, the Service will treat the County as the taxpayer and the owners of the 2021A Bonds will have only limited rights, if any, to participate in the audit process. Any action of the IRS, including but not limited to selection of the 2021A Bonds for audit, or the course or result of such an audit, or an audit of bonds presenting similar issues, may affect the market value and marketability of the 2021A Bonds. Bond Counsel's engagement with respect to the 2021A Bonds ends with the issuance of the 2021A Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the County or owners of the 2021A Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS.

Backup Withholding. Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt bonds, including the 2021A Bonds, are in certain cases subject to information reporting for federal income tax purposes in a manner similar to that applicable to taxable bonds. Additionally, backup withholding may apply to any such payments to any 2021A Bond holder who fails to provide an accurate From W-9 Request for Taxpayer Identification Number and Certification, or substantially identical form, or to any 2021A Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. These reporting and backup withholding requirements do not in and of themselves affect or alter the excludability of such interest from gross income for federal tax purposes or any other federal tax consequences of purchasing, holding or selling tax-exempt bonds.

Other Consequences. 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. Prospective purchasers and holders of the 2021A Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

2021B Bonds

Bond Counsel is of the opinion that interest on the 2021B Bonds is includable in gross income for federal income tax purposes.

Summary. The following is a summary of certain of the United States Federal income tax consequences of the ownership of the 2021B Bonds as of the date hereof. Each prospective purchaser of the 2021B Bonds should consult with its own tax advisor regarding the application of United States Federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Internal Revenue Code, as well as Treasury regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the 2021B Bonds generally and does not purport to furnish information in the level of detail or with the prospective purchaser's specific tax circumstances that would be provided by a prospective purchaser's own tax advisor. For example, it generally is addressed only to original purchasers of the 2021B Bonds in the initial offering that are "U.S. Holders" (as defined below), deals only with Series 2021B Bonds held as capital assets within the meaning of Section 1221 of the Code, and does not address tax consequences to owners that may be relevant to investors subject to special rules, such as certain U.S. expatriates, trusts, estates, tax-exempt investors, foreign investors, cash method taxpayers, dealers in securities, currencies or commodities, banks thrifts, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts, S corporations, persons that hold 2021B Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose "functional currency" is not the U.S. dollar. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in an owner of 2021B Bonds. The following discussion does not address tax considerations applicable to any investors in the 2019 Bonds other than investors that are U.S. Holders.

As used herein, a "U.S. Holder" is a beneficial owner of a 2021B Bond that for U.S. Federal income tax purposes is (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury regulations), (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust if either (A) a United States court is able to exercise primary supervision over the trust's administration and one or more United States persons have the authority to control all of the trust's substantial decisions or (B) the trust has a valid election in effect to be treated as a United States person under applicable Treasury regulations.

Tax Status of the 2021B Bonds. The 2021B Bonds will be treated, for Federal income tax purposes, as a debt instrument. Accordingly, interest will be included in the income of the owner as it is paid (or, if the owner is an accrual method taxpayer, as it is accrued) as interest.

Original Issue Discount. The initial public offering price of certain maturities of the 2021B Bonds may be less than the principal amount payable on such 2021B Bonds at maturity. Under Section 1273 of the Code, the excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these 2021B Bonds are sold constitutes original issue discount unless the amount of such excess is less than a specified de minimis amount (generally equal to 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity) in which case the original issue discount shall be treated as zero. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the 2021B Bonds were ultimately sold to the public. A U.S. Holder of a Series2021B Bond having a maturity more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such holder holds such 2021B Bond) the daily portion of original issue discount, as it accrues (generally on a constant yield method) and regardless of the holder's method of accounting. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a 2021B Bond using the constant yield method, subject to certain modifications.

Bond Premium. The initial public offering price of certain maturities of the 2021B Bonds may be greater than the principal amount payable on such 2021B Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these 2021B Bonds are sold over the principal amount payable at maturity constitutes original issue premium. The prices set forth on the inside cover page of this Official Statement may or may not reflect the prices at which a substantial amount of the 2021B Bonds were ultimately sold to the public. Under Section 171 of the Code, a holder of a 2021B Bond may elect to treat such excess as "amortizable bond premium", in which case the amount of interest required to be included in the taxpayer's in come each year with respect to interest on the 2021B Bond will be reduced by the amount of amortizable bond premium allocable (based on the 2021B Bond's yield to maturity) to that year. If such an election is made, the amount of each reduction in interest income will result in a corresponding reduction in the taxpayer's tax basis in the 2021B Bond. Any election to amortize bond premium is applicable to all taxable debt instruments held by the taxpayer at the beginning of the first taxable year to which the election applies or thereafter acquired by the taxpayer and may not be revoked without the consent of the Internal Revenue Service ("IRS").

Recognition of Income Generally. Section 451 of the Internal Revenue Code was amended by Pub. L. No. 115¬97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount and market discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Internal Revenue Code. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the 2021B Bonds under the Code.

Sale and Exchange of 2021B Bonds. A U.S. Holder's tax basis in a 2021B Bond generally will equal its cost, increased by any market discount and original issue discount included in the U.S. Holder's income with respect to the 2021B Bond, and reduced by the amount of any amortizable bond premium applied to reduce interest on the 2021B Bond. Unless a non-recognition provision of the Internal Revenue Code applies, a U.S. Holder generally will recognize gain or loss on the sale, exchange, or retirement of a 2021B Bond equal to the difference between the amount realized on the sale or retirement (not including any amount attributable to accrued but unpaid interest) and the U.S. Holder's tax adjusted basis in the Series 2011CBond. Except to the extent described above under Market Discount, gain or loss recognized on the sale, exchange or retirement of a 2021B Bond will be capital gain or loss. In the case of a non-corporate U.S. Holder of the 2021B Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder's holding period for the 2019 Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance. Defeasance of any 2021B Bond may result in a deemed retirement and reissuance of the bond, in which event an owner will recognize taxable gain or loss equal to the difference between the amount realized from the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the holder's adjusted tax basis in the 2021B Bond.

Medicare Tax. Interest income from the 2021B Bonds (including accrued original issue discount and market discount) and net gain realized on the sale of other disposition of property such as the 2021B Bonds generally must be taken into account when computing and will be subject to a 3.8% federal tax imposed on net investment income or undistributed net investment income, as applicable, imposed on certain high income individual and specified trusts and estates.

Information Reporting and Backup Withholding. Payments on the 2021B Bonds generally will be subject to U.S. information reporting to the Internal Revenue Service and possibly to "backup withholding." A non-corporate U.S. Holder of the 2021B Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the 2021B Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the 2021B Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required. (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" as described in the Internal Revenue Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under the Internal Revenue Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. Holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding roles may result in the imposition of penalties by the IRS.

U*.S. Holder Foreign Account Tax Compliance Act (“FATCA”).* The Internal Revenue Code imposes a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the 2019 Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including 01D) and, under current guidance, will apply to certain “passthru” payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term “foreign passthru payments.” Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

Maryland State and Local Income Tax

In the opinion of Bond Counsel, under existing law of the State, the interest on the Bonds and the profit realized from the sale or exchange of the Bonds is exempt from income taxation by the State or by any of its political subdivisions, but no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Bonds or the income therefrom.

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

Legislative Changes and/or Court Decisions

Legislation affecting obligations such as the Bonds is regularly considered by the United States Congress and may also be considered by a state legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. Such adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

Accordingly, prospective purchasers of the Bonds should consult with their own financial and tax advisors as to the status and potential effect of such changes and proposals.

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COUNTY GOVERNMENT AND ADMINISTRATION

General

Frederick County, Maryland (the "County") is a body corporate and politic, which performs local governmental functions within the County except for those performed by its 12 incorporated municipalities. Certain independent agencies, which provide services to County residents, are funded by the County. See "Independent Agencies" under this heading.

The County provides a full range of services, including fire and rescue; law enforcement; sanitation services; construction and maintenance of highways, streets, and infrastructure; recreational activities; permitting and zoning activities: and general government activities. The County's sanitation services, i.e., water, sewer, and solid waste management (including residential recycling), and comprehensive care services are wholly supported through user fees; the remaining services are primarily tax-supported. Incorporated municipalities within the County provide some or all of the following services within their boundaries which relieves the County from providing these services in those areas: water, sewer, solid waste management, highway and street maintenance, parks and recreation, and police protection. There have been no recent significant changes or interruptions in the provision of these services. The County is a "charter county" under the Maryland Constitution. Prior to December 1, 2014, the County was governed under the county commissioner form of government. As a charter county, the County operates under separate legislative and executive branches of government, with the legislative power vested in an elected County Council and executive power in an elected County Executive. Charter counties have significant home rule powers, including the powers to enact local laws, to levy and collect taxes and assessments, and to incur debt. The County Council is composed of seven members, consisting of five members elected from council districts and two at-large members. County Council members serve four-year terms, and may not serve more than three consecutive terms.

The County Executive is the chief executive officer of the County, and serves a four-year term. No County Executive may serve more than two consecutive terms. The County Executive appoints other County executive officers, including a Chief Administrative Officer, a County Attorney, a Director of Finance, and other department heads.

The financial affairs of the County are administered by the Director of Finance. The Director of Finance's duties include the disbursement of County funds, the keeping and supervision of all accounts, the control of all expenditures on the basis of budgetary appropriations and allotments, the preparation of bond sales, advising on debt management and the preparation of the County's annual financial report. In addition, the Director of Finance is responsible for the treasurer's office.

The Frederick County, Maryland Government Organization Chart is found on the next page.

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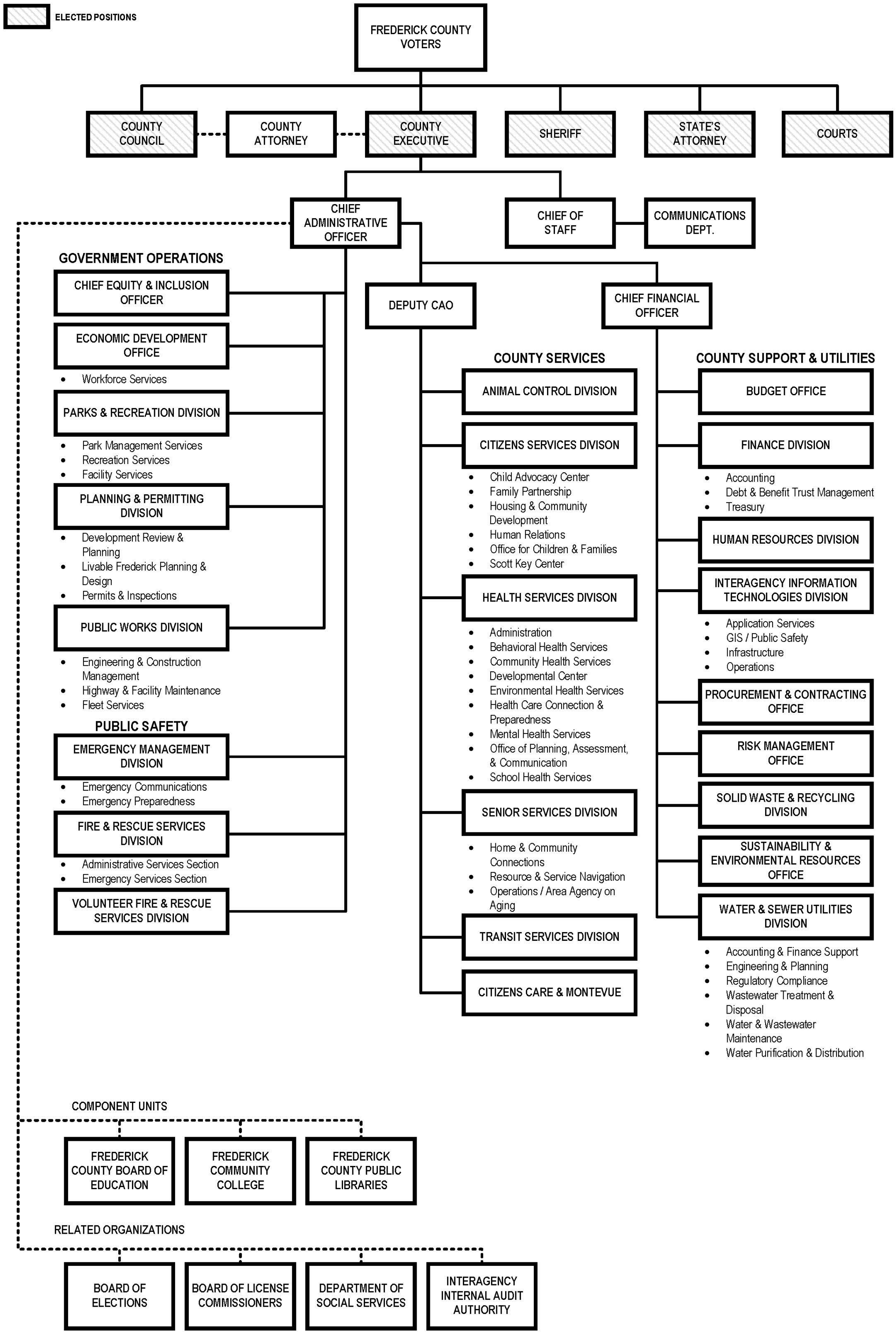
July 1, 2021

FREDERICK COUNTY GOVERNMENT ORGANIZATIONAL CHART



Certain Elected and Appointed Officials

Jan H. Gardner, County Executive, was elected as Frederick County's first County Executive in 2014 and is currently serving her second term. Ms. Gardner previously served as a County Commissioner for 12 years from 1998 to 2010, including four years as President of the Board of County Commissioners. Her priorities are education, jobs, seniors, and community needs. Key initiatives include accelerating school construction; Livable Frederick, a new, innovative and strategic approach to planning for the future; Seniors First, to engage and empower a growing senior population; and, the creation of ROOT, a new business collaboration and innovation center. Ms. Gardner currently serves on Metropolitan Washington Council of Governments. She is also a Past President of the Board of Directors for the Maryland Association of Counties (MACo) and also served on the MACo Legislative Committee and Tax Committee. Ms. Gardner is currently a member of the Frederick County Fire and Rescue Advisory Board and the Tourism Council of Frederick County Board of Directors. Her business experience includes accounting, operations planning and new product development for the Quaker Oats Company, a Fortune 100 company. Ms. Gardner gained valuable federal government experience as the State Director for U.S. Senator Barbara A. Mikulski. She earned an MBA from Xavier University and a BBA in finance and economics from the University of Notre Dame. Ms. Gardner also graduated from the Rawlings Leadership Training Program through the University of Maryland. She was awarded the President's Medal for Leadership from St. John's Catholic Preparatory School and the Theodore W. Stephens Lifetime Achievement Award for her outstanding contributions to Human Relations. Ms. Gardner was named one of Maryland's Top 100 Women by the *Daily Record* three times and is a member of the Circle of Excellence.

M. C. Keegan-Ayer, County Council President, graduated from Bridgewater College, in Bridgewater Virginia, with a degree in education. After teaching school for two years, she went to work on Capitol Hill for 10 years, first as a Legislative Assistant, then as a Legislative Director, and finished up as a lobbyist for an organization representing workers from across the U.S. After her first child was born, Ms. Keegan-Ayer. gave up the commute down the road and worked part-time as a staffer in the campaign office of Congresswoman Beverly Byron, and continued to work for her until her loss in the early 90's. She has served in leadership positions on various organizations over the years including being the president of the homeowner's association in her neighborhood, on the PTAs at her children's schools, continuing to work on these PTAs for over 20 years in various capacities. Ms. Keegan-Ayer also served on the PTA Council of Frederick County, first as chair of the Legislative Issues Committee, and later as the second vice president in charge of all legislative issues and advocacy efforts. She was elected to the County Council of Frederick County in November of 2014, and after being sworn in, was elected as the Vice President of the Council. She held that leadership position all four years of her first term as the Representative District 3, being re-elected to Vice President in December of 2016. She was re-elected to represent District 3 in the gubernatorial election of 2018, and was subsequently elected as the President of the Council, a position she was re-elected to in December of 2020. In her capacity as a representative for District 3, as well as the President of the Council, Ms. Keegan-Ayer sits as a liaison on the boards of various commissions and organizations including: Containment Laboratory Citizens Advisory Commission, Senior Services Advisory Board, Workforce Development Board, Frederick Community Action Agency Board, Frederick County Board of Elections, Metropolitan Washington Council of Governments (serving on several committees), Maryland Association of Counties (MACo) Executive Board, MACo Legislative Committee and as Land Use Subcommittee Chairperson, President of the Women of MACo since summer of 2017, and National Association of Counties (NACo) Committee on Energy, Environment and Land Use.

Michael Blue, County Council Vice President, has lived in Frederick for over 50 years. He graduated from Frederick High School in 1978 and Frederick Community College in 1980. After attending Shepherd College, Mr. Blue began his career as a small business owner. He has owned and operated Brownies Auto Service in Walkersville for over 32 years. Mr. Blue is married to local Frederick doctor, Jeanne O'Connell. They have three adult children, all graduates of Frederick County Public Schools. In addition to their three children, they have five grandchildren. As a County Council Member, Mr. Blue currently serves on the Downtown Frederick Partnership and the Frederick Municipal Airport Commission. He also serves on the Citizens Advisory Committee for the Frederick County Sheriff's Office. He is a member of St. Katherine Drexel Catholic Church in Frederick. Mr. Blue represents Council District 5 that comprises the northern part of Frederick County including Thurmont, Myersville, and Walkersville.

Phil Dacey, County Council Member, was born in Frederick and graduated from Governor Thomas Johnson High School in 1996 and the University of Maryland, College Park in 2000. Mr. Dacey served as a Chief of Staff in the Maryland Senate from 2001-2005. While working there, he began attending the University of Baltimore Law School at night, graduating magna cum laude and becoming a member of the Maryland bar in 2008. Since 2006, Mr. Dacy has served in a variety of capacities at the Maryland Department of Transportation. He currently serves as a Director for the Maryland Department of Transportation Motor Vehicle Administration. From 2013-2017, Mr. Dacey served on the Frederick City Board of Aldermen. Mr. Dacey has served on multiple boards and commissions including the Frederick County Ethics Commission, the Frederick Board of Zoning Appeals, the Governor's Criminal Justice Information Advisory Board, the American Association of Motor Vehicle Administrators, and the Religious Coalition Board of Directors. Mr. Dacey's wife, Alicia, is a small business owner in Frederick. They have two daughters attending Yellow Springs Elementary School and Monocacy Middle School.

Jerry Donald, County Council Member, is a native and has worked in Frederick County for over 30 years as a teacher. He is a graduate of Middletown High School and Western Maryland College (now McDaniel College). Mr. Donald is married, has three daughters, and resides in Braddock Heights, Maryland. Besides teaching, he has been in sales, coached and officiated high school sports, and served as President of the Braddock Heights Community Association.

Jessica Fitzwater, County Council Member, was born and raised in Smithsburg, Maryland, and has been residing in Frederick County for 15 years. She holds a Bachelor of Arts in music from St. Mary's College of Maryland, and a Master of Science in educational leadership from Hood College. Ms. Fitzwater is also a graduate of Emerge Maryland, a prestigious political leadership program for Democratic women. In her full-time career she is a music teacher with Frederick County Schools at Oakdale Elementary, where she also directs an extracurricular chorus. In 2012 Ms. Fitzwater was named one of The Frederick News-Post's 13 Young Professionals Under 30, in 2014 she was named the National Education Association's (NEA) Political Activist of the Year, and she was named one of the MD Daily Record's Leading Women in 2015. She is a past member of the Board of Directors of the Frederick County Teachers Association and the Frederick Symphony Orchestra, and currently serves on the Board of Directors of the Frederick Arts Council. Ms. Fitzwater lives in Frederick with her two young children.

Kai Hagen, County Council Member, was elected to the Frederick County Council (At-Large) in 2018. Previously, Mr. Hagen was elected to the Frederick County Board of County Commissioners in 2006, where he served through 2010. Mr. Hagen and his wife, Kirsten, have two adult sons. After growing up in Washington D.C., Mr. Hagen left the area to attend St. Olaf College in Minnesota, returning east after a dozen years there and eight more in California. For most of that time, Mr. Hagen worked with a number of environmental and social justice organizations. His family moved to the City of Frederick in 1995, and then to northern Frederick County in 2000. For 25 years, Mr. Hagen has been highly engaged in and dedicated to the local community. That has included volunteering with local organizations, serving on many boards and commissions, coaching soccer and basketball, writing columns for *The Frederick News-Post* and *The Gazette*, hosting a community-focused radio show, and more. For 10 years, he served as the Director of Envision Frederick County, a non-profit organization founded on the principle that informed public discourse and active engagement of individuals and groups in our civic life are essential to our mutual well-being and prosperity.

Steve McKay, County Council Member, has lived with his family in Monrovia since 1999. Mr. McKay's wife, Pam, is a stay at home mom to their four children, co-founded a community organization called Residents Advocating for Land use and the Environment (RALE), and keeps very busy with her community outreach activities. Mr. McKay's experience in community service began in RALE, where he was President from mid-2013 until his resignation to pursue this County Council seat. He has been a strong advocate for responsible growth in the community, most notably in RALE's fight against the Monrovia Town Center. Mr. McKay also worked tirelessly to strengthen the county's public ethics standards and frequently provided public comment on any number of issues. During this period, he was also the Treasurer for his son's Cub Scout Pack at Green Valley Elementary School for three years. Mr. McKay has spent the last 32 years as a professional in the National Security arena, providing analysis and program management support to his government clientele. He received his master's degree in public management from the University of Maryland in 1987, and his Bachelor of Arts in political science from Boston University in 1985.

Richard P. Harcum, Chief Administrative Officer, was appointed to this position by the County Executive in February 2019. In this role, Mr. Harcum is responsible for the day to day operation of county government and is the County Executive's primary liaison with the County Council on legislative, budgetary and policy matters. Prior to this, Mr. Harcum served as the county's budget director and was appointed to that position in 2016. Before joining Frederick County, Mr. Harcum had a successful 26-year career at the Washington Metropolitan Area Transit Authority in Washington, D.C., where he served as director of performance management, budget director, and other leadership positions in finance. He also worked at the Maryland Department of Transportation as a financial planner, and as a financial analyst for a telecommunications corporation. A resident of Frederick, Harcum earned his master's degree in finance and his Bachelor of Science in business administration, both from the University of Maryland.

Lori L. Depies, CPA, Chief Financial Officer, was appointed to her position in January 2021. As Chief Financial Officer (CFO), Ms. Depies is responsible for the divisions of Finance, Human Resources, Interagency Information Technologies, the offices of Budget, Risk Management and Procurement & Contracting, as well as two of the County's enterprise funds, the Solid Waste & Recycling Division and the Water & Sewer Utilities Division. Prior to her appointment as CFO, Ms. Depies served as the Director of the Finance Division for six years. Before her return to the Division of Finance, Ms. Depies served as the County Manager from 2012 to 2014 under the previous commissioner form of government. Prior to her appointment as County Manager, Ms. Depies served as the Director of Finance from 2011 to 2012. Ms. Depies has served as the director of the Department of Treasury and as an accounting team leader for the general fund, various enterprise funds, the pension fund, and component units for three years. Prior to her employment with Frederick County, Ms. Depies was the controller for Washington Aluminum Company, Baltimore, Maryland, as well as the subsidiary operation in Pennsylvania. Her career in this manufacturing operation totaled 10 years. In addition, she served as a staff accountant for five years at Home Federal Savings Bank, Hagerstown, Maryland. Ms. Depies received her bachelor's degree in accounting from Frostburg State University. She is a certified public accountant and a member of the American Institute of Certified Public Accountants and the Government Finance Officers Association. She serves as a public member on the Maryland National Capital Park and Planning Audit Commission. She is a member of the Maryland Government Finance Officers Association and also serves as the trustee for Frederick County's various benefit trust funds that include the Employees' Retirement System, the Other Post Employee Benefits (OPEB) Trust Fund, and the Length of Service Awards Program (LOSAP).

Bryon C. Black, County Attorney, was appointed to this position in June 2020. Before becoming County Attorney, Mr. Black was a Senior Assistant County Attorney. Prior to his employment with Frederick County, Mr. Black was a partner in the law firm of Schaffer & Black, PC, located in Frederick, Maryland, for 19 years; at the time of his appointment as County Attorney he had over 28 years of legal experience. During his career, Mr. Black has served as an adjunct professor at Hagerstown Community College teaching Criminal Law and Procedure, volunteered for various non-profit organizations and served on their boards. Mr. Black received an associates in arts degree in Administration of Justice from Hagerstown Junior College, a Bachelor of Science in criminal justice from Shippensburg University, and a Juris Doctor degree from the University of Dayton School of Law. He has been a member of the Maryland Bar since 1992 and the Federal Bar for the District of Maryland as well. Mr. Black is a member of the Frederick County Bar Association, the Maryland State Bar Association, and the International Municipal Lawyers Association.

Kelly M. Weaver, Director, Budget was appointed to her position in July 2019. Since August 2007, Ms. Weaver served as the assistant budget director, being primarily responsible for the six-year capital improvement program. Prior to her position as assistant budget director, she worked as an accountant at both the County and at City Hospital (now part of WVU Medicine). Ms. Weaver received her bachelor's degree in accounting from Salisbury University and her master's degree in business administration with a concentration in accounting from Mount St. Mary's University.

Helen V. Propheter, Executive Director, Economic Development and Workforce Services has lead economic development since February 2012. Ms. Propheter began her career with Frederick County Government in May 1992 with Workforce Services. In October 2007 she transferred from Workforce Services to Economic Development and served as the deputy director from 2007 to 2012. She has 25+ years of experience leading teams, programs and staff. Ms. Propheter has served on the Board of Directors of Frederick Innovative Technology Center, the Downtown Frederick Partnership, the Fort Detrick Alliance, the Frederick County Workforce Development Board, the Frederick County Chamber of Commerce, and is a member of Maryland Economic Development Association (MEDA), Biotechnology International Association, and the International Economic Development Council (IEDC). Ms. Propheter graduated from Mount Saint Mary's University with a Bachelor of Science in psychology.

Erin M. White, CPA, Director, Finance Division, was appointed to her position in June 2021. She also previously served as Acting Finance Director for Frederick County from October 2012 to October 2014. Before becoming director of the Finance Division, Ms. White served as the deputy director of the Finance Division for four years, the director of the Accounting Department for eight years and for five years as an accounting team leader for the capital projects fund, various special revenue funds, the pension fund, and payroll department. Prior to her employment with Frederick County, Ms. White was a supervisor with the public accounting firm of Linton, Shafer and Company, P.A. Frederick, Maryland. Her career in public accounting totaled six years. In addition, she served as the bookstore manager for ten years of Mount Saint Mary College, Newburgh, New York. Ms. White received a Bachelor of Science in accounting from Mount Saint Mary College, Newburgh, New York. She is a certified public accountant and a member of the American Institute of Certified Public Accountants, the Maryland Association of Certified Public Accountants, the Government Finance Officers Association, and the Maryland Government Finance Officers Association.

Steven C. Horn, Director, Planning & Permitting Division, was appointed to his position in February 2015. He has served in a variety of leadership roles in county and municipal planning offices in central Maryland for over 30 years and has been appointed to a variety of commissions at the local, regional, and statewide levels. Mr. Horn worked for the Planning Department in Carroll County, Maryland, starting in December of 1987, serving as Director from January 2000 to August 2001, and again from January 2003 to December of 2010. He was formerly appointed Director of Frederick County's Planning Division from August 2001 to January 2003, and Director of Planning and Community Development in Westminster, Maryland, from June of 2011 to February of 2015. Mr. Horn received his Bachelor of Arts in geography from Frostburg State College, Frostburg, Maryland, in 1983, and his Master of City and Regional Planning degree from Morgan State University, Baltimore, Maryland, in 1994.

Charles F. Nipe, Director, Public Works Division, was appointed to his position in October 2013, after serving as the acting director since May 2013. Mr. Nipe's employment with the Frederick County Public Works Division began in 1998, when he was hired as a contracts administrator. He was promoted to department head of Construction Management and Inspection in 2000. In February 2012 the department expanded to include design responsibilities and was renamed the Department of Facilities and Project Services. Mr. Nipe has over 30 years of experience with construction activities, having begun his career with Earth Data Incorporated, a hydrogeological consulting firm, in 1986. He earned an associate in arts degree from Chesapeake College, Wye Mills, Maryland, in 1989; a Bachelor of Science from Southern Illinois University at Carbondale (a satellite program at Dover Air Force Base, Dover, Delaware) in 1995; and a Master of Business Administration from Wilmington College (now Wilmington University) in Wilmington, Delaware, in 1999.

Mark A. Schweitzer, Director, Water & Sewer Utilities Division, was appointed to his position in September 2020, after serving as the acting director since April 2020. Mr. Schweitzer's employment with Frederick County began in 1991 when he was hired as a senior laboratory technician in the Division of Public Works, Bureau of Water and Sewer Operations. He was promoted to Senior Laboratory Technician in 1993 and oversaw an expansion of laboratory capabilities and obtained State of Maryland laboratory certification for drinking water analysis. In 2006, he was promoted to department head of the newly created Department of Regulatory Compliance in the Division of Utilities and Solid Waste Management. In 2016 he was promoted to Deputy Director of the division. Mr. Schweitzer has nearly 30 years of experience in the water and wastewater field focusing on operations, laboratory analysis, permitting and compliance. He earned a Bachelor of Science in biology from the Virginia Polytechnic Institute and State University in 1988.

Phillip S. Harris, Director, Solid Waste & Recycling Division, was appointed to his position in September 2020. Mr. Harris has been with Frederick County Government since 1998 working in progressively responsible positions and has lead the Department/Division since 2004. In his current capacity, he manages a closed municipal landfill, an active subtitle D landfill both with active gas extraction, a solid waste processing and transfer station, a yard waste composting program producing both mulch and finished compost as well as a variety of allied recycling programs including the County's largest ongoing direct curbside service program, that being the single stream curbside recycling collection program servicing over 80,000 single family homes. These various operations or programs are conducted as part of Frederick County's Solid Waste Enterprise Fund, which is a self-funded business operation of Frederick County Government. Prior to working for Frederick County Government Mr. Harris had experience working with state and federal facilities or programs, as well as a variety private sector endeavors. Mr. Harris received his Bachelor of Science in business administration from Frostburg State University, Frostburg, Maryland, in 1994.

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Remuneration of Certain County Officials

The following table presents the annual remuneration for certain County officials as of July 1, 2021

Official Title	
Chief Administrative Officer………………………	$208,448
Chief Financial Officer…………………………….	208,407
County Attorney……………………………………	183,446
Director of Division of Water & Sewer Utilities….	180,403
Director of Finance………………………………..	178,222
Director of Planning and Permitting……………….	177,861
Director of Public Works………………………….	168,361
Director of Budget…………………………………	156,164
Director of Economic Development……………….	150,055
Director of Solid Waste & Recycling……………..	147,152

Source: Frederick County Finance Division.

Investment of County Funds

County funds are invested by the Director of Finance in accordance with the County's investment policy which conforms to State law on the investment of public funds. The County does not leverage its investment portfolio, buy reverse repurchase agreements or enter into interest rate swaps or other derivatives. It does no borrowing or lending of securities. The County invests primarily in obligations of the United States government, its agencies or instrumentalities, repurchase agreements, and bankers' acceptances.

Retirement and Pension Programs

County employees either participate in the Frederick County Employees Retirement Plan, the Frederick County Uniformed Employees Retirement Plan (both employer sponsored defined benefit plans) or the Maryland State Retirement and Pension systems which are cost sharing multiple-employer pension plans administered by the State of Maryland.

For County employees hired prior to July 1, 1993, participation in the County Plan was optional and employees had the right to elect to transfer to the County Plan from the Maryland State Retirement or Pension System.

The Frederick County Employees' Retirement Plan (the "County Plan") was established on July 1, 1993, under authority created by State legislation and Section 2-2-2 of the County Code. Benefit provisions of the plan were adopted by ordinance after a public hearing.

For County employees hired on or after July 1, 1993, participation in the County Plan is a condition of employment with the County. Participation classification is based on the employee's status as either "uniformed" or "non-uniformed." County employees who meet these requirements are referred to as "qualified" or "covered" employees. An employee must work 700 hours per year to be eligible for benefits. Members of the County Council are not eligible to participate in this Plan. In addition, grant funded employees hired or rehired after June 30, 2012, were not eligible to participate in this Plan. The active grant funded employees as of June 30, 2019, were transferred to the County Plan.

As of July 1, 2021, the County established the Frederick County Uniformed Employees Retirement Plan through enactment of Bill #21-05 on May 4, 2021. During 2020, the County Executive entered into a Memorandum of Understanding with the Career Firefighters Association of Frederick County, MD, Inc., Local #3666. During 2020, the Sheriff of Frederick County entered into supplemental agreements with the Fraternal Order of Police Lodges 102 and 102A. Each of the supplemental agreements and the Memorandum of Understanding provided for implementation of a "deferred retirement option program" ("DROP") for the County's uniformed employees, namely the deputy sheriffs, corrections officers and career firefighters.

The DROP provides an incentive to encourage employees to work 1-3 years after they are eligible for normal retirement. During this DROP period, the retirement benefit payments the employee would have received as of the date they elect to join DROP are accumulated in a separate self-directed investment account with investment options similar to the County's Deferred Compensation Plan (457b), while they continue to work. Then at the end of the DROP period, the employee retires and the DROP funds are made available to them. Should a DROP participant cease working during their DROP period, all funds are returned to the Uniformed Retirement Plan.

Implementation of the DROP warranted separation of the uniformed and non-uniformed employees into two retirement plans. The assets of the plans remain the responsibility of a single Retirement Plan Committee with representation from both plans, including each of the unions participating in the uniformed plan.

Single-Employer Pension Plans

Frederick County Employees' Retirement Plan

The type and number of employees covered as of June 30, 2021, was as follows:

Retirees and beneficiaries currently receiving benefits	879
Active employees	1,373
Terminated employees entitled to benefits - vested	191
Terminated employees entitled to benefits – non-vested	284

Employees hired on or before June 30, 2011 may retire at the earlier of age 60 or 25 years of service and are 100% vested after five years of service. Employees hired on or after July 1, 2011 through June 30, 2012 may retire at age 65 or 30 years of service and are 100% vested after five years of service. Employees hired on or after July 1, 2012 may retire at age 65 or 30 years of service and are 100% vested after ten years of service. Retirement benefits are calculated by formula which provides a retirement income of approximately 50% to 60% of average pay depending on length of service. An early retirement benefit option is available with reduced benefits at age 55 with 15 years of service.

Frederick County Uniformed Employees' Retirement Plan

The type and number of employees covered as of July 1, 2021, was as follows:

Retirees and beneficiaries currently receiving benefits	276
DROP participants enrolled for Fiscal Year 2022	7
Active employees	790
Terminated employees entitled to benefits - vested	25
Terminated employees entitled to benefits – non-vested	51

Uniformed Employees hired on or before June 30, 2011 may retire at the earlier of age 50 or 20 years of eligible service; Uniformed Employees hired on or after July 1, 2011 may retire at age 55 or 25 years of eligible service. Vesting begins after five years of service. Retirement benefits are calculated by formula which provides a retirement income of approximately 50% to 66% of average pay depending on length of service. The early retirement benefit option is not provided.

Funding Policy and Net Pension Liability

Funding for the plan provides for periodic contributions based upon actuarial valuations. In September of 2018, the County adopted a funding policy for the County Plan. This policy establishes a formal methodology for financing the pension obligations of the County Plan, with a goal of maintaining a funding ratio between 95% - 105%. The objective of the policy is to reflect a reasonable and fiscally conservative approach to fund the obligations over a time frame that ensures benefit security while balancing the additional, and sometimes competing goals of intergenerational equity and a stable contribution rate. It is intended to provide flexibility to smooth the volatility of the investment market place and the actual economic and demographic experiences that differ from assumed experience. The policy considers the actuarial determined contribution (ADC) and a minimum contribution equal to two (2) times the employee contribution rate, as of the most recent actuarial valuation. Required contributions under the plan that are not funded by employee contributions are funded entirely by the County. Costs of administering the plan are financed on a current funding basis.

As of July 1, 2000, uniformed employees contribute eight percent of their base pay under the plan and non-uniformed employees contribute four percent. As of July 1, 2012, uniformed employees contribute nine percent of their base pay under the plan and non-uniformed employees contribute six percent. The County's actuarial determined contribution in fiscal years 2020 was 14.7% and 2021 was 14.0% of participant payroll. For fiscal year 2022, this contribution rate for the Employee's Retirement Plan is 10.5% and for the Uniformed Retirement Plan is 20.0%.

The components of the net pension liability of the County at June 30, 2020, were as follows:

Total pension liability	$	710,333,972
Plan fiduciary net position		(726,213,354)
County's net pension liability	$	(15,879,382)
Plan fiduciary net position as a percentage of the total pension liability		102.24%

The total pension liability above was determined by an actuarial valuation as of July 1, 2019 rolled forward to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Rates vary by participant service and status (uniformed vs non-uniformed)
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

The above is a summary of key actuarial assumptions. Mortality rates based on PUB-2010 Public Retirement Plans Mortality Tables for pension plan participants reflects the recent revision to the surplus amortization method. Full descriptions of the actuarial assumptions are available in the July 1, 2019 actuarial valuation report.

The County's estimated contributions to the plan for fiscal year 2021 are $19.8 million and are $1.0 million in excess of the actuarial determined contribution of $18.8 million. The actuarial valuation as of July 1, 2019 estimated the County contribution to the plan to be $18.8 million for fiscal year 2021. Fiscal year 2022's budget for the Employee's Retirement Plan includes contributions of $10.0 million, with an actuarial determined contribution of $9.1 million. Fiscal year 2022's budget for the Uniformed Employee's Uniformed Retirement Plan includes contributions of $11.4 million, with an actuarial contribution of an equal amount.

Length of Service Awards Program

Plan Description

In 1985, the County created the Length of Service Awards Program (LOSAP), a defined benefit plan for eligible volunteers of Frederick County fire, rescue and emergency medical services. In fiscal year 2017, the County Executive elected to create a Length of Service Award Program Trust, which is funded entirely by the general fund. This trust provides benefits to volunteers who have completed certain eligibility and years of service requirements

An active member, upon reaching 65 years of age, who has completed 25 years of creditable service and otherwise meets the requirements of the program will be entitled to receive an award of $200 per month, distributed quarterly, until death. An additional award of $20 per month will be made to the member for each additional 5 years of completed creditable service up to a maximum total award of $300 per month.

The LOSAP program also provides a death benefit to eligible volunteers. In the event a member who is receiving LOSAP benefits dies before receiving at least $15,000 in total payments, their designated beneficiary will receive a partial benefit equal to the difference between payments received and $15,000. A maximum benefit of $15,000 will be paid to the designated beneficiaries of a member, age 65 or older, who has died after completing 5 years of active service but less than 25 years. The benefit will be pro-rated based on years served after 5 years. A member who has served a minimum of 5 years and is under 65 years of age will be covered under a $15,000 LOSAP insurance policy.

The type and number of participants consisted of the following at July 1, 2020, the date of the Actuarial Valuation:

Active volunteers	869
Service Retirements Continuing to Earn Benefits	95
Service Retirements Not Continuing to Earn Benefits	162
Terminated Vested	32
Total	1,158

Net Pension Liability of the County

The components of the net pension liability of the County at June 30, 2020, were as follows:

Total LOSAP liability	$	12,288,739
Plan fiduciary net position		(2,078,246)
County's net pension liability	$	10,210,493
Plan fiduciary net position as a percentage of the total pension liability		16.91%

The County's actual contributions to the plan for fiscal year 2021 were $1.2 million and budgeted at $1.2 million for fiscal year 2022. Both fiscal years 2021 and 2022 were budgeted and funded at the ADC.

Other Post-Employment Benefits

Plan Description

The Frederick County Retiree Health Benefit Plan was established on July 1, 2008 and is a single-employer defined benefit healthcare plan administered by the County in a separate trust fund. The Plan provides healthcare benefits to eligible retirees of both Frederick County and Frederick County Public Library and, in certain instances, their eligible survivors and dependents.

Membership of the Plan consisted of the following at July 1, 2019, the date of the March 2, 2020 actuarial valuation report:

Retirees and beneficiaries receiving benefits	741
Terminated plan members entitled to but not yet receiving benefits	N/A
Active plan members	1,804
Total	2,545

Funding Policy and OPEB Liability

Funding for the plan provides for periodic contributions based upon actuarial valuations. The County has historically funded no less than 90% of the actuarial accrued liability. Benefits are based on the employee's service date. For employees retired prior to July 1, 2021, those employees with a service date on or before July 1, 1992, the County pays approximately 84 percent of the cost of premiums for medical and hospitalization costs. Employees with a service date after July 1, 1992 and before August 1, 2008, also must have worked for the County for a minimum of ten consecutive years; these employees pay 50 percent of the cost of premiums, or if the retiring employee has 25 or more years of service, these employees pay 45 percent of cost of premiums, and at the full premium cost for the dental plan. Employees with a service after August 1, 2008, also must have worked for the County for a minimum of ten consecutive years; these employees will pay 75 percent of the cost of premiums with 10 to 14.9 years of service, 65 percent with 15 to 19.9 years, 55 percent with 20 to 24.9 years, and 45 percent with over 25 years of service.

For employees retiring after 7/1/21, those employees with an original service date on or before July 1, 1992, the County pays approximately 84 percent of the cost of premiums for medical and hospitalization costs. Employees with an original service date after July 1, 1992 and before August 1, 2008, also must have worked for the County for a minimum of ten total years in a regular and health benefit position; these employees pay 50 percent of the cost of premiums, or if the retiring employee has 25 or more years of service, these employees pay 45 percent of cost of premiums, and at the full premium cost for the dental plan. Employees with an original service date after August 1, 2008, also must have worked for the County for a minimum of ten total years in a regular and health benefit-eligible position; these employees will pay 75 percent of the cost of the premium with 10 to 14.9 years of service, 65 percent with 15 to 19.9 years, 55 percent with 20 to 24.9 years, and 45 percent with over 25 years of service. Employees with an original service date after August 1, 2008 who have reached age 65 and completed at least 5 years of eligible service; these employee will pay 80 percent of the cost of the premium. If a retiree elects to discontinue coverage after at least one month of enrollment, they have the option of re-enrolling in the County plan.~~.~~ Therefore, the number of retirees participating in the plan varies throughout the year.

Funding Status and Progress

The components of the net OPEB liability of the County at June 30, 2020, were as follows:

Actuarial accrued liability:

Total OPEB liability	$ 211,010,263
Plan fiduciary net position	(184,186,218)
County's net OPEB liability	$ 26,824,045
Funded Ratio	87.29%

In the July 1, 2019, actuarial valuation, the projected unit credit cost method with linear pro-ration to assumed benefit commencement was used. The actuarial assumptions included:

7.0 percent investment rate of return;
An annual healthcare cost trend rate for years 2019-2020 of 4.7% and was updated to the latest model and the Cadillac Tax was removed;
Inflation rate of 2.5%;
Market value of assets;
The unfunded actuarial accrued liability is being amortized over an 18-year period, as a level of percentage of payroll for fiscal year 2021;
The target liability is a minimum of 90% of the actuarial accrued liability;
Mortality rates were updated to be consistent with the pension plan; and
Claims assumptions were updated to include the most recent plan experience.

Contributions Required and Made

For fiscal year 2020, the County contributed $12.4 million to the plan, which was $0.7 million over the actuarially determined contribution of $11.7 million. For fiscal year 2021, County contributions are estimated at $6.1 million, exceeding the actuarially determined contribution of $6.1 million by $12,641. The fiscal year 2022 budget estimates contributions of $6.4 million, which is $0.1 million above the actuarially determined contribution of $6.3 million.

Labor Relations

As of June 30, 2021, the County employed approximately 2,310 regular employees, which includes part-time regular employees. The County has a merit system including a formal appeal and grievance process. Some County employees may be members of the Maryland Classified Employees Association or the American Federation of State, County and Municipal Employees, but do not have the right to collective bargaining. The County has not experienced a work stoppage due to labor disputes and considers its relationships with employees to be satisfactory.

Effective July 1, 2005, State law allowed the County to enact an ordinance allowing voluntary collective bargaining concerning wages and benefits between the County and a duly certified organization representing certain employees of the County's Division of Fire & Rescue Services ("DFRS"). While the County did enact an ordinance in March 2006, no bargaining took place for fiscal year 2008 because the organization representing DFRS employees failed to obtain certification within the allotted time. The County also decided not to participate in bargaining for fiscal year 2009 and 2010. Collective bargaining was conducted with the certified representative of specified DFRS employees for fiscal years 2011 through 2021. The Memorandum of Understanding between the County Executive of Frederick County and the Career Fire Fighters Association of Frederick County, MD Inc. Local #3666, IAFF, is signed and in effect from July 1, 2020 through June 30, 2023. The County Council passed legislation on February 18, 2020 to allow working conditions bargaining in future negotiations with IAFF Local #3666, as well as binding arbitration when the parties have reached impasse.

The State law also authorized the certified representatives of certain full time deputy sheriffs and corrections officers in the Frederick County Sheriff's Office to collectively bargain with the Sheriff concerning wages and benefits. The Sheriff has engaged in collective bargaining with the certified representatives for both of these groups, Fraternal Order of Police Lodge No. 102 (Deputies) and 102A (Corrections Officers) for fiscal years 2009 through 2020. The labor agreements between the Sheriff of Frederick County and the Fraternal Order of Police Lodge No. 102 and 102A are both signed and in effect from July 1, 2019 through June 30, 2022. In June, 2020, Supplemental Agreements were signed with both Lodges to provide for additional market-driven increases to the pay scales in each of the last two years of the Agreements along with the implementation of a Deferred Retirement Option Program (DROP) for all uniformed employees (including IAFF Local #3666) effective July 1, 2021. These adjustments were deemed necessary for the County to remain competitive with surrounding jurisdictions regarding recruitment and retention of staff in a tight labor market. Any additional funding that was required as a result of collective bargaining by the Sheriff is subject to the approval of the County Executive's fiscal year budgets by the County Council. (See also "Retirement and Pension Programs herein.")

Strikes on the part of the employees of the DFRS and deputy sheriffs and corrections officers in the Frederick County Sheriff's Office are not permitted.

The Frederick County Teachers Association represents the certificated employees (teachers) employed by the Board of Education. The Frederick County Teachers Association negotiates employment agreements that include rates of compensation with the Board of Education. Such negotiated agreements are not binding on the County. The County approves funding for the Board of Education.

Insurance

The County maintains commercial insurance for general and automobile liability, workers' compensation, and property loss. Liability coverage is also in place for cyber, fiduciary, multimedia, environmental, law enforcement, employment practices, and public officials' risks and exposures. The County is required to provide unemployment insurance coverage for County employees. In addition to these policies, the County keeps excess insurance policies in force to provide added coverage for large and/or catastrophic events.

Frederick County maintains a robust cyber and media liability insurance policy. The coverage includes cyber liability, privacy regulatory action coverage, privacy notification, crisis management coverage as well as E-business interruption, E-threat, and E-vandalism expenses coverage. The County's insurance carrier provides immediate loss mitigation services. In the event of a breach the County has instant access to a Cyber Incident Response Team, which provides legal services, computer forensics, public relations support, credit monitoring and identity restoration services.

Before any software or technology consultant begins work for the County, they are required to carry a minimum of $1 million in cyber, crime and technology errors and omissions insurance coverage. Our Risk Management Office reviews their insurance for adequacy prior to any contract being finalized.

Leases and Other Contracts

The County is financing the purchase of numerous pieces of equipment through various lease arrangements to be paid off over the next six years.

The following is a schedule, by fiscal year, of the projected future minimum lease payments as of June 30, 2021, for all lease-purchase agreements:

Fiscal Year	
2022	$1,738,475
2023	1,738,473
2024	1,738,473
2025	1,299,968
2026	699,060
2027	116,205
Subtotal	7,330,654
Less amount representing interest	(442,675)
Present value-net minimum lease payments	$6,887,979

Frederick County is committed under various leases for building and office space, the majority of which are cancelable. These leases are considered for accounting purposes to be operating leases. Operating lease expenditures for fiscal year 2021 are estimated at $1,245,781.49.

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.

Independent Agencies

Eleven independent agencies submit yearly requests for funding to the County. These requests are subject to the County's budgetary process and must be approved by the County Executive and adopted by the County Council. These agencies are the: Frederick County Board of Education, Frederick Community College, Frederick County Public Libraries, Board of Elections, Cooperative Extension Services, Interagency Internal Audit Division, Liquor Commission, Frederick/Catoctin Soil Conservation Districts, Maryland Department of Human Resources/Department of Social Services, Maryland State Department of Assessments and Taxation and the Weed Control Division of the Maryland Department of Agriculture. Except for the Board of Education and Frederick Community College, whose board members are elected or appointed by the Governor of the State, members of the boards of the remaining agencies are either appointed by the County Council, are designated members of other County agencies, or are State agencies or political subdivisions of the State. The Board of Education, Frederick Community College and Frederick County Public Libraries are accounted for as component units. All other agencies are funded for in whole or in part by the County's General Fund.

CERTAIN SERVICES AND RESPONSIBILITIES

Through its various departments, offices and related independent agencies (see "COUNTY GOVERNMENT AND ADMINISTRATION" above), the County is responsible for supplying the following services:

Education

Frederick County Public Schools

The Board of Education is comprised of seven elected members each serving four-year terms and a student member who is a high school student selected by the Frederick County Association of Student Councils serving a one-year term. The Board is responsible for the overall operation and policy decisions of the County's 68 schools serving approximately 43,221 students. There are 38 elementary schools, 13 middle schools and 10 high schools, 3 public charter schools, an alternative school, a special education school, the Frederick County Virtual School and the Frederick County Career and Technology Center. The number of schools increases in August 2021, when the Board opens the new Blue Heron Elementary School.

During the 2018-2019 school year, the teacher/student ratio was approximately 1 to 15. In May/June of 2019, 3,141 students received high school diplomas.

The County's largest General Fund appropriation in its adopted fiscal year 2022budget is $330,327,308 for operating expenditures for public education. County appropriations for operating expenditures constituted a 6.7% increase over approved operating expenditures by the County for public education in fiscal year 2021. County funds for educational purposes are requested and appropriated in accordance with categorical classifications delineated by the Education Article of the Maryland Code. County appropriations for capital expenditures for public education are $32,619,737, with an additional $18,377,000 in State funding in fiscal year 2022. The County expects to receive State and federal aid of $319,167,629 and $90,576,585 for operating expenditures, respectively, for public education during fiscal year 2022.

Frederick Community College

Frederick Community College (the "College") is a two-year community college offering three separate curricula: a transfer curriculum for those who wish to obtain a bachelor's degree; an occupational curriculum for those who seek entry-level employment; and a continuing education program for those who wish to upgrade basic skills or occupational skills. Fiscal year 2020, includes the following terms: summer II 2019, fall 2019, spring 2020 and summer I 2020. The College served 1,937 unduplicated students for summer 2019 with total full-time equivalent (FTE) of 304.6, 6,129 unduplicated students for fall 2019 with total FTE of 1,677.5, and 5,857 unduplicated students for spring 2019 with a total FTE of 1,566.0. Additionally, there were 5,558 unduplicated headcount students and a total FTE of 571.9 for Continuing Education and Workforce Development in fiscal year 2020, between July 1, 2019 and June 30, 2020.

The fiscal year 2022 operating budget for the College is $59,732,461. Of this amount, approximately 35.7% was appropriated from the County's General Fund and an additional 0.7% for in-kind expenses. The balance of the College's funding is derived from a combination of State aid in the amount of $16,234,779, student tuition and fees, and other miscellaneous sources. Additionally, the County funds certain capital improvements and renovations annually. New construction funding is usually shared by the County and State. The County's funding of the College's fiscal year 2022 capital budget is $6,531,790.

Sheriff's Office

The Frederick County Sheriff's Office (the "Sheriff's Office") is a full-service law enforcement agency, providing law enforcement services, security and various support functions for the courts, and correctional services to the citizens of Frederick County. The Sheriff's Office serves the community by protecting life and property, preventing crime, and preserving peace, orderly and safety.

The Sheriff's Office is comprised of two bureaus: the Law Enforcement Bureau and the Corrections Bureau. The Law Enforcement Bureau is composed of the Administrative Services Division and the Operations Division and is staffed by 194 sworn and 74 civilian personnel. The Corrections Bureau is composed of Administrative Services, Community Services, Inmate Services and Security Operations, and is staffed with 145 uniformed and 29 non-uniformed personnel. The Sheriff's Office is an accredited agency through the Commission on Accreditation for Law Enforcement Agencies, the National Commission on Correctional Health Care, and Maryland Commission on Correctional Standards.

In addition to traditional law enforcement services, the Law Enforcement Bureau offers a wide variety of support services to the citizens of the County, including: victim services, domestic violence follow-up, school resource officer program, contracted school crossing guard program, crime prevention programs, youth services programs, child safety programs, senior safety programs, and child support enforcement.

The Corrections Bureau operates the Frederick County Adult Detention Center which is a full service correctional facility offering not only traditional incarceration, but all available alternatives to incarceration including: pretrial release (supervised release), home detention (electronic monitoring), alternative sentencing (community service hours), and work release. The Corrections Bureau also staffs a full service central booking facility, which processes all offenders arrested within Frederick County so that police officers can return to their patrol duties faster. At any given time, the Corrections Bureau supervises over 700 offenders a day.

Since April 2008, the Sheriff's Office has partnered with the Department of Homeland Security Immigration and Customs Enforcement ("DHS/ICE") to participate in the 287(g) Immigration Enforcement Program. This program, written into federal law, allows correctional officers trained under the program to perform specific functions to enforce the federal immigration laws of the United States. The Corrections Bureau also participates in a Federal Inter-Governmental Services Agreement with DHS/ICE to provide temporary housing for criminal illegal aliens being detained for deportation when bed space is available at the Frederick County Adult Detention Center. The contract provides for the County to receive reimbursement for the costs associated with the housing of those detainees, based on a daily flat fee.

Fire & Rescue

The Frederick County Fire & Rescue Services Division ("DFRS") provides fire, rescue and emergency medical services in conjunction with 25 volunteer fire/rescue companies operating from 29 stations. DFRS is comprised of 509 uniformed personnel responding with approximately 600 volunteers. Emergency response vehicles include 44 pumpers, 9 aerials, 15 tankers/engine tankers, 10 squads, 25 brush trucks, 42 ambulances, and 12 medic units.

All volunteer companies receive funding for operating expenses and equipment through the County budget process and a portion of EMS billing revenues. Private donations and fundraising remain significant sources of funding for volunteer company vehicles and buildings.

Prior to July 1, 2013, fire tax districts provided tax revenues for DFRS firefighters and paramedics and for capital expenditures such as vehicles and stations. Beginning in fiscal year 2014, fire and rescue services were consolidated into the General Fund with a recalibrated property tax rate and the fire tax was reduced to zero. The County also bills for ambulance services.

Emergency Management

The Division of Emergency Management is comprised of an Administrative Office and two operational departments: Emergency Communications and Emergency Preparedness. The Administrative Office provides supervision for Departmental activities as well as leadership and coordination for strategic projects. The Division Director serves as the County Director of Emergency Management for the responsibilities identified in Title 14, Section 109 of the Annotated Code of Maryland and is supported by a Deputy Director, Executive Assistant, and Emergency Planner.

The Department of Emergency Preparedness coordinates the emergency mitigation, preparedness, response, and recovery efforts of Frederick County Government with appropriate public and private partners, including the management of Federal, State, or private grants to support program activities. The Department coordinates activities across different functional areas of the County government, and vertically between different levels of government. The Department of Emergency Preparedness is comprised of a Director, two Emergency Planners, a Grant Manager, Grant Compliance Coordinator, and an Administrative Specialist.

The Department of Emergency Communications operates the 9-1-1 call center for Frederick County and operates the County's public safety radio system. The Department is responsible for the dispatch of County fire, rescue and ambulance services; the Frederick County Sheriff's Office; the Brunswick and Thurmont Police Departments; Frederick County Animal Control; and various other County agencies. The Department of Emergency Communications is comprised of a Director, Assistant Director, four Administrators, eleven Managers, five Assistant Managers, fifty-five Emergency Communications Specialists, an Administrative Specialist, and a Personnel Assistant.

Planning and Permitting

The organizational structure for the Division of Planning and Permitting includes: Administration/Agricultural Land Preservation; the Livable Frederick Planning and Design Office; the Development Review and Planning Department; and the Permits and Inspections Department.

The Division has a staff of 70 and is primarily responsible for defining and implementing a unified approach to the comprehensive planning, development review, permitting, and inspections functions of County government. We serve as a central clearing house for the general public, private sector interests, and governmental agencies involved in the County's land development processes, ranging from land use planning and zoning matters, to building permits, inspection services, and certificates of occupancy.

Division employees are also responsible for staffing a number of appointed boards and commissions having a role in the crafting, interpretation, and implementation of the County's preservation efforts, functional and long-term planning documents, and local zoning and building codes. Some of the boards and commissions for whom the Division is responsible include: Planning Commission; Board of Appeals; Agricultural Preservation Advisory Board; Agricultural Reconciliation Committee; Electrical Board; Board of Gaming Appeals; Historic Preservation Commission; Sustainable Monocacy Commission; Bicycle and Pedestrian Advisory Committee; and the Plumbing Advisory Board.

A key role of the Division is to act as manager and custodian of the County Planning Commission's activities, actions and decisions. The Frederick County Planning Commission was created in 1955 with the responsibility of preparing and administering plans and development regulations for the County. The Planning Commission is an appointed body composed of seven (7) members serving five year terms. They have final authority over site plans, subdivision plats, planned development approvals, modifications to the subdivision regulations, and determination of adequate public facilities for new developments. On items such as zoning map amendments, zoning or subdivision text amendments, and comprehensive plans, the Commission acts in an advisory capacity to the County Council, which has the final decision to adopt or amend plans and regulations.

Another key, quasi-judicial role managed by the Division is Zoning Administration, including the function fulfilled by the Frederick County Board of Appeals (BOA). The BOA was established in conjunction with the original Zoning Ordinance in 1959. The Board is composed of five members and one alternate member serving staggered three-year terms. The Board adopts its own administrative procedures and is empowered to: hear and decide appeals where it is alleged there is an error in any order, requirement, decision, or determination made by an administrative official in the enforcement of the Zoning Ordinance; hear and decide special exceptions authorized in the Zoning Ordinance; and authorize, upon appeal in specific cases, a variance from the terms of the Zoning Ordinance.

A major planning discipline overseen by the Division is the County's land preservation effort. The County's Agricultural Land Preservation Program was established in 1978 and currently administers multiple state and county land preservation programs. These programs assist in preserving rural and agricultural land and also facilitate the ability for new farmers to purchase farm land. The County has a goal to preserve 100,000 acres of land and has permanently preserved over 60,000 acres as of this writing.

With regard to monitoring development, its costs, and its impact on local facilities, the County adopted an Adequate Public Facilities Ordinance (APFO) in 1991 to better coordinate the timing of development with the adequacy of public facilities, such as schools, roads, and water and sewer utilities. The APFO was updated in 2011 with comprehensive amendments to the roads section. Also in 2011, revisions were made to the APFO schools section that created an option for developers to pay a school construction fee, thereby allowing them to proceed to construction and avoid delays caused by inadequate school facilities serving their development. In 2016, the option of paying the school construction fee on new projects in order to avoid delays resulting from inadequate schools expired and was not reinstated.

In 1993, a development impact fee was adopted to partially offset the capital costs of new school construction. The impact fee was expanded in 2001 to include capital costs of library facilities and to provide for an annual adjustment to reflect the construction cost index. An update to the impact fee study, last performed by a consultant in 2017, provided justification for annual adjustments to the fee amounts charged per dwelling type and, for the first time, included certain land and transportation costs.

A brief description of the duties, roles, and responsibilities of the respective Offices and Departments in the Planning and Permitting Division follows.

Administration/Land Preservation

The Administration function of the Division is comprised of six staff members, three of whom are responsible for ensuring the efficient implementation and administration of the County's Agricultural Land Preservation Program. State and local preservation initiatives constituting the County's Program include the Installment Purchase Program, the Maryland Agricultural Land Preservation Foundation, Rural Legacy, and the Conservation Resource Enhancement Program.

Livable Frederick Planning and Design Office

The Livable Frederick Planning and Design Office is comprised of six staff members. The Office is primarily responsible for the comprehensive, long-range planning function of County government. The latest iteration of the County's master planning effort, entitled the Livable Frederick Master Plan (LFMP), was adopted in 2019. The LFMP reflects a vision developed through an extensive community engagement process and goals and initiatives focused on the themes of our community, our health, our economy, and our environment. To implement the plan, staff is engaged in the development of two area plans: the Sugarloaf Treasured Landscape Management Plan and the South Frederick Corridors Plan. The Office is also responsible for the development of functional planning documents, including the Annual Planning Report, the Water and Sewer Master Plan, and the Land Preservation, Parks and Recreation Plan.

Livable Frederick Planning and Design Office staff also administer the County's Historic Preservation Program. Core functions include reviewing nominations to the National and County registers of historic places; administering the County's Rural Historic Preservation Grant Program; processing Certificates of Appropriateness when alterations to County register properties are proposed; and review of development proposals that may impact historic or cultural resources.

Department of Development Review and Planning

The Department of Development Review and Planning is primarily responsible for the development plan review function of County government and ensuring compliance with zoning and subdivision regulations. The Department is comprised of several functional areas, including the following core services:

- Development Review Planning – responsible for the management and administration of the Planning Commission; review of site development plans and subdivision plans; and administering subdivision regulations and related planning/land development ordinances.
- Development Review Engineering – responsible for approving plans associated with stormwater management; storm drains and grading; and roads, bicycle, and pedestrian facilities.
- Zoning Administration – responsible for administering the Board of Appeals; review of building permits for zoning compliance; inspection for site plan compliance; and zoning administration and enforcement.

Department of Permits and Inspections

The Department of Permits and Inspections, comprised of a professional staff of 44, serves as a "one-stop shop" providing all permitting and inspection services. The 30 North Market Street location serves as the clearing house for all activities related to the issuance of building, plumbing, electrical, life safety, grading, and gaming permits, and the requisite provision of initial, follow-up, and final inspection services. Included among the principal disciplines responsible for the timely processing, approval, and inspection of the respective permits issued is the Environmental Compliance Section (ECS). The primary responsibility of ECS is enforcement of sediment control, stormwater management, and forest resources ordinance code requirements.

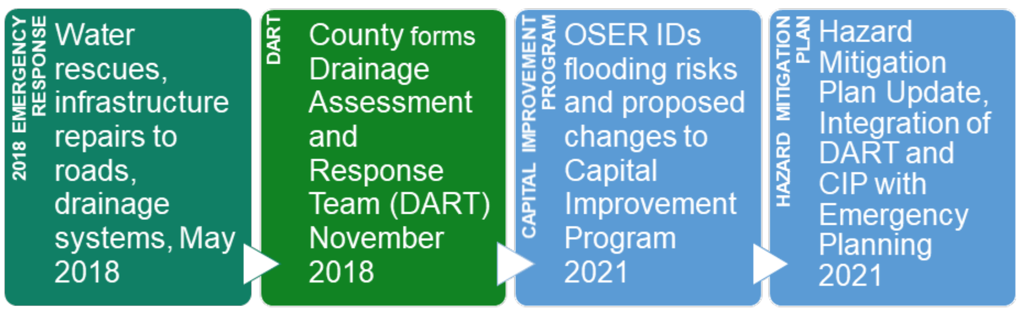
The clearing house function performed by the Department, including the processing, review, and approval of all permits related to the building trades and other compliance efforts listed above, results in the initiation of over 60,000 inspections per year as of this writing. In an effort to continue to meet an increasing demand for the timely and professional services offered, the Department implemented a new land management program in 2019. As a result, the on-line experience for the Department's customers improved considerably and, with the realization of paperless submittal and review processes, Department operations continued uninterrupted throughout the COVID-19 global pandemic.

Office of Sustainability and Environmental Resources

The Office of Sustainability and Environmental Resources (OSER) advances practical solutions for protecting the environment, conserving energy and living sustainably in Frederick County. This Office collaborates with County divisions, businesses, citizens, and other organizations to advance improvements and innovation in: air and water quality, energy efficiency and renewable energy, green building and smart growth, resource conservation, pollution reduction and land protection, waste reduction and recycling, sustainable economic development, and citizen participation and community engagement.

The Watershed Management Section of this Office works to identify water quality problems from the storm sewer system discharges to watersheds in Frederick County and to correct these water quality problems. This work includes GIS data collection, water quality monitoring, special studies and reporting, stream restoration projects, stormwater management facility retrofits, and the reduction of untreated urban impervious areas by twenty percent. Key to this is regulatory compliance including management of the mandatory National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit compliance and reporting.

Frederick County was one of many areas in Maryland that experienced flooding from a chain of storms that occurred in May 2018. When reviewing the response by County Agencies, the Office of the County Executive requested that multiple Divisions coordinate to create a Drainage Assessment and Response Team (DART) initiative to address infrastructure risks from future flooding due to climate change. Frederick County Government is operating under a current FEMA approved multi-hazard mitigation plan in compliance with 44 CFR Part 201. Frederick County is in good standing. The County's current Hazard Mitigation Plan (HMP) expires 4/17/2022. Frederick County has received funding out of phase to update its HMP as part of a statewide effort to proactively address increased flooding risks in a changing climate; The DART initiative is to be included in the HMP update (underway) and includes substantial coordination from OSER, which executes the County's Capital Improvement Program for stormwater management.



This Office is fostering the long-term ability to provide an excellent quality of life for citizens, a thriving economy for businesses and jobs, and conservation of important resources. Sustainability means that the needs of the present and the needs of the future both have weight. A sustainability framework requires that decisions are made that give consideration to the economy, society, and environment.

Frederick County Government is going green to save green. The Ballenger-McKinney Waste Water Treatment Plant Solar Array project includes construction of a 3,528 module PV Array, with a 1 Mega Watt (MW) generation capacity adjacent to the treatment plant. This project will generate approximately 1.85 million kWh per year and includes an on-site Battery Energy Storage System (BESS) providing some additional (limited) back-up power beyond the plant's two-line electric utility service. The electricity generated by the solar array supplies approximately 17% of the plant's annual electrical usage. A new solar array at the County's Landfill, comprised of 7,776 panels over nearly 14 acres, is expected to produce more than 3.5 million kilowatt hours of electricity a year. Through a net 20-year metering agreement with TESLA Energy, electricity generated by the solar array is transferred to the power grid to offsets costs at designated County facilities, including 20% of the County's general government electricity consumption for buildings (meeting the 2022 goals of the Maryland Energy Administration's Maryland Smart Energy Communities program) and the County's nine electric bus chargers housed at its Transit facility. Frederick County is powering its electric vehicles with the sun. On March 1, 2021, the Maryland Energy Administration (MEA) approved a grant award to Frederick County in the Division of Public Works' (DPW) requested amount of up to $45,000 for the design and installation of a 75kW solar canopy that is projected to power roughly 18% of the Bourne Building's yearly electricity usage and cost $450,000. In addition, four Level 2 commercial charging stations will be installed to supplement the two existing EV chargers already present on-site. DPW anticipates design commencement summer 2021; construction, spring 2022; and project completion by the end of 2022.

Frederick County Government inked a Memorandum of Understanding with the Metropolitan Washington Council of Governments (MWCOG) in May 2021 to provide services related to greenhouse gas emission (GHG) inventories, climate action planning, and electric vehicle infrastructure planning and fleet conversion. MWCOG's regional climate action plan was the first in the nation to be accepted by the Global Covenant of Mayors for meeting the Paris Climate Agreement. An inventory of GHGs for Frederick County is complete, with an internal operational inventory underway. A Climate Emergency Mobilization Workgroup was created by the Frederick County Council; the recommendations of the workgroup will feed into future planning efforts conducted in partnership between Frederick County and MWCOG.

Economic Development

Functions within the Office of Economic Development (OED) are administered by a staff of ten full-time employees and include efforts to increase the overall economic health of the County through attracting new businesses in targeted industries and helping existing businesses be more successful. The Frederick County Workforce Services (FCWS) department is included within Economic Development. This department is one of the nation's American Job Centers. With 34 county and state staff, their mission is to assist businesses in need of qualified employees with individuals seeking employment opportunities. In 2017, FCWS co-located with Frederick Community College to continue to foster the workforce training opportunities through this enhanced partnership. The County is made up of a diverse business community and supports and cultivates the growth of entrepreneurship. The County boasts a supportive and business friendly climate as well as a strategic location, a highly skilled and well-educated workforce, an award winning educational system and an array of business associations and agencies to assist and foster the growth and success of businesses.

From 2016 to 2019 Frederick County saw an increase in jobs, but due to the COVID-19 pandemic jobs have decreased in 2020 by 3.4% or 3,302 fewer jobs. The average wage per worker was $1,090 per week, up 12.6% percent since the third quarter 2016. The industries that experienced the most growth in employment in the private sector were the natural resources and mining sector, the construction industry and the trade, transportation, and utilities sector.

Frederick Innovative Technology Center, Inc. (FITCI), a local full service incubator and accelerator, continues to graduate technology companies into the County. Over the past 17 years, FITCI has served over 191 companies. These companies received startup and accelerator services through mentorship or educational programs, creating over 900+ jobs. FITCI companies have raised over $79 million dollars in two years. Currently, FITCI is home to 66 companies.

A new Accelerator program, "The Edge" was launched in May of 2019. Volunteer CEOs (43) serve as company advisors as part of FITCI's Strategic Growth and Advisory Board, and a new revitalized and energized board of directors are in place. FITCI also rolled out a business resource portal to keep all 191 companies FITCI has served connected. FITCI has expanded its service offering to include AgriTech and is now home to 13 new AgriTech businesses as well.

Businesses from the life sciences industry continue to locate and expand in Frederick County. The growth is due in part to the County's access to the federal labs and other private and public high tech assets in the region. The location of Fort Detrick in Frederick is also a major contributor to the growth of the life sciences industry in the County. Fort Detrick is home to the National Cancer Institute and the U.S. Army Medical Research Institute of Infectious Diseases, which is the lead medical research laboratory for the nation's biological defense program, and is home to the new National Interagency Biodefense Campus.

During the COVID-19 pandemic, several businesses have chosen Frederick County for their location, and many current businesses have expanded. Ellume, an Australian-based company that develops diagnostic solutions for infectious diseases will open a new manufacturing facility in Frederick County, their first facility in the United States. With plans to open in the 4th quarter of 2021, the project will occupy 180,000 square foot of space and is expected to create about 1,500 new jobs. Adding to Frederick County's ecommerce presence, the Kroger Co., in partnership with the Ocado Group, purchased land in Frederick to revitalize a vacant distribution facility and construct an industry-leading High-Tech Customer Fulfillment Center (CFC) occupying 700,000 square feet and employing 500. In addition, Modavar Pharmaceuticals, Urban Air Adventure Park, Warehouse Cinemas, StageBio, SignaGen Laboratories and Envistacom have all chosen to locate their businesses in Frederick County. Frederick Health, one of Frederick County's major employers, purchased the former State Farm campus to ensure they can effectively and efficiently meet the growing needs of our community. Rainforest Distribution, Costco Wholesale, YMCA, Goodwill & Veteran's Service Project, Charles River Labs, Carter Controls, Common Market, Attaboy Brewery and Accuflow have all expanded their existing businesses in Frederick County. Kite Pharma, a subsidiary of Gilead Sciences, currently employs 100+ and is expected to begin CAR-T-cell therapy production in their 279,000 square foot facility in late 2021.

Roads and Highways

The County is served by I-270 of the federal interstate highway system running northwest from Washington, D.C., to the City of Frederick and I-70 running west from Baltimore to and continuing through the County. U.S. 15 runs north and south of the City of Frederick, U.S. 340 runs south of the City of Frederick and U.S. 40 runs east and west of the City of Frederick.

The County-owned and maintained road system of approximately 1,289 miles supplements approximately 39 miles of State-maintained and federally aided interstate highways and approximately 301 miles of additional State-maintained primary and secondary roadways serving the County. The County budget includes capital and operating expenditures of $28,603,942 and $19,181,803, respectively, for the County's road system in fiscal year 2022. State Highway User Revenues to the County for highway maintenance through State-shared taxes is budgeted in the amount of $2,750,000 in fiscal year 2022.

Health

In 2020, Frederick County performed better than the state average in several areas such as health outcomes, length of life, clinical care, and social & economic factors, according to the Robert Wood Johnson Foundation (RWJF) County Health Rankings. The County provides various health services to its citizens through the Health Services Division (HSD). Accredited status was granted by the Public Health Accreditation Board in December 2014, making the HSD one of fewer than 2% of health departments nationwide to achieve accredited status at that time. The HSD is responsible for the enforcement of all state and local health and sanitation laws, often working as the hands and feet of the Maryland Department of Health and Maryland Department of the Environment. The HSD provides services for all residents of Frederick County in ways that impact daily life, from food service facility inspections, and well and septic inspections to communicable disease control and public health emergency planning and response. The HSD assists Frederick County residents at all stages of life, starting with maternal and child health programs providing nutrition, dental health for children, health services in public schools, early intervention services for children with developmental disabilities, behavioral health treatment and prevention services for youth and adults, mental health services for adults, prevention and screening for chronic diseases, enrollment and navigation assistance for health insurance, all the way to geriatric evaluations. In the role of chief health strategist, the HSD facilitates collaboration among public and private entities and leads local health improvement efforts. Funding for the HSD is shared among County funds, both matching and non-matching, State and federal funds, grants, and client fee collections.

Clinical Care

Frederick Health (FH) is an independent not-for-profit healthcare delivery system serving Frederick County and surrounding areas. FH consists of Frederick Health Hospital, Frederick Health Medical Group (FHMG), Monocacy Insurance Limited, Frederick Health Services, Frederick Health Village and Frederick Integrated Health Network employing over 3,200 employees. Frederick Health Hospital is a 269 licensed bed acute care hospital with 24/7 coverage by hospitalists, intensivists, surgicalists, adult and pediatric emergency physicians, and supports on call coverage for 15 medical specialties. There are approximately 700 physicians and advanced practice providers (APPs) on the Frederick Health Hospital medical staff. Additionally, Frederick Health Hospital operates a 15 bed Level III Neonatal Intensive Care unit, Cardiac Catheterization Lab, and four full-service outpatient facilities located throughout Frederick County. Frederick Health Hospital's adult and pediatric emergency departments treats over 68,000 patients annually.

In 2017 FH constructed the $40 million, 62,000 square feet James M. Stockman Cancer Institute which houses 3 Linear Accelerator and Cyberknife radiation treatment vaults, 24 public and private infusion spaces overlooking a healing garden, and physician offices. FH is currently constructing a $47 million three-story critical care pavilion at the Hospital campus facilitating redesign of the emergency department to accommodate adult and pediatric patients, modernize the intensive care unit, and relocate cardiac diagnostic/therapeutic services.

FHMG is a separate not-for-profit corporation operated by FH consisting of employed physicians and APPs located in 29 practices around Frederick County. FHMG employs 120 physicians, nurse practitioners, and physician assistants. The specialties consist of Primary Care, Internal Medicine, Urgent Care, Thoracic Surgery, Breast Surgery, Endocrine & Thyroid, Urology, Medical Oncology, Orthopedics, Pain & Supportive Care, General and Oncology Surgery, Otolaryngology, Dental Clinic, Care Clinic, Behavioral Health, Sleep, and Wound Care & Hyperbaric.

Skilled Nursing and Assisted Living Facilities

The County owns and operates a licensed 172-bed comprehensive and skilled nursing care facility, Citizens Care & Rehabilitation Center ("CCRC"), and a 75-bed assisted living facility, Montevue Assisted Living ("MAL"), both in the City of Frederick. The facilities are managed by Aurora Health Management of Millersville, Maryland under a contract until February, 2023. All personnel of the facilities are employees of Aurora Health Management. The County has the right to terminate the contract if certain performance metrics are not met, including a metric of earnings before interest, taxes, depreciation, amortization and rent ("EBITDAR") of at least $2.1 million. Aurora is paid a management fee of 4.5% of gross revenues under the management agreement.

The average occupancy rate of CCRC for fiscal year 2020 was 89.8%. Occupancy rates are estimated at 83.1% for fiscal year 2021. Located adjacent to the skilled nursing facility is Montevue Assisted Living, where most residents are responsible for self-care, except for the administration of medication. The average occupancy rate for fiscal year 2020 was 87.1%. Occupancy rates are estimated at 74.9% for fiscal year 2021.

Solid Waste and Recycling

The Division of Solid Waste and Recycling (DSWR) is responsible for the planning, design and management of the County's solid waste management system and programs. The County's primary disposal facilities are located at its 529-acre Reichs Ford Road Landfill property, which includes the 72-acre Site A landfill, the 58-acre Site B landfill, and a 17-acre rubble fill. The Site A landfill ceased operating in August 1997 and its closure was completed in December 1998. Closure construction included the deployment of a synthetic cap, a landfill gas extraction and collection system, and a flaring system. After closure, Site A was maintained as an open space (until 2019 when a 2,000 kW solar array began construction). To the south of Site A is a closed rubble fill. Since the County's rubble fill was unlined, it was closed on September 2001, in accordance with State regulations. The construction contract for the rubble fill closure and capping was initiated in September 2005, with final acceptance in August 2007 and a bituminous-improved surface for the yard waste processing operation was completed in May 2008. As a post closure end use, the rubble fill site is being used for yard waste processing. Rubble or construction and demolition debris is accepted and co-disposed primarily at Cell 3 in the Site B landfill or transferred to other solid waste facilities along with municipal solid waste. The latter are the principal means of disposal for these wastes.

All of the disposal cells within Site B are constructed with a double composite liner system. The construction of the sub title D liner system for Cell 3 was completed in August 2006 and currently receives about 8,000 tons per year of waste and is dependent on operational needs. Otherwise, the majority of waste is transferred via contract to out of state landfills. An active gas extraction system was installed at Site B Cells 1 and 2 in 2010.

Leachate collected from both Site A and B landfills is discharged and conveyed via the Bush Creek Sewer interceptor to the Ballenger-McKinney Wastewater Treatment Plant for final treatment. DSWR also operates a comprehensive groundwater and gas monitoring program for Sites A, B and the rubble fill.

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Other than through its curbside recycling collection, the County does not provide or fund waste collection services. Municipal or private waste haulers (by subscription) collect trash in Frederick County and use the County's Reich's Ford Road disposal facilities as their primary disposal facility for municipal solid waste generated in Frederick County.

The County's residential Recycling Program includes curbside recycling collection for all individual single family residential properties, one drop-off center location at the Reich's Ford Road landfill and two-yard waste drop-off sites with mulching/composting operations. In 2009, the County's curbside residential collection program was upgraded to a single stream operation and expanded from 54,000 to now over 80,000 residential properties within the County.

Solid Waste Initiatives

Since 2000, the County pursued initiatives to extend the operational life of the Reichs Ford Road Site B Landfill. These initiatives include permitting a 105-foot vertical expansion of the Site B landfill and the construction of a waste transfer station to allow waste to be diverted from the County's landfill. In 2008 the Maryland Department of the Environment (MDE) issued the County a Refuse Disposal Permit for the Site B landfill, which included the requested vertical expansion of the landfill. The vertical expansion provides an additional 2 million cubic yards of landfill disposal capacity, without the need to construct additional lined disposal cells.

The County completed the construction of the transfer station in January 2009. The transfer station, located at the Reichs Ford Road landfill, is owned and operated by the County. It receives waste generated throughout Frederick County and through waste transportation and disposal contracts, procured through the Northeast Maryland Waste Disposal Authority ("NMWDA"), transfers a majority of the waste to landfills outside of the County. This contract expires on June 30, 2022.

The transfer station also provides for the transfer of single stream recycling materials collected in the County. The County also receives, through agreements procured through NMWDA, transportation and Material Recovery Facility (MRF) services. Recyclable materials are processed at Recycle America's MRF. The MRF services contract expires on June 30, 2022 and options will be evaluated in the coming year for any changes in the continuation of these services.

In addition to the projects detailed above, the County pursued other initiatives to address the County's long-term waste disposal infrastructure needs. In 2003, the County obtained enabling legislation allowing the County to become a member of NMWDA. The NMWDA was created in 1980 by the Maryland General Assembly and is a regional quasi-state agency that assists its member jurisdictions in planning and developing efficient and reliable waste management systems. Also in 2003, the County obtained enabling legislation that allows the County to assess a solid waste disposal fee or System Benefit Charge ("SBC") for the developed properties in the County. To assure that the County's Solid Waste Enterprise continues to operate on a self-sufficient basis, the County implemented a countywide solid waste SBC in 2006. The revenue generated by the SBC supplements the revenues collected as tipping fees, allowing the County to set tipping fees at market rates. To ensure adequate funding of the Solid Waste Fund and to allow for recycling program expansions, the former Board of County Commissioners continually increased the SBC as deemed necessary.

At the same time the former Board of County Commissioners adopted higher tipping fees for municipal solid waste and construction and demolition debris. The increases in the SBC and tipping fees were needed to address the solid waste enterprise's increasing program costs, which are primarily attributed to recycling program expansions and increased transportation and disposal contract costs resulting from increases in diesel fuel costs. For fiscal year 2014, the former Board of County Commissioners reduced tipping fees for transactions made by cash or check, as they implemented the acceptance of credit cards.

Summarized below are the current tipping fees and the approved fiscal year 2022 tipping fees:

Material	**FY2022 Cash**	**FY2022 Credit**
Municipal Solid Waste	$ 69/ton	$ 76/ton
Construction & Demolition (C&D)	$ 78/ton	$ 85/ton
Tires - Commercial	$160/ton	$160/ton

These tipping fees are subject to a monthly escalation provision to ensure that the tipping fees are adjusted as costs associated with the transportation (fuel) and disposal contract increase.

No changes to the SBC have been made and the current fees are shown below.

Property Designation	FY2020
Single Family Residential	$ 88/yr
Multi Family Residential	49/yr
(Per 2000 ft^2)	
Commercial Low	$ 42
Commercial Medium Low	125
Commercial Medium	208
Commercial Medium High	301
Commercial High	372

The tipping fee revenues are estimated to generate $17 million in fiscal year 2022, while the SBC is estimated to generate over $10 million in revenues for the same timeframe.

In addition to these tipping fees and SBC increases, the former Board of County Commissioners also adopted fees for commercial Single Stream Recycling disposal and processing which became available with the opening of the new transfer station in January 2009. They also adopted a fee schedule for the sale of mulch and compost products. Revenues from the sale of these products are estimated at $85,000 for fiscal year 2022.

Water Supply and Wastewater Facilities

The Division of Water and Sewer Utilities (DWSU) is responsible for the planning, design, operation and maintenance of certain County owned water supply and wastewater disposal systems. The County's water and wastewater utilities are typically provided in unincorporated areas of Frederick County, although in some cases the County owns and operates certain water and wastewater utilities in incorporated towns or municipalities. The development of water and wastewater infrastructure within Frederick County is controlled by the County's Comprehensive Plan and its subordinate Water and Sewerage Plan.

The County owns and operates 13 water systems with 14 water treatment plants ("WTP"). The County's largest WTP relies on surface water, while the other smaller treatment facilities rely on ground water. Approximately 94% of the County's water supply is provided from the Potomac River. The remaining 6% of the County's source water is provided from deep well sources associated with the County's smaller water systems or are interconnected with municipal supplies.

The County's Potomac River water transmission system establishes approximately 32 million gallons per day (MGD) of water transmission capacity to serve the County's service areas south of the City of Frederick and east of the Monocacy River as well as a portion of the City of Frederick. The New Design WTP has constructed capacity of 25 MGD, which the City of Frederick funded a share providing them with up to 8 MGD maximum daily demand and is billed monthly (revenue) for water supplied by Agreement.

The County owns and operates 10 active wastewater treatment plants ("WWTP") where all but one has a design capacity of less than 0.5 MGD. These smaller WWTPs provide wastewater service to individual subdivisions, small incorporated or unincorporated municipalities within the County. In addition, the County operates two collection systems (Knoxville and Monocacy). The County's largest WWTP is the Ballenger-McKinney WWTP, which currently has a constructed design capacity of 15.0 MGD. This facility treats wastewater that originates from areas south of the City of Frederick and east of the Monocacy River and also in the general vicinity of Ballenger Creek, Adamstown and Urbana. This facility also receives wastewater flow from the County's Monocacy wastewater collection system, which is a large wastewater conveyance system that serves areas within a portion of the City of Frederick as well as areas immediately north of the City of Frederick and the entire Town of Walkersville. Wastewater flow values for the Monocacy system are reported as part of the total flow treated at the Ballenger-McKinney WWTP. This facility is designed to meet the State's enhanced nutrient removal (ENR) requirements. The 15 MGD Ballenger-McKinney ENR WWTP also provides additional capacity for the City of Frederick of 1.36 MGD (or 3.4 MGD at maximum daily flow; with approximately 17% of construction costs funded by the City of Frederick) in accordance with the Central Frederick Sewer Service Area Agreement (CFSSAA) executed June 30, 2014, by and between the County and the City of Frederick.

In summary, as of June 30, 2021, the County operated 12 wastewater collection systems and 13 water distribution systems having a permitted capacity of 16.043 MGD and 17.005 MGD, respectively[(1)]. The wastewater systems serve a total of 36,770 accounts and the water systems serve a total of 26,579 accounts.

User Rates and Fees

In January 2001, the County commissioned a comprehensive water and sewer cost of service study for the water and sewer enterprise. The study included the development of a computer model to assist DWSU in monitoring its revenue requirements and determining necessary rate increases. Updates were made to the water and sewer rate model in May 2008 and again in December 2012, which resulted in an increase to the water and sewer rates that were effective in fiscal year 2014 through fiscal year 2018. While there was no increase in fiscal year 2019, an update of the cost of service study was completed and the resulting rates were approved by the County Council in July 2019 and will become effective September 1, 2019. The approved rate schedule includes a sewer rate increase over the next five years (fiscal year 2020 through fiscal year 2024) with no adjustment to the water rates.

[(1)] Permitted capacity associated with NPDES discharge permits (wastewater) and Water Appropriation and Use Permits (water) issued by MDE.

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ECONOMIC AND DEMOGRAPHIC FACTORS

The County is included as a part of the Washington, D.C. Maryland Virginia Metropolitan Statistical Area ("Washington MSA"). The Maryland portion of the Washington MSA also includes the following counties: Calvert, Charles, Montgomery and Prince George's.

Population of Frederick County and Incorporated Municipalities

Over the last three decades (1990-2000, 2000-2010 and 2010-2020), the U.S. Census Bureau tabulated population of the County increased by approximately 30%, 20%, and 15% respectively. The County has provided estimates for the years between the U.S. Census Bureau reports.

Year	Population of Frederick County
2020*	271,717
2019	259,547
2018	255,648
2017	249,277
2016	246,972
2015	243,692
2014	240,911
2013	238,345
2012	236,551
2011	235,400
2010	235,385
2000	195,277

Source: U.S. Department of Commerce, U.S. Census Bureau. Frederick County Planning & Permitting Division.
* 2020 U.S. Census, April 1, 2020.

The following table sets forth the County's twelve incorporated municipalities and their populations for the Census years 1980, 1990, 2000, 2010 and 2020.

Municipalities	1980	1990	2000	2010	2020
Brunswick	4,572	5,117	4,894	5,870	7,762
Burkittsville	202	194	171	151	142
Emmitsburg	1,552	1,870	2,290	2,814	2,770
Frederick.............	28,086	40,186	52,767	65,239	78,171
Middletown	1,748	1,834	2,668	4,136	4,943
Mount Airy (1)	540	1,497	2,967	3,785	9,654
Myersville	432	464	1,382	1,626	1,748
New Market	306	374	427	656	1,525
Rosemont	305	256	273	294	272
Thurmont	2,934	3,398	5,588	6,170	6,213
Walkersville	2,212	4,145	5,192	5,800	6,156
Woodsboro	506	513	846	1,141	1,092

(1) Mount Airy is located partly within Carroll County and partly within Frederick County and the data set forth above includes the entire Town.

Source: U.S. Census Bureau's P.L. 94-171 data. Released August 12, 2021; Frederick County Division of Planning.

Income

The experience of personal income growth in the County, the State and the United States is shown in the two following tables:

Frederick County, State of Maryland and United States
Average Per Capita Personal Income

Calendar Year	Frederick County	Percent Change from Previous Year	Maryland	Percent Change from Previous Year	U.S.	Percent Change from Previous Year
2019	$64,147	3.0%	$64,640	3.1%	$56,490	3.5%
2018	62,307	4.3	62,708	3.2	54,606	4.8
2017	59,713	3.4	60,758	3.0	52,118	4.2
2016	57,728	4.2	59,011	3.5	50,015	2.0
2015	55,375	3.2	57,036	4.3	49,019	4.1

Source: Regional Economic Information system. U.S. Bureau of Economic Analysis, Table CAINC1 – November 17, 2020 – new statistics for 2019; revised statistics for 2010 – 2018.

Frederick County and State of Maryland
Total Personal Income

Calendar Year	Personal Income ($000's)*		Percent Change from Previous Year	
	Frederick County	State of Maryland	Frederick County	State of Maryland
2019	$16,649,205	$390,792,492	4.8%	3.2%
2018	15,884,689	378,491,502	6.1	3.4
2017	14,965,451	365,997,521	4.9	3.3
2016	14,258,864	354,260,559	5.1	3.7
2015	13,566,934	341,389,885	3.9	4.7

Source: Regional Economic Information system. U.S. Bureau of Economic Analysis, Table CAINC1 – November 17, 2020 – new statistics for 2019; revised statistics for 2010 – 2018.
*Note: Total personal income are in thousands of dollars, not adjusted for inflation.

Personal income levels for the County residents from 2015 to 2019 show a significant increase as measured by the number of income tax returns with adjusted gross income levels over $50,000 filed with the Maryland Comptroller of the Treasury. Listed below is a five year comparison of the experience for the subdivisions constituting the Maryland portion of the Washington MSA and the State.

Adjusted Gross Income in Excess of $50,000

	2019 Number of Returns	2015 Number of Returns	Percent Increase
Calvert County	23,195	21,282	8.9%
Charles County	38,998	34,330	13.6
Frederick County	**65,821**	**55,690**	**18.2**
Montgomery County	265,390	243,244	9.1
Prince George's County	185,621	167,369	10.9
State of Maryland	1,350,269	1,216,023	11.0

Source: Comptroller of the Treasury, Income Tax Summary Report, Tax Years 2015 and 2019.

Education

Survey results of the number of high school students in the Maryland portion of the Washington MSA and the State as a whole who graduated in 2020, as a percentage of their ninth grade enrollment four grades earlier, are presented below:

Calvert County	95.0 %
Charles County	93.5
Frederick County	**92.4**
Montgomery County	89.2
Prince George's County	76.1
State of Maryland	86.7

Source: Maryland Report Card 2020 – 4 Year Adjusted Cohort - Performance Report State and School Systems- Maryland State Department of Education.

The following table sets forth the years of school completed by persons 25 years of age or older as a percentage of the population described in the Census for Frederick County and the other counties in the Maryland portion of the Washington MSA and the State.

	Calvert	Charles	Frederick	Montgomery	Prince George's	State
Elementary (grades K-8)	0.9%	3.2%	**4.2%**	5.7%	7.2%	4.0%
High School						
1–3 years	3.3	4.0	**3.4**	4.1	6.2	5.6
4 years	32.0	31.9	**24.2**	14.4	25.9	24.6
College						
No degree	23.1	24.3	**18.9**	12.7	20.5	18.0
Associate degree	9.0	8.0	**7.4**	5.4	6.7	6.9
Bachelor's degree	16.2	16.7	**23.6**	26.4	19.2	21.8
Graduate/Professional degree	15.4	12.0	**18.3**	31.4	14.4	19.1

Source: Table S1501 - Educational Attainment. U.S. Bureau of the Census, 2019 1-year estimate - American Community Survey, American Fact Finder.

Retail Sales

Retail sales as measured by the growth in retail sales and use tax collections have experienced a slight decline between fiscal years 2019 and 2020. Listed below is the comparison of the experience of the counties in the Maryland portion of the Washington MSA and the State.

Retail Sales and Use Tax Collections
($000's)

	Fiscal Year 2020	Fiscal Year 2019	Percent Increase
Calvert County	$42,544	$44,113	(3.5)%
Charles County	96,990	101,146	(4.1)
Frederick County	**163,500**	**170,549**	**(4.1)**
Montgomery County	515,811	565,891	(8.8)
Prince George's County	528,880	563,949	(6.2)
State of Maryland	4,949,434	4,908,976	0.8

Source: Comptroller's Revenue Accounting Division. Summary by Principal Business Activity 2019-2020.

Business, Employment and Labor

In the following table, statistics are provided relating to the distribution of employment in the County by employer classification for the 2019 annual average. These figures exclude railroad, domestic service, self-employed, agricultural and unpaid family workers:

Business and Employment Composition

Classification	Average Number of Reporting Units	Percent of Total	Annual Average Employment	Percent of Total
Natural Resources and Mining	56	0.9 %	638	0.6 %
Construction	921	14.0	10,351	9.8
Manufacturing	185	2.8	5,565	5.3
Trade/Transportation/Utilities	1,125	17.1	17,987	17.1
Information	70	1.1	1,000	0.9
Financial Activities	618	9.4	5,275	5.0
Professional and Business Services	1,463	22.3	15,563	14.8
Education and Health Services	794	12.1	15,761	15.0
Leisure and Hospitality	605	9.2	12,893	12.3
Other Services	565	8.6	4,001	3.8
Total – Private Sector	6,407	97.5	89,035	84.8
Local Government	89	1.4	10,940	10.4
State Government	12	0.1	1,256	1.2
Federal Government	58	0.9	3,723	3.5
Total	6,568	100.00 %	104,955	100.00 %

Source: Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information, "Employment and Payrolls, Annual Average, 2019.

Listed below are the 10 largest employers as of May 2021, located in the County:

Ten Largest Employers in Frederick County

Employer	Principal Products or Activities	May 2021 Employment
Fort Detrick	Research/Telecommunications	10,200*
Frederick County Board of Education	Education	6,800
Frederick Health (formerly Frederick Memorial Healthcare System)	Comprehensive Healthcare	3,300
Frederick County Government	Local Government	2,342
Leidos Biomedical / Frederick National Lab (formerly SAIC-Frederick)	Medical Research	2,334
Frederick Community College	Education	1,286
Wells Fargo Home Mortgage	Mortgage Servicing	1,175
Thermo Fisher Scientific	Life Sciences Research	950
Frederick City Government	Local Government	880
Costco Wholesale	Wholesale Distribution Center and E-commerce Center	751

* Includes military personnel, contractors and offsite annex

Source: Frederick County Office of Economic Development

The following table indicates the County's annual average unemployment rate as compared with the other counties of the Maryland portion of the Washington MSA, the State and the United States for the calendar years 2016-2020.

Annual Average Unemployment Rate

	2020	2019	2018	2017	2016
Calvert County	5.2%	3.1%	3.4%	3.6%	3.7%
Charles County	6.7	3.5	3.7	3.9	4.1
Frederick County	**5.9**	**3.1**	**3.4**	**3.6**	**3.8**
Montgomery County	6.3	2.9	3,1	3.3	3.3
Prince George's County	8.2	3.7	4.0	4.1	4.3
State of Maryland	6.8	3.5	3.8	4.1	4.3
United States(1)	8.1	3.7	3.9	4.4	4.9

Source: Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information – Annual County Unemployment.
(1) Bureau of Labor Statistics.

The number of persons living in the County who were available for work and composed the work force 131,677 in June 2021 and the total employment for this force was 123,983 resulting in an unemployment rate of 3.6% for this period. Certain comparative unemployment rates are given below for June 2021.

Calvert County	5.6%
Charles County	6.7
Frederick County	**5.8**
Montgomery County	6.4
Prince George's County	8.3
State of Maryland	6.7
United States (1)	5.9

Source: "State of Maryland. Civilian Labor Force, Employment, and Unemployment by Place of Residence, Issued July 29, 2021." Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information.

[1]U.S. Department of Labor, Bureau of Labor Statistics.

Commuting Patterns

The Census Bureau 2019 American Community Survey determined the work commuting patterns for workers 16 years and older for the labor forces of each of Maryland's counties with populations of 65,000 or more and the City of Baltimore. Comparative figures for workers commuting outside the county of residence for the subdivisions in the Maryland portion of the Washington Metropolitan Statistical Area (MSA) are presented below:

Calvert County	44.8%
Frederick County	**31.9**
Charles County	28.3
Prince George's County	19.0
Montgomery County	11.1

Source: U.S. Census Bureau, 2015-2019 American Community Survey, Table S0801.

Agriculture

Agriculture is one of the largest industries in the County, with nearly 57% of the total land acreage dedicated to farmland. According to the most recent U.S. Census of Agriculture (2017), there are 1,373 farms located in the County with an average size of 137 acres each. Dairy farming is the major type of farming, and the County is the second largest producer of dairy products in the State. The County provides one-third of all milk for the State and is the third largest producer of milk in the mid-Atlantic region. The County is a leader in the State in the production of dairy products, hay, turkeys, cattle and calves, horses and ponies, forage and corn for silage.

Dedicated to farmland preservation, the County is a participant in the Maryland Agricultural Land Preservation Program. This program provides for the purchase of development rights easements. As of May 21, 2021, Maryland Agricultural Land Preservation Foundation easements have been purchased on 23,186 acres with an additional 4,023 acres under the temporary district status. The County has purchased easements in the Installment Purchase Program to protect a total of 20,710 acres. In combination with county and State land preservation programs, there are permanent protective easements on 65,754 acres as of June 30, 2021.

Transportation

CSX Corporation, Maryland Midland Shortline, and numerous truck lines provide railroad and truck freight service to the County. Regular rail passenger service is provided by Amtrak and commuter rail services are provided by the Maryland Railroad Administration ("MARC") to Washington, D.C. The County has four MARC train stations; a downtown City of Frederick location and a suburban location just south of the City of Frederick, as well as MARC service from Brunswick and Point of Rocks. In addition, the Maryland Transit Administration provides commuter bus services to the Washington, D.C. Metropolitan Area Transit Shady Grove Metrorail station via the 515 Commuter Bus from the City of Frederick, the 505 from Hagerstown, and the 204 Commuter Bus to College Park via the Inter County Connector from various points in the County. Regular passenger bus service is provided by the Greyhound Corporation to a variety of locations outside the County. Intercity bus service is provided by Bayrunner Shuttle and serves Western Maryland, initiating in Grantsville and serving stops in route to the City of Frederick, terminating in Baltimore and the reverse. Local fixed route and shuttle bus service and demand-response service in the County is provided by TransIT Services of the County. The Frederick Municipal Airport is served by private, industrial, and charter aviation as well as local bus service. Three major airports are within 60-miles of Frederick County: Dulles International, Reagan National and Baltimore-Washington International Thurgood Marshall airports.

Utilities

Electric power distribution in the County is provided by the Potomac Edison Company, an operating unit of First Energy, and Thurmont Municipal Light Company, which serves the incorporated town of Thurmont. The electrical generation is purchased from Washington Gas Light Company. Natural gas distribution is provided by the Frederick Gas Company, a division of the Washington Gas Light Company, and UGI/Central Penn Gas Company, which services the town of Emmitsburg and the surrounding area.

Recreation and Leisure

There are many historical and cultural attractions in the County including: the Weinberg Center for the Arts, the Delaplaine Visual Arts Center, the Maryland Ensemble Theatre, the National Museum of Civil War Medicine, the Children's Museum of Rose Hill Park, Francis Scott Key's Monument and Grave, the Museum of Frederick County History, National Fallen Firefighters Memorial, Catoctin Furnace, Schifferstadt Architectural Museum, the Seton Shrine Center, the Grotto of Lourdes, Lily Pons Water Gardens, Brunswick Railroad Museum, three covered bridges and an abundance of antique shops.

The County also offers more than 10 golf courses, the Frederick Keys (part of the MLB Draft League), numerous Civil War sites, and local, state and national park facilities. The Appalachian Trail which runs from Georgia to Maine roughly follows the western boundary of the County and skirts the Gathland State Park which contains the first monument to war correspondents. Frederick County is the leader in the State of Maryland in craft beverages. Now home to 36 wineries, breweries and distilleries, this industry generates jobs in agriculture and manufacturing, strengthens Frederick's tourism industry and attracts young talent to the community

The Parks and Recreation Division provides for acquisition and development of a County-wide park system including community, district, regional and special use parks. The system includes 23 developed parks comprised of 2,438 acres of which 1,610 acres are developed to some degree. The largest site is 249 acres. Additionally, the division develops and manages community recreational programs and maintains County-owned grounds.

State and national parks within the County are primarily utilized for natural and historical resource protection. There are six State parks in the County: Cunningham Falls State Park, Gambrill State Park, Gathland State Park, Greenbrier State Park, South Mountain State Park and Washington Monument State Park. Federal recreation areas include Monocacy National Battlefield, C&O Canal Park and Catoctin Mountain National Park.

The twelve municipalities also provide and maintain park systems which include neighborhood, community, and special use parks.

Construction Activity and Value

Construction activity includes the number of building permits issued for new dwellings and commercial/industrial permits. The estimated construction value is reflected below. This table reflects building activity in the County including the incorporated municipalities:

	2021*		2020		2019		2018		2017	
	Issued	Value (000's)	Issued	Value (000's)	Issued	Value (000's)	Issued	Value (000's)	Issued	Value (000's)
Residential	861	$ 274,086	2,604	$ 736,367	2,382	$ 570,289	2,038	$ 568,320	1,873	$ 513,434
Com./Ind./Other	2,863	95,426	7,606	331,608	8,479	201,453	986	139,958	4,247	212,945
Total	3,724	$ 369,512	10,210	$ 1,067,975	10,861	$ 771,742	3,024	$ 708,278	6,120	$ 726,379

*2021 Information as of April 30, 2021
Source: Frederick County Planning & Permitting Division.

Housing Permit Activity

The number of permits issued for new dwelling units and the dwelling type, by calendar year, in the County including all municipalities, are provided below:

Dwelling Type	2021* No. of Units/ % of Total	2020 No. of Units/ % of Total	2019 No. of Units/ % of Total	2018 No. of Units/ % of Total	2017 No. of Units/ % of Total
Single Family Detached	434 / 50%	1133 / 44%	865 / 36%	874 / 43%	798 / 42%
Townhouse	356 / 41%	1085 / 42%	742 / 31%	724 / 35%	668 / 36%
Multi-Family	71 / 8%	384 / 15%	775 / 33%	423 / 21%	406 / 22%
Total	**861**	**2,602**	**2,382**	**2,021**	**1,872**

*2021 information as of April 30, 2021
Source: Frederick County Planning & Permitting Division.

Land Use

The County's existing land use is predominantly in agricultural and natural resource uses (forest, rivers, public parkland etc.) uses. The following table shows land use as designated on the County Comprehensive Plan (2012):

	Acres	Percentage
Agriculture	217,821	51%
Commercial/Industrial	12,323	3%
Institutional	2,992	1%
Municipal	27,330	6%
Residential	40,845	10%
Mixed Use	938	0%
Resource Conservation/Water/Parks	113,080	26%
Right of Way	13,415	3%
Total	428,744	100%

Source: Frederick County Planning & Permitting Division.

BUDGET AND ACCOUNTING

The County budget is comprised of the Current Expense Budget ("General Fund Budget" or "Operating Budget"), the Capital Budget, and the Capital Improvement Program (a six-year plan). Budgets are also adopted for certain Special Revenue Funds and all Enterprise Funds. The formulation of the County's budget is the responsibility of the Budget Director. Public local law and the County Charter both require that a balanced budget be adopted by the County Council.

General Fund Budget

The General Fund Budget is prepared and submitted to the County Council by the County Executive based on estimated revenues and expenditures of operations submitted by the County departments and agencies for the ensuing fiscal year. As submitted to the County Council, the General Fund Budget must reserve fund balance in excess of 7 percent of the prior year's General Fund expenditures and transfers to the Board of Education and Frederick Community College on a budgetary basis, if any; estimates of taxes and other revenues sufficient to balance said budget; recommended appropriations for current expenditures for each department, agency and non-departmental account and transfers to the Board of Education, Frederick Community College and Frederick County Public Libraries; amounts sufficient to meet all general obligation debt service requirements; and portions of the Capital Improvement Program to be financed out of current revenues during said fiscal year.

Operating and Capital Budgets and Capital Improvement Program

No department or agency of the County government may, during any fiscal year, expend or contract to expend any money or incur any liability or enter into any contract which by its terms involves the expenditure of money in excess of the amounts appropriated in the budget for such fiscal year. No payment may be made, or any liability incurred, which has not been provided for in the Operating or Capital Budget. Funds resulting from the issuance of bonds, certificates of indebtedness, notes or other obligations of the County may be expended only for authorized purchases of capital assets. Transfer of appropriations among the items set forth therein may be authorized in accordance with the County Charter Section 509 and further delegated in Budget Adoption Ordinance No. 21-01-001.

The Capital Budget is the County's plan to receive and expend funds for capital projects during the ensuing fiscal year. The Capital Improvement Program sets forth the County's plan of proposed capital projects to be undertaken in the ensuing fiscal year and the next five fiscal years and the proposed means of financing such projects. The Capital Budget and Capital Improvement Program are prepared by the County Executive in cooperation with the Budget Office, Finance Division, and Planning and Permitting Division from submissions by the County departments and agencies and must be approved by the County Council. The portion of the cost of the Capital Budget that is to be paid from current funds is included in the Operating Budget as a transfer to the Capital Budget where the expenditures are recorded.

Accounting System

The accounts of the County are organized and operated 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 revenue, other financing sources / uses and expenditures/expenses, together with all related assets, liabilities, deferred inflows /outflows and residual net position or fund balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special purposes, restrictions, or limitations.

Fund Structure

The County reports its financial activity on Government-wide and Fund Financial Statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

The Government-wide financial statements, which include the Statement of Net Position and the Statement of Activities, report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The Statement of Net Position displays the financial position of the County as of the fiscal year end. Activities are reported on a consolidated basis and are reported on a full accrual, economic resources basis, which recognizes all long-term assets, including infrastructure, as well as long-term debt and obligations. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers who use, purchase or directly benefit from goods, services or privileges provided by a given function or segment, and grants that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The Fund Financial Statements are identified in the financial statements of the County and included in the County's Comprehensive Annual Financial Report located on the County's website (www.frederickcountymd.gov). The fund types are: Governmental Funds, which include the General Fund, the Debt Service Fund, the Special Revenue Funds, and the Capital Project Fund; Proprietary Funds, which include the Enterprise Funds and Internal Service Funds; and Fiduciary Funds, which include Custodial, Pension Trust, Other Post-Employment Benefits Trust and Length of Service Award Program Trust Funds. Details of the County's fund structure are set forth in the Notes to the Financial Statements. The revenues and expenditures/expenses of the County are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

Basis of Accounting

As noted above, the Government-wide Financial Statements are reported using the economic resources measurement focus and the full accrual basis of accounting.

Relative to the Fund Financial Statements, the financial operations of the Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded at the time liabilities are incurred, except for interest on long-term debt which is considered an expenditure when due and accrued annual leave which is considered an expenditure when paid. In addition, an encumbrance system is employed in the General, Debt Service, Special Revenue, and Capital Project budgetary schedules to account for expenditure commitments resulting from approved purchase orders.

The financial operations of the Proprietary and Pension Trust, Other Post-Employment Benefits Trust and Length of Service Award Program Trust Funds are maintained on the accrual basis of accounting, in which all revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The funds also use the full accrual basis of accounting to recognize assets and liabilities.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (the "GFOA") has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for fiscal year 2020. This was the thirty-seventh year (thirtieth consecutive year) that the County has received this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. The County intends to continue to conform its Comprehensive Annual Financial Report to the Certificate of Achievement program requirements.

Distinguished Budget Presentation Award

The Budget Office received the GFOA's Distinguished Budget Presentation Award for the past four fiscal years 2018 - 2021 budgets. GFOA established this budget awards program in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal. Documents submitted to the program are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in public-sector budgeting.

This budget award is valid for a period of one year only. The County also intends to continue to conform its Budget Report to the Distinguished Budget Award program requirements.

CERTAIN REVENUES, EXPENDITURES AND FUND BALANCE TRENDS

General Fund

The County records its transactions under various funds in conformity with GAAP as discussed under "BUDGET AND ACCOUNTING - Fund Structure" above. The largest of these funds is the General Fund, from which all general expenses of County government are paid and to which taxes and other revenues not specifically directed by law to be deposited in special funds, are deposited. In addition to the General Fund, several special revenue funds receive revenues from particular sources for specific purposes, all as prescribed by law.

The table on the following page indicates the County's General Fund revenues and expenditures for the fiscal years 2017 -2021:

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Frederick County Maryland
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis

	FY21*	FY20	FY19	FY18	FY17
Revenues					
Local property taxes	$ 355,411,422	$ 335,803,751	$ 322,868,436	$ 308,021,607	$ 293,513,482
Local income taxes	289,489,750	246,930,060	236,272,579	217,210,924	202,906,047
Other local taxes	2,817,589	2,493,489	1,648,701	1,654,293	1,608,826
Recordation	33,347,840	25,294,952	24,436,376	21,452,057	22,963,906
Grants from federal government	232,834	1,346,072	443,571	818,673	461,269
Grants from state government					
Highway user	2,862,742	2,355,509	2,876,877	1,960,241	1,554,639
Other state grants	1,730,165	1,838,758	1,868,498	1,846,827	1,823,225
Investment earnings	264,010	3,495,592	3,981,717	2,008,672	1,048,731
Charges for services	8,637,198	10,849,514	11,725,155	11,948,627	11,206,423
Licenses and permits	7,662,156	6,564,046	6,637,041	5,870,061	5,531,434
Fines and forfeitures	31,742	24,706	40,170	88,920	59,936
Miscellaneous revenues	3,084,020	2,490,758	3,183,879	2,596,530	5,223,382
Total revenues	705,571,468	639,487,207	615,983,000	575,477,432	547,901,300
Expenditures					
Current					
General government	51,690,142	48,251,315	48,591,608	47,027,360	45,061,086
Public safety	127,197,382	129,939,454	119,480,300	112,028,385	108,586,616
Public works	20,127,808	20,308,453	21,447,061	20,533,439	18,188,598
Health	8,090,637	6,113,745	5,995,133	6,166,996	6,167,401
Social services	7,282,412	6,984,247	6,556,044	5,753,887	4,987,908
Education					
Board of education	309,170,970	294,548,343	283,305,204	271,000,287	257,446,123
Community college	20,252,684	18,857,979	17,754,562	16,567,453	15,806,893
Parks, recreation and culture	19,154,614	19,516,854	19,179,116	17,602,228	17,153,413
Conservation of natural resources	3,449,862	2,702,933	2,966,007	2,708,867	1,726,509
Community development and public housing	671,028	658,575	668,913	614,563	562,375
Economic development and opportunity	4,759,017	4,438,382	4,235,545	3,382,121	2,763,552
Non-departmental					
Tax rebate to municipalities	5,003,752	4,931,492	4,689,916	4,480,156	4,232,919
State Department of Assessments and Taxation	725,780	888,368	724,248	848,028	809,966
Other employee benefits	695,409	913,648	386,434	305,451	303,499
Property and liability insurance	1,584,386	1,409,636	1,290,030	1,169,042	1,261,433
Indirect cost recovery	(3,013,079)	(2,848,991)	(2,854,060)	(2,849,639)	(2,642,807)
Other non-departmental & contingencies	755,215	764,395	5,535,120	453,816	3,038,456
Total expenditures	577,598,019	558,378,828	539,951,181	507,792,440	485,453,940
Other financing sources (uses)					
Transfers from					
Special revenue funds	18,871	264,767	295,252	-	-
Transfers to					
Capital projects funds	(18,228,900)	(18,951,787)	(17,107,782)	(14,954,639)	(13,055,192)
Special revenue funds	(8,547,473)	(8,939,500)	(6,640,937)	(6,234,579)	(6,139,510)
Internal service funds	(1,577,311)	(1,850,652)	(1,206,005)	(1,211,801)	(742,131)
Enterprise funds	(371,130)	-	-	-	(2,999,332)
Debt service fund	(45,071,160)	(43,680,000)	(42,000,000)	(40,533,525)	(41,215,501)
Total other financing sources (uses)	(73,777,103)	(73,157,172)	(66,659,472)	(62,934,544)	(64,151,666)
Total expenditures and other financing uses	651,375,122	631,536,000	606,610,653	570,726,984	549,605,606
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	54,196,346	7,951,207	9,372,347	4,750,448	(1,704,306)
Change in fund balance	$ 54,196,346	$ 7,951,207	$ 9,372,347	$ 4,750,448	$ (1,704,306)

* Fiscal Year 2021 estimated.

Source: Frederick County Finance Division.

Despite the anticipated economic climate, a decline in local income tax distributions never materialized for Frederick County. It is anticipated that the fiscal year 2021 income tax revenue will be 17% higher than fiscal year 2020. This increase is mainly attributed to conservative budgeting but also to an increase in estimated payments and withholding. The fiscal year 2021 assessed property values increased 5% compared to fiscal year 2020, resulting in an additional $18 million in revenue. The fiscal year 2022 adopted budget reflects a strong economy with revenues trending upward, as represented in the fiscal year 2021 estimates.

Taxes

Ad valorem property taxes remain the County's most important source of revenues, estimated at 51.25% of total General Fund revenues and 53.01% of total local General Fund tax revenues in fiscal year 2021. By comparison, in fiscal year 2017, these percentages were 53.57% and 56.34%, respectively.

The following table represents the County's actual principal tax revenues by source for each of the five fiscal years 2017-2021:

	Total Local Taxes	General Property Taxes (1)	Income Taxes	Other Local Taxes
2021*	$ 681,066,601	$ 355,411,422	$ 289,489,750	$ 36,165,429
2020	610,522,252	335,803,751	246,930,060	27,788,441
2019	585,226,092	322,868,436	236,272,579	26,085,077
2018	548,338,881	308,021,607	217,210,924	23,106,350
2017	520,992,261	293,513,482	202,906,047	24,572,732

*Fiscal Year 2021 are estimated.

(1) Includes payment in lieu of taxes, additions and abatements, interest on taxes and tax credits.

Source: Frederick County Finance Division.

Property Taxes

The assessment of all real and tangible personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation, an independent State agency. In February 2008 the County imposed a personal property tax applicable to all fiscal years beginning after June 30, 2008. The tax is applicable only to the one subclass of personal property (machinery and equipment, other than operating personal property of a public utility that is used to generate (i) electricity or steam for sale, or (ii) hot or chilled water for sale that is used to heat or cool a building). For State and County real property tax purposes, real property is valued at the currently phased-in market value. All property is reassessed once every three years and any increase in value arising from such assessment is phased in over the ensuing three taxable years in equal annual installments.

A tax credit is permitted against local real property taxes on certain owner-occupied residential property. The tax credit for tax years 1991-1992 and thereafter was computed by multiplying the prior year's taxable assessment by a percentage of between 100% and 110% (as determined by the State, each county and each municipality), subtracting that amount from the current year's assessment, and multiplying the difference, if it is positive, by the applicable tax rate.

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. This credit can be supplemented at the local level. In 2006, the County chose to supplement this credit, however subsequently the State expanded its credit eligibility, thereby substantially lessening the effect of the County's action. On January 3, 2012 the former Board of County Commissioners approved an additional supplement as a Senior Tax Credit effective for fiscal year 2013. The anticipated annual fiscal impact for both County supplements is estimated as $905,569 for fiscal year 2021 and $950,000 for fiscal year 2022. Other budgeted tax credits not reimbursed by the State for fiscal years 2021 and 2022 respectively include credits for historic districts ($1,000 / $500), for rehabilitated vacant commercial structures ($120,000 / $100,000), and for agriculture land and buildings ($1,300,000 each year).

Exemptions from State and County property taxation include public property; property owned by religious groups or organizations for public religious worship; property owned by charitable, fraternal, benevolent, educational and literary organizations; property owned by a national organization of veterans; property owned by historical societies and museums; property owned by fire companies and rescue squads; operating property owned by railroad and transportation companies (exempt from State taxation only); tangible personal property of certain domestic corporations, savings institutions and commercial banks; inventory, manufacturing equipment, manufacturing inventory and certain rolling stock (exempt from local taxation only); vessels, aircraft and motor vehicles; farming implements, certain agricultural products and commodities; all personal property located at a taxpayer's place of residence other than property used in connection with any business, occupation or profession; tools of mechanics or artisans; and non-operating property of public utilities and contract carriers (exempt from State taxation only).

The following table sets forth the assessment of all taxable property in the County for fiscal years 2018-2021 and the County and State tax rates applicable in each of those years. The projected fiscal year 2022 assessment of tax exempt property owned by federal, State and County governments, churches, schools, fraternal organizations, cemeteries, disabled and the blind aggregated $3,414,955,374. Under applicable law, there are no limits on the rates of property taxes.

Assessments and Tax Rates of All Taxable Property by Class
(Fiscal Years Ended June 30)

	FY 2022*	FY 2021	FY 2020	FY 2019	FY 2018
Assessments					
Real Property	$ 34,792,893,000	$ 33,798,784,065	$ 32,206,374,692	$ 30,689,657,964	$ 29,364,340,477
Public Utilities	443,254,106	432,443,030	425,897,500	416,801,030	393,853,430
Total Base	$ 35,236,147,106	$ 34,231,227,095	$ 32,632,272,192	$ 31,106,458,994	$ 29,758,193,907
County Tax Rate					
(Per $100 of Assessment)	$1.060	$1.060	$1.060	$1.060	$1.060
State Tax Rate					
(Per $100 of Assessment)	$0.112	$0.112	$0.112	$0.112	$0.112

* Fiscal Year 2022 assessments are based on budget estimates.
Source: Frederick County Finance Division and Budget Office.

There are residents who live in municipalities within the County and therefore pay property taxes to both the County and municipality for services that are only provided by the municipality. Prior to fiscal year 2013, all municipalities received a tax rebate or direct payment for the cost of services provided by the municipality but taxed by the County. Maryland code governs the procedure for setting a differential rate in the municipalities, and in fiscal year 2014, the City of Frederick and Myersville decided to take advantage of the differential rate rather than receive a tax rebate. The fiscal year 2021 and 2022 differential tax rates are shown below. The County and State tax rates remain the same for fiscal year 2022 as in prior years.

	2022	2021
County Frederick City Differential (Per $100 of Assessment)	$ 0.9505	$ 0.9432
County Myersville Differential (Per $100 of Assessment)	$ 0.9407	$ 0.9373

Source: Frederick County Treasurer's Office.

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The following table lists the 20 largest taxpayers in the County and the assessment of their property for fiscal year 2021.

Name of Taxpayer	Assessment	Percentage of Total County Taxable Assessments
POTOMAC EDISON CO	$ 205,590,370	0.6006
ASTRAZENECA PHARMACEUTICALS	123,844,800	0.3618
RIV 402 LLC	101,681,167	0.2970
PR FINANCING LIMITED PARTNERSHIP	80,895,033	0.2363
COSTCO WHOLESALE CORPORATION	71,924,400	0.2101
RACHUBA PROSPECT HALL LLC	68,056,100	0.1988
HOMEWOOD AT FREDERICK MD INC	65,632,500	0.1917
APARTMENTS AT URBAN GREEN LLC	63,830,333	0.1865
WASHINGTON GAS LIGHT COMPANY	57,030,320	0.1666
DOMINION TRANSMISSION CORP.	56,738,380	0.1658
RIVER X LLC &	55,492,133	0.1658
YBC INVESTORS LLC	54,824,833	0.1658
CENTENNIAL CLEARBROOK LLC	48,615,800	0.1658
FREDERICK WESTVIEW PROPERTIES LLC	46,204,267	0.1658
LPF CLEMSON CORNER LLC	45,531,400	0.1658
VERIZON MARYLAND LLC	45,243,870	0.1658
BVT BAINBRIDGE LAKE LINGANORE	41,485,437	0.1658
FREDERICK CROSSING IMPROVEMENTS LL	39,880,933	0.1658
FRANKEL MARKET SQUARE LLC	39,798,200	0.1658
FANNIE MAE	39,073,567	0.1658
	$ 1,351,373,843	4.2727

Source: Frederick County Treasurer's Office.

Tax Levies and Collections

Property taxes are levied annually as of July 1. Effective July 1, 2000, taxes on owner-occupied residential real property may be paid in two installments: one by September 30, and one by December 31. Discounts for timely payments are allowed through August 31 and taxes due and not paid by September 30 are subject to interest and penalties at a rate of 1% per month for each month or fraction thereof that taxes remain unpaid. Tax liens on real property are sold at public auction the second Monday in May when taxes have remained delinquent during the current fiscal year.

The County bills and collects its own property taxes and those of the State and municipalities. County property tax revenues are recognized when levied to the extent that they result in current receivables. State and municipality property taxes collected are remitted to the State and municipalities.

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

Fiscal Year	Total Tax Levy (Adjusted Levy)	Current Year's Taxes Collected in Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount	Percentage of Adjusted Levy
2021*…	$ 340,382,816	$ 340,076,115	99.91%		340,076,115	99.91%
2020…	323,100,575	322,731,093	99.89%	$319,771	323,050,864	99.98%
2019…	308,231,627	308,100,885	99.96%	$95,232	308,196,117	99.99%
2018…	293,982,642	293,695,909	99.90%	$234,720	293,930,629	99.98%
2017…	280,484,941	280,316,897	99.94%	$142,290	280,459,187	99.99%

Source: Frederick County Treasurer's Office.
*2021 is estimated as of June 30, 2021.

Income Tax

The State imposes an income tax on the adjusted gross income of individuals for federal income tax purposes, subject to certain adjustments. Beginning tax year 2013, the personal State income tax rate is graduated up to 5.75%. Each county and Baltimore City must levy a local income tax at the rate of at least 1.75% of Maryland taxable income, but not in excess of 3.20%. The County's income tax rate is 2.96%, and has been the same since 2002. Local income tax is budgeted at $264,578,574 for fiscal year 2022.

Other Local Taxes

In addition to 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 fiscal year 2021 are estimated at $65.9 million (including General Fund estimated revenues of $33.2 million). The budget for fiscal year 2022 is $48,375,000 (including General Fund revenues of $23,360,287). Effective January 1, 2017, the allocation of recordation taxes was restored to levels established prior to January 1, 2012. In fiscal year 2019 1.5% of the recordation tax collections were transferred to the Housing Initiative Fund's Deferred Loan Program, from the General Fund. The fiscal year 2020 adopted budget allocated 1.5% of recordation tax collections to the Housing Initiative Fund and reduced the allocation to the General Fund respectively. On March 17, 2020, the County Council enacted Bill #20-03 that reflected a gradual increase in allocation of recordation taxes to the Housing Initiative Fund through fiscal year 2023, as reflected below. This legislation also increased the recordation tax rate by $1.00 from $6.00 to 7.00 per $500 of consideration.

Recordation Tax Allocations

	FY2023	FY2022	10/1/2020	7/1/2020	1/1/2017
General Fund	47.860%	48.298%	48.710%	56.833%	58.333%
School Construction Fund	14.290%	14.290%	14.290%	16.667%	16.667%
Agricultural Preservation Fund	25.000%	25.000%	25.000%	12.500%	12.500%
Parks Acquisition & Development Fund	10.710%	10.710%	10.710%	12.500%	12.500%
Housing Initiative Fund	2.140%	1.710%	1.290%	1.500%	0.000%

Source: Frederick County Finance Division.

State and Federal Financial Assistance

The County receives grants from the federal and State governments for use in the General, Special Revenue, and Capital Projects Funds. In addition, the Board of Education, Frederick Community College, and Frederick County Public Libraries receive grants directly from the federal and State governments.

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Fund Balance Trends

General Fund

	FY 2021*	FY 2020	FY 2019	FY 2018	FY 2017
Nonspendable	$ 2,020,614	$ 2,322,098	$ 1,331,441	$ 2,229,603	$ 2,289,616
Restricted					
Other	1,005,543	1,007,637	923,383	948,467	1,144,725
Committed					
Enabling Legislation **	43,586,843	39,086,518	40,736,583	33,006,509	29,127,236
Bond Rating Enhancement	100,000	100,000	100,000	100,000	500,000
Appropriation of current year's fund balance	7,529,184	6,319,824	2,089,793		
Year 1 Budget	33,297,977	26,005,370	25,763,352	22,698,108	31,257,192
Year 2 Budget	76,117,958	33,297,977	26,005,370	25,763,352	22,698,108
LOSAP	-	-	53,818	336,818	484,818
Severe Weather	-	-	1,149,900	1,409,900	1,200,000
Permanent Public Improvement	199,074	79,074	79,074	50,000	180,000
Assigned					
Revenue Stabilization	14,788,924	13,788,924	11,639,024	11,467,382	1,000,000
Income Taxes (Wynne Case)	-	150,000	150,000	150,000	580,989
Downtown Hotel	2,520,000				
Purchase Property (Denn)	288,500				
Encumbrances	4,999,483	3,441,870	5,375,813	2,667,710	3,606,677
Other	1,037,695	2,998,045	857,593	1,594,457	913,633
Unassigned					
Other	300,000	300,000	300,000	300,000	300,000
	$ 187,791,795	$ 128,897,337	$ 116,555,144	$ 102,722,306	$ 95,282,994

*Estimates as of June 30, 2021
**6% set aside required FY17, 6.5% set aside required FY18, 7% set aside required FY19 - FY21.

Section 2-7-1(a) (2) of the Frederick County, Maryland Code of Ordinances provides for the County to maintain a committed General Fund balance equal to 5 percent of General Fund expenditures and transfer to the Board of Education and Frederick Community College on a budgetary basis. This commitment has been gradually increased to 7.0% as of fiscal year 2019. As of June 30, 2021, the estimated required balance is $43,586,843. This is classified as "committed" fund balance in accordance with the promulgations of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Due to the restricting nature of the set-aside, it is reported as restricted net position in the governmental activities column of the government-wide Statement of Net Position.

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Special Revenue Funds

Available Fund Balances for Debt Service as of June 30:

		FY2021*		FY2020		FY2019		FY2018		FY2017
Recordation Taxes										
School Construction										
Fund Balance	$	13,554,832	$	13,558,217	$	13,819,637	$	12,653,576	$	11,639,452
Available Fund Balance for Debt Service		9,654,832		8,358,217		10,081,968		10,474,576		10,296,952
Parks Acquisition & Development										
Fund Balance		4,024,566		5,722,417		2,863,709		7,457,992		2,783,718
Available Fund Balance for Debt Service		1,849,071		(2,000,307)		400,633		(2,564,788)		2,783,718
Impact Fees										
Fund Balance		70,238,523		61,832,562		56,688,877		25,701,415		36,901,403
Available Fund Balance for Debt Service		63,459,275		39,844,764		44,547,553		23,157,415		23,467,334
Totals										
Fund Balance		87,817,921		81,113,196		73,372,223		45,812,983		51,324,573
Available Fund Balance for Debt Service	$	74,963,178	$	46,202,674	$	55,030,154	$	31,067,203	$	36,548,004
Current Year's Debt Service		**10,520,134**		**11,666,585**		**11,971,182**		**11,453,087**		**11,342,526**
Debt Service Coverage		**7.13**		**3.96**		**4.60**		**2.71**		**3.22**

*Estimates as of June 30, 2021.

Source: Frederick County Finance Division.

Water and Sewer Enterprise Fund

Water and sewer user charges are recorded when earned and expenses are recognized when they have been incurred based on the accrual basis of accounting. Unpaid water and sewer user charges are a lien on the real property served and are collectible in the same manner as real property taxes.

For fiscal year 2020, the Water and Sewer Enterprise Fund reported $20,383,955 of connection fees and $15,254,498 in developer/municipal contributions for a total capital contribution of $35,638,453. Overall for fiscal year 2020, net position increased $31,372,861 consisting of $4,660,067 net loss, $394,475 transfer to other funds and $35,638,454 in capital contributions. Fiscal year 2021 reflects estimated connection fees of $26.2 million and $15 million of developer/municipal contributions, as well as an increase of $40.7 million in net position.

The Water and Sewer Enterprise Fund reported total Net Position of $629,840,715 for fiscal year 2019. Of this amount, $489,043,624 was net investment in capital assets, $2,843,668 was restricted for capital projects, and $137,953,423 was unrestricted.

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The following table summarizes the revenues and expenses of the Water and Sewer Enterprise Fund for the five most recent fiscal years:

Water and Sewer Enterprise Fund
Schedule of Revenues and Expenses & Change in Net Position
For the Fiscal Years ending June 30

	2021*	2020	2019	2018	2017
Operating revenues					
Water and sewer charges	$ 44,020,138	$ 41,322,641	$ 37,912,035	$ 36,856,313	$ 32,849,301
Delinquent Fees	5,894	56,587	81,226	65,736	78,371
Other sources	3,113,309	3,016,726	2,685,184	2,975,706	1,669,465
Total operating revenues	47,139,341	44,395,954	40,678,445	39,897,755	34,597,137
Operating expenses					
Personnel services	9,658,267	9,328,141	9,688,768	9,801,595	9,625,764
Operating expenses	8,417,648	8,100,997	8,171,253	7,724,248	7,507,318
Insurance	441,298	328,881	331,827	402,130	391,692
Supplies	2,665,452	2,527,020	2,584,198	2,332,856	2,215,201
Repairs and maintenance	3,826,889	3,725,915	3,822,241	3,196,037	3,598,384
Depreciation expense	14,357,893	14,371,391	14,222,889	13,961,844	13,377,824
Total operating expenses	39,367,447	38,382,345	38,821,176	37,418,710	36,716,183
Operating income (loss)	7,771,894	6,013,609	1,857,269	2,479,045	(2,119,046)
Nonoperating revenues (expenses)					
Investment income	230,965	2,083,386	3,301,990	1,410,278	730,726
Miscellaneous Income (expense)	(6,780,557)	(8,461,600)	(4,661,907)	(1,867,280)	(9,304)
Build America Bonds Subsidy	-	197,193	364,846	364,816	378,251
Interest expense	(2,922,874)	(4,230,548)	(4,601,570)	(4,378,081)	(4,360,429)
Gain (Loss) on disposition of capital assets	2,093	(262,107)	44,149	6,255	2,361
Total nonoperating revenues (expenses)	(9,470,373)	(10,673,676)	(5,552,492)	(4,464,012)	(3,258,395)
Net Income (Loss) Before Capital Contributions and Transfers	(1,698,479)	(4,660,067)	(3,695,223)	(1,984,967)	(5,377,441)
Capital Contributions	41,277,108	35,638,453	40,247,614	25,227,165	38,754,531
Transfers in	-	394,475	-	-	-
Transfers out	(1,003,700)	-	(743,708)	(166,960)	(57,342)
Total contributions and transfers	40,273,408	36,032,928	39,503,906	25,060,205	38,697,189
Change in Net Position	$ 38,574,929	$ 31,372,861	$ 35,808,683	$ 23,075,238	$ 33,319,748

Source: Frederick County Finance Division
* Fiscal Year 2021 Estimated

Fiscal year 2021 operating revenues are projected to exceed budget by 8% while operating expenses are projected to be below budget by 9%. Capital contributions for fiscal year 2021 are anticipated to exceed $41 million which in a large part due to increased new construction. Fiscal year 2022 is budgeted with a 3% increase in operating revenues, as well as a 7% increase in operating expenses. Capital contributions are budgeted at $23 million; however, if trends continue as they have in the past three years, we anticipate this number to be between $30 and $40 million.

Solid Waste Management Enterprise Fund

As of July 1, 1989, the Solid Waste Management Enterprise Fund was established to account for the operations of the County landfill and future solid waste activities. Revenues from user fees are the primary source of funds for operations, debt service payments and capital projects.

Landfill user charges (tipping fees) are recorded as revenues when billed. Unpaid tipping fees are assessed interest at the rate of 1% per month and access is denied to landfill users whose accounts are over 60 days past due.

The following table summarizes the revenues and expenses of the Solid Waste Management Enterprise Fund for the five most recent fiscal years:

Solid Waste Management Enterprise Fund
Schedule of Revenues and Expenses & Change in Net Position
For the Fiscal Years ending June 30

	2021*	2020	2019	2018	2017
Operating revenues					
Tipping Fee Charges	$ 16,450,383	$ 16,201,733	$ 15,603,433	$ 13,170,654	$ 11,760,684
System Benefit Charges	11,109,314	10,914,544	10,666,737	10,337,487	10,178,710
Recycling	956,261	411,674	1,761,620	2,036,634	2,779,849
Delinquent Fees	58,325	51,342	64,387	66,610	67,176
Miscellaneous Operating Revenues	336,525	213,865	122,064	110,174	209,008
Landfill Gas Revenues	-	-	-	198,943	243,475
Total operating revenues	28,910,808	27,793,158	28,218,241	25,920,502	25,238,902
Operating expenses					
Personnel services	2,764,984	2,817,117	2,708,246	2,460,714	2,306,096
Operating expenses	1,887,927	1,184,176	1,102,179	6,855,876	951,087
Insurance	41,018	77,160	63,706	50,180	47,256
Supplies	44,693	23,803	29,450	31,478	32,089
Repairs and maintenance	271,717	333,467	259,377	319,706	259,884
Transfer expense	11,954,483	11,397,348	10,545,312	8,742,116	7,680,942
Recycling	8,810,025	7,885,558	7,377,168	7,131,950	6,751,263
Depreciation expense	1,272,707	1,211,429	1,194,870	1,160,231	1,114,622
Total operating expenses	27,047,554	24,930,058	23,280,308	26,752,251	19,143,239
Operating income (loss)	1,863,254	2,863,100	4,937,933	(831,749)	6,095,663
Nonoperating revenues (expenses)					
Investment income	65,165	925,511	1,272,477	668,079	290,941
Miscellaneous Income (expense)	-	3,152	-	-	-
Build America Bonds Subsidy	-	5,165	9,555	9,557	9,902
Interest expense	(252,545)	(427,732)	(442,026)	(531,020)	(573,242)
Gain (Loss) on disposition of capital assets	-	20,000	90,173	7,800	(29,145)
Total nonoperating revenues (expenses)	(187,380)	526,096	930,179	154,416	(301,544)
Net Income (Loss) Before Capital Contributions and Transfers	1,675,874	3,389,196	5,868,112	(677,333)	5,794,119
Capital Contributions	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(170,000)	(13,175)	-	-	-
Total contributions and transfers	(170,000)	(13,175)	-	-	-
Change in Net Position	$ 1,505,874	$ 3,376,021	$ 5,868,112	$ (677,333)	$ 5,794,119

Source: Frederick County Finance Division
*Fiscal Year 2021 Estimated

Fiscal year 2021 operating revenues are projected to exceed budget by 6% while operating expenses are project to be below budget by 14%. This is largely due to lower than anticipated recycling costs. Fiscal year 2022 is budgeted with a 4% increase in operating revenues, as well as a 4% decrease in operating costs. Recycling revenue is anticipated to be higher than fiscal year 2021 with a reduction recycling expenses.

Comprehensive Care Facility Fund

As of July 1, 2016, the Comprehensive Care Facility Fund was established to account for the operations of Citizens Care and Rehabilitation Center (CCRC) and Montevue Assisted Living (MAL Facilities. The primary source of revenue is from Maryland Medicaid, along with a significant reimbursement from Medicare.

The following table summarizes the revenues and expenses of the Comprehensive Care Facility Fund for the five most recent fiscal years:

Comprehensive Care Fund
Schedule of Revenues and Expenses & Change in Net Position
For the Fiscal Years ending June 30

	2021*	2020	2019	2018	2017
Operating revenues					
Charges for Services	$ 26,271,401	27,237,227	27,246,149	25,857,418	20,181,364
Other sources	485,063	1,144,485	229,309	135,651	11,783
Total operating revenues	26,756,464	28,381,712	27,475,458	25,993,069	20,193,147
Operating expenses					
Personnel services					
Operating expenses	26,297,693	26,948,074	25,720,618	24,218,300	19,265,224
Insurance	49,963	74,629	53,072	43,417	36,625
Depreciation expense	996,942	851,410	835,681	866,615	748,612
Total operating expenses	27,344,598	27,874,113	26,609,371	25,128,332	20,050,461
Operating income (loss)	(588,134)	507,599	866,087	864,737	142,686
Nonoperating revenues (expenses)					
Investment income	-	51,226	36,803	28,806	9,458
Miscellaneous Income (expense)	-	(2,929)	-	70,707	934
Interest expense	(713,203)	(728,512)	(741,551)	(730,600)	(628,838)
Gain (Loss) on disposition of capital assets	-	-	-	-	-
Total nonoperating revenues (expenses)	(713,203)	(680,215)	(704,748)	(631,087)	(618,446)
Net Income (Loss) Before Capital Contributions and Transfers	(1,301,337)	(172,616)	161,339	233,650	(475,760)
Capital Contributions	-	-	4,911,763	-	(2,368,817)
Transfers in	924,425	-	-	-	2,999,332
Transfers out	-	-	-	-	-
Total contributions and transfers	924,425	-	4,911,763	-	630,515
Change in Net Position	$ (376,912)	$ (172,616)	$ 5,073,102	$ 233,650	$ 154,755

Source: Frederick County Finance Division
* Projected as of June 30, 2021

The budgeted operating revenue of CCRC for fiscal year 2022 are $21,836,044. This decline in revenue is a direct result of the COVID-19 pandemic. The fiscal year 2022 budget includes a one percent increase to the Medicaid system as well as a one percent increase to the private pay rates. Budgeted operating expenses for fiscal year 2022 are $21,681,625. The increase for fiscal year 2022 reflects a stable employee count and an average increase for salaries at two percent. The fiscal year 2022 budget includes 183 full time equivalent positions, consisting of full-time and part-time personnel.

The budgeted operating revenue of the MAL Facilities for fiscal year 2022 are $1,885,809. This decline is a direct result of the COVID-19 pandemic. Budgeted operating expenses for fiscal year 2022 are $4,540,384, which reflect an average increase for salaries of two percent and an increase in the cost for contracted services from CCRC of two percent. The fiscal year 2022 budget includes 28 employees, consisting of full-time and part-time personnel. The capacity of Montevue Assisted Living is 75, of which at the close of fiscal year 2020, 31 residents were participants in the financial subsidy program of the facility. These residents are unable to provide for the full cost of their care. The funds to assist these residents are generated by Citizens Care and Rehabilitation Center. No County funds are contributed to this program. The cost of this program in fiscal year 2022 is budgeted at $1,824,493.

CERTAIN DEBT INFORMATION

Bonded Indebtedness of the County

The County has the power to incur debt without specific enabling legislation from the Maryland General Assembly. The aggregate amount of County general obligation debt is limited to an amount equal to three percent of the assessable basis of real property of the County and nine percent of the County's assessable basis of personal property and operating real property. Section 508 of the County Charter was amended changing the calculation to three percent of the assessable basis of real property and nine percent of the assessable base of personal property.

As of July 1, 2021, this limit is estimated at approximately $1.05 billion, of which $0.44 million is available. This limit does not apply to the following categories of debt: tax anticipation notes or other evidences of indebtedness having a maturity not in excess of 12 months; debt payable primarily or exclusively from taxes levied in or on, or other revenues of, special taxing areas or community development authorities; and debt issued for self-liquidating and other projects payable primarily or exclusively from the proceeds of assessments or charges for special benefits or services.

Incurrence of debt is authorized by legislation enacted by the County Council and approved by the County Executive in accordance with the provisions of the Charter. All such legislation may be referred to the voters of the County for referendum if a petition signed by at least seven percent of the registered voters of the County is filed with the Board of Elections for the County no later than fifty-nine days following the date the legislation is enacted. In addition, the County may (i) incur debt for the purpose of providing funds for the construction of water, sewage, drainage systems and solid waste systems, as long as the amount issued, less any sinking funds or reserves to pay such bonds, does not exceed 6% of the valuation of all legally assessable property within Frederick County subject to unlimited County taxation and (ii) incur debt for the purposes of providing funds for the construction and improvement of public schools per Sections 5.601- 5.604 of the Education Volume of the Annotated Code of Maryland, as amended. The County also continues to utilize the existing borrowing authority of Chapter 54 of the Laws of Maryland of 2012 during the transition from the former County Commissioners form of government to the current charter form of government.

Except as described in "COUNTY GOVERNMENT AND ADMINISTRATION - Leases and Other Contracts" above, the County is not a party to any long-term leases, lease-purchase obligations, joint ventures, guaranteed debt, "moral obligation" indebtedness, output or supply contracts, take or pay or similar contracts or any other form of contingency indebtedness that does not appear on its balance sheet.

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Schedule of Long-Term Loans and Bonded Indebtedness

The table below sets forth the amount of the County's long-term general obligation bonded indebtedness issued and outstanding as of June 30, 2021.

	Date of Debt Issue	Date of Debt Maturity	Amount of Original Issue	Amount Outstanding 6/30/2021
General Government Debt				
Public Facilities Refunding Bonds of 2006	2/1/2006	11/1/2022	12,608,476	5,473,063
Public Facilities Bonds of 2011, Series A	8/4/2011	8/1/2031	55,810,000	1,605,000
Public Facilities Refunding Bonds of 2012	2/9/2012	8/1/2017	59,842,669	26,360,557
Public Facilities Bonds of 2013	5/2/2013	5/1/2033	26,800,000	7,447,758
Public Facilities Bonds of 2014, Series A	7/8/2014	8/1/2034	32,117,727	1,850,727
Public Facilities Refunding Bonds of 2014, Series C	11/25/2014	6/1/2028	12,429,335	12,042,661
Public Facilities Bonds of 2016, Series A	6/29/2016	8/1/2036	77,186,341	66,752,335
Public Facilities Ref Bonds of 2017A (2020 Crossover)	4/11/2017	2/1/2030	56,901,147	52,329,181
Public Facilities Ref Bonds of 2017B	12/20/2017	8/1/2031	35,860,543	34,743,646
Public Facilities Bonds of 2018A	3/7/2018	8/1/2037	84,465,639	75,738,327
Public Facilities Bonds of 2019A	9/24/2019	8/1/2039	98,509,493	95,394,128
Public Facilities Refunding Bonds, Series 2019B	9/24/2019	8/1/2034	26,747,887	26,747,887
Public Facilities Refunding Bonds, Series 2020A	3/26/2010	6/1/2027	7,860,393	7,745,265
Public Facilities Refunding Bonds, Series 2020B	9/24/2020	10/1/2021	7,830,000	7,830,000
FY2017 Capital Lease	5/19/2017	4/1/2027	3,704,232	1,891,955
FY2019 Capital Lease	11/16/2018	10/1/2025	7,008,003	4,747,358
Installment Purchase Agreements	VARIOUS	VARIOUS	48,519,652	48,519,652
Total General Government Debt			$654,201,537	$477,219,500
Less: Installment Purchase Agreements			(48,519,652)	(48,519,652)
Less: Capital Leases			(10,712,235)	(6,639,313)
Total Serial Bond General Government Debt			$594,969,650	$422,060,535
Proprietary Fund Debt				
Maryland Department of the Enviroment Loans	VARIOUS	VARIOUS	$73,665,546	$41,605,718
Public Facilities Refunding Bonds of 2006	2/1/2006	11/1/2022	7,756,524	3,366,937
Public Facilities Refunding Bonds of 2012	2/9/2012	8/1/2024	25,232,331	14,339,443
Public Facilities Bonds of 2013	5/2/2013	5/1/2033	4,650,000	1,292,242
Public Facilities Bonds of 2014, Series A	7/8/2014	8/1/2034	2,677,273	154,273
Public Facilities Refunding Bonds of 2014, Series C	11/25/2014	6/1/2028	4,285,665	4,152,339
Public Facilities Refunding Bonds of 2016, Series A	6/29/2016	8/1/2036	8,218,659	7,107,665
Public Facilities Refunding Bonds of 2016, Series B	6/29/2016	8/1/2036	34,820,000	29,060,000
Public Facilities Ref Bonds of 2017A (2020 Crossover)	4/11/2017	2/1/2030	16,963,853	15,600,819
Public Facilities Ref Bonds of 2017B	12/20/2017	8/1/2031	824,457	731,354
Public Facilities Bonds of 2018A	3/7/2018	8/1/2037	15,269,361	13,691,673
Public Facilities Bonds of 2019A	9/24/2019	8/1/2039	7,735,507	7,490,872
Public Facilities Refunding Bonds, Series 2019B	9/24/2019	8/1/2034	3,267,113	3,267,113
Public Facilities Refunding Bonds, Series 2020A	3/26/2010	6/1/2027	5,794,607	5,709,735
FY2019 Capital Lease	11/16/2018	10/1/2025	212,000	201,516
Xerox CCRC Lease	1/31/2020	1/31/2025	143,573	105,047
Total Proprietary Debt			$211,516,469	$147,876,746
Less: Capital Lease			(355,573)	(306,563)
Less: MDE Loans			(73,665,546)	(41,605,718)
Total Serial Bond Proprietary Debt			137,495,350	105,964,465
Total Serial Bond Long-Term Indebtedness			$732,465,000	$528,025,000

Source: Frederick County Finance Division.

Maryland Department of the Environment Loans

The Department of the Environment of the State of Maryland ("MDE") through the Maryland Water Quality Financing Administration, makes funds available to local governments at below market interest rates for certain water quality and drinking water projects. Proceeds of the loans are dispersed to the County as draws according to construction payments.

The County has been a participant in the MDE's loan program since fiscal year 1992. As of June 30, 2021, the County has authorized and approved borrowings in an aggregate principal amount of $66,385,041 for two water and sewer loans. The County has also authorized and approved borrowings in an aggregate principal amount of $7,280,505 for one solid waste loan. The outstanding principal on these MDE loans as of June 30, 2021 is $41,605,718. These loans have interest rates of 0.80 – 1.00%.

On June 20, 2013, the County entered into two loan agreements with the Maryland Department of the Environment (MDE) for the purpose of replacing the aging water distribution system located in the Village of Rosemont. The principal amount approved for the first loan to be repaid to MDE is $202,455, maturing on February 1, 2036. The second loan was approved in the amount of $1,500,000. At any time prior to June 20, 2023, the principal advanced under the second loan agreement shall be payable in full on demand. MDE has agreed to forgive the repayment of the principal amount of the loan and interest payable, so long as the County performs all of its other obligations under the loan agreement. As of June 30, 2021, $202,455 of the first loan and $1,417,182 of the second loan have been drawn.

Other Loans and Bonds

Community Development Authority (Special Tax) Financing

The County has issued special obligation bonds for Urbana, Villages of Lake Linganore, Jefferson Technology Park, and Oakdale-Lake Linganore Community Development Authorities. These bonds were for infrastructure costs within the boundaries of the respective Authorities. These bonds are secured by special taxes levied on the properties within the respective Authorities. These are limited obligation bonds and as such do not pledge the full faith and credit of the County.

Most recently, on November 12, 2020, the County refunded all of the outstanding Series 2010A and 2010B bonds for debt service savings, and simultaneously issued approximately $25.5 million of subordinate special obligation bonds to finance various public improvements related to the expanded portion of the Urbana Community Development Authority.

Tax Increment Financing

The County has issued Tax Increment Financing Bonds to finance a portion of the infrastructure in the Jefferson Technology Park and Oakdale-Lake Linganore Development Districts. The County surrenders its tax revenues on the incremental increase in property taxes within the districts to pay the debt service on these bonds. Cash and the related liability to bondholders are accounted for in an Agency Fund. These are limited obligation bonds and as such, do not pledge the full faith and credit of the County. More recent series of these bonds are supported by additional special tax assessments within the districts, if needed.

On July 19, 2012, the former Board of County Commissioners enacted ordinances and adopted resolutions creating the Jefferson Technology Park Development District (the "Development District"), authorizing the issuance of special obligation bonds to finance infrastructure costs within the Development District, pledging certain incremental tax revenues to the payment of debt service on such bonds, and authorizing the levy of special taxes within the Development District to pay debt service on such bonds. These bonds were issued on August 6, 2018. These bonds were restructured to take advantage of market conditions and ease the debt service burden. The new bonds were issued on September 17, 2019 in the amount of $44,370,000. Series 2020A Bonds were issued in the amount of $7,040,000 and are supported by Community Development Authority (CDA) taxes. The Series 2020B Bonds were issued in the amount of $37,330,000 and are supported by incremental taxes with support of CDA taxes, should the incremental taxes are not sufficient to pay debt service. No additional bonds will be issued for infrastructure costs within the Development District.

On March 6, 2014, the former Board of County Commissioners enacted ordinances and adopted resolutions creating the Oakdale-Lake Linganore Development District (the "Development District"), authorizing the issuance of special obligation bonds to finance infrastructure costs within the Development District, pledging certain incremental tax revenues to the payment of debt service on such bonds, and authorizing the levy of special taxes within the Development District to pay debt service on such bonds. These bonds were issued on November 14, 2014, as draw down bonds. These bonds were marketed and issued on December 19, 2019 in the amount of $17,415,000. No additional bonds will be issued for infrastructure costs within the Development District.

Below is information on the current outstanding Tax Increment Financing and Community Development Authority bond issues.

Conduit Borrower	TIF/CDA	Amount of Original Issue	Date of Debt Issue	Date of Debt Maturity	Interest Rate	Amount Outstanding 6/30/2019
Lake Linganore - Series 2001A	CDA-Term	$4,285,000	02/05/01	07/01/29	5.700%	$2,375,000
Lake Linganore - Series 2007A	CDA-Loan	3,114,000	09/20/07	07/01/29	0.000%	1,439,411
Lake Linganore - Series 2007B	CDA-Loan	3,232,142	09/20/07	03/01/28	0.000%	1,292,142
Urbana CDA - Series 2020A	CDA-Term	65,355,000	11/12/20	07/01/40	4.00-5.00%	65,355,000
Urbana CDA - Series 2020B	CDA-Term	1,410,000	11/12/20	07/01/40	4.000%	1,410,000
Urbana CDA - Series 2020C	CDA-Term	25,505,000	11/12/20	07/01/50	4.000%	25,505,000
Jefferson Technology Park - Series 2020A	CDA-Serial	7,040,000	09/17/19	07/01/43	5.000%	6,965,000
Jefferson Technology Park - Series 2020B	TIF/CDA-Serial	37,330,000	09/17/19	07/01/43	4.625%	36,925,000
Oakdale-Lake Linganore - Series 2019	TIF/CDA-Serial	17,415,000	12/19/19	07/01/39	2.625-3.750%	17,415,000
						$ 158,681,553

Source: Frederick County Finance Division.

Maryland Department of Housing and Community Development Loan

The County is using the Bell Court Apartment project as residential rental units for lower income households. The deed of trust deferred all principal and interest payments to the Department of Housing and Community Development of the State of Maryland (DHCD), which loaned funds for the construction project, in perpetuity, provided contractual responsibilities were followed. Should the County cease to use the project for this purpose or refinance, sell, transfer or convey the project, the County would be obligated to DHCD for the principal and interest amount of the loan and other specified costs. The principal and interest and associated costs would also become immediately due if any encumbrance is placed upon the project without the prior written consent of DHCD or in the event of default as defined in the deed of trust. The principal amount of the loan is $1,813,056.

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Summary of Debt Service Requirements

The following tables illustrate the County's schedules of projected debt service requirements for outstanding long-term obligations as of June 30, 2021.

Summary of Debt Service Requirements for Outstanding Long-Term Loans and Bonds

Fiscal	General Government Debt		Proprietary Debt		Total Long-Term Indebtedness		Total
Year	Principal	Interest	Principal	Interest	Principal	Interest	Indebtedness
2022	$ 38,559,290	$ 17,961,974	$ 13,465,619	$ 4,198,871	$ 52,024,909	$ 22,160,845	$ 74,185,754
2023	36,002,145	16,737,498	13,874,441	3,758,712	49,876,586	20,496,210	70,372,796
2024	32,905,769	15,113,794	12,512,534	3,348,614	45,418,303	18,462,408	63,880,711
2025	33,675,657	13,542,804	12,868,887	2,952,806	46,544,544	16,495,610	63,040,154
2026	32,065,725	12,056,215	13,135,002	2,630,336	45,200,727	14,686,551	59,887,278
2027	34,482,391	10,760,386	13,031,155	2,292,332	47,513,546	13,052,718	60,566,264
2028	33,825,676	9,280,213	10,579,974	1,965,457	44,405,650	11,245,670	55,651,320
2029	30,473,155	7,753,249	9,527,869	1,667,877	40,001,024	9,421,126	49,422,150
2030	29,594,317	6,305,329	9,804,243	1,399,901	39,398,560	7,705,230	47,103,790
2031	25,352,063	5,078,081	7,891,410	1,126,683	33,243,473	6,204,764	39,448,237
2032	22,141,262	4,052,916	7,246,870	967,233	29,388,132	5,020,149	34,408,281
2033	20,039,359	3,421,299	4,339,200	647,691	24,378,559	4,068,990	28,447,549
2034	19,168,760	2,841,960	4,140,243	518,367	23,309,003	3,360,327	26,669,330
2035	19,291,040	2,298,764	4,266,127	395,417	23,557,167	2,694,181	26,251,348
2036	19,431,587	1,802,200	4,206,527	269,773	23,638,114	2,071,973	25,710,087
2037	19,170,242	1,218,062	4,335,357	141,210	23,505,599	1,359,272	24,864,871
2038	14,599,985	730,296	1,566,063	51,366	16,166,048	781,662	16,947,710
2039	8,612,252	392,798	507,109	20,311	9,119,361	413,109	9,532,470
2040	6,624,784	114,283	520,213	6,828	7,144,997	121,111	7,266,108
2041	1,204,041	44,340	-	-	1,204,041	44,340	1,248,381
Totals	$ 477,219,500	$ 131,506,461	$ 147,818,843	$ 28,359,785	$ 625,038,343	$ 159,866,246	$ 784,904,589

Source: Frederick County Finance Division.

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Schedule of Debt Service Requirements
As Adjusted to Reflect the Issuance of the 2021 Bonds

Fiscal Year as of June 30	Total Debt Service(1)	LESS: Refunded Bonds Debt Service(1)	General Obligation Public Facilities Project and Refunding Bonds, Series 2021A Principal	Interest(2)	General Obligation Public Facilities Taxable Refunding Bonds, Series 2021B Principal	Interest(3)	Adjusted Total Debt Service(1)
2022	$74,185,754	$9,916,318	$0	$2,533,911	$0	$261,057	$67,064,405
2023	70,372,796	4,882,550	$4,995,000	4,859,869	165,000	513,391	76,023,505
2024	63,880,711	3,635,900	5,250,000	4,603,744	165,000	513,019	70,776,574
2025	63,040,154	3,628,300	5,515,000	4,334,619	165,000	512,483	69,938,956
2026	59,887,278	3,736,100	5,795,000	4,051,869	305,000	511,009	66,814,056
2027	60,566,264	3,737,975	6,100,000	3,754,494	330,000	508,430	67,521,213
2028	55,651,320	1,892,225	6,405,000	3,441,869	765,000	502,711	64,873,674
2029	49,422,150	4,864,350	6,725,000	3,113,619	5,070,000	468,007	59,934,425
2030	47,103,790	128,850	7,075,000	2,768,619	390,000	434,954	57,643,513
2031	39,448,237	128,850	7,445,000	2,405,619	2,545,000	414,252	52,129,258
2032	34,408,281	2,233,850	7,820,000	2,023,994	4,700,000	359,758	47,078,182
2033	28,447,549	2,255,700	8,185,000	1,664,794	4,795,000	284,973	41,121,615
2034	26,669,330	0	8,410,000	1,438,019	1,535,000	232,798	38,285,146
2035	26,251,348	0	8,545,000	1,305,516	1,565,000	204,115	37,870,979
2036	25,710,087	0	8,675,000	1,165,603	1,595,000	172,899	37,318,589
2037	24,864,871	0	8,830,000	1,017,856	1,635,000	138,974	36,486,701
2038	16,947,710	0	8,985,000	861,975	1,665,000	102,666	28,562,351
2039	9,532,470	0	9,155,000	697,528	1,710,000	63,843	21,158,841
2040	7,266,108	0	9,330,000	518,400	1,750,000	21,875	18,886,383
2041	1,248,381	0	9,515,000	329,950	0	0	11,093,331
2042	0	0	9,710,000	137,700	0	0	9,847,700
2043	0	0	185,000	38,750	0	0	223,750
2044	0	0	190,000	35,000	0	0	225,000
2045	0	0	195,000	31,150	0	0	226,150
2046	0	0	195,000	27,250	0	0	222,250
2047	0	0	200,000	23,300	0	0	223,300
2048	0	0	205,000	19,250	0	0	224,250
2049	0	0	210,000	15,100	0	0	225,100
2050	0	0	215,000	10,850	0	0	225,850
2051	0	0	215,000	6,550	0	0	221,550
2052	0	0	220,000	2,200	0	0	222,200
Total	**$784,904,589**	**$41,040,968**	**$154,495,000**	**$47,238,965**	**$30,850,000**	**$6,221,211**	**$982,668,798**

(1) Totals may not add due to rounding.

(2) Interest rates range from 1.50% to 5.00%.

(3) Interest rates range from 0.20% to 2.50%.

Source: Frederick County Finance Division and Davenport & Company.

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The following table sets forth the County's general obligation long-term debt (including notes payable, capital leases, and installment purchase agreements) per capita and ratio of debt to assessment for the five most recent fiscal years:

Fiscal Year	General Government Debt	Property Tax Assessment	Debt to Assessment	Population (1)	Debt Per Capita
2021…	$ 507,688,135	$ 33,798,784,065	1.50%	n/a	n/a
2020…	477,219,499	32,206,374,692	1.48%	265,480	1,798
2019…	514,760,538	30,689,657,964	1.68%	255,648	2,014
2018…	549,476,863	29,758,193,877	1.85%	255,265	2,153
2017…	505,330,594	28,348,184,452	1.78%	249,277	2,027

(1) Population estimate from the Frederick County Planning and Permitting Division (not yet available for fiscal year 2021).

Source: Frederick County Finance Division.

The following table sets forth the County's General Fund debt service as a percentage of General Fund revenues for each of its five most recent fiscal years:

Fiscal Year	General Fund Revenues	Debt Service Expenditures	Percentage
2021*	$ 701,034,573	$ 45,635,969	6.51%
2020	639,487,207	54,391,141	8.51%
2019	615,983,000	47,969,439	7.79%
2018	575,477,432	42,208,482	7.33%
2017	547,901,300	38,226,549	6.98%

*Fiscal Year 2021 Balances are estimated.

County established a debt service fund in fiscal year 2017. The debt service expenditures above are recorded in the debt service funds and only include those not paid with other resources.

Source: Frederick County Finance Division.

Number of Years	Principal Retired	Percent of Debt Retired
5	$ 239,065,069	38.25%
10	443,627,322	70.98%
15	567,898,297	90.86%
20	625,038,343	100.00%

Source: Frederick County Finance Division.

The following table sets forth the computation of direct and overlapping governmental activities debt of the municipalities within the County as of June 30, 2020:

Governmental Unit	Debt Outstanding (1)	Percentage Applicable	Share of Direct and Overlapping Debt
Direct:			
Frederick County	$ 542,626,203	100%	$ 542,626,202
Overlapping Debt:			
Component Units			
Frederick County Public Schools	31,945,115	100%	31,945,115
Frederick Community College	5,381,991	100%	5,381,991
Towns, Cities and Villages:			
Brunswick	2,625,859	100%	2,625,859
Burkittsville	161,793	100%	161,793
Emmitsburg	14,800	100%	14,800
Frederick City	57,815,842	100%	57,815,842
Middletown	2,159,915	100%	2,159,915
Myersville	4,087,738	100%	4,087,738
Thurmont	438,978	100%	438,978
Subtotal Overlapping Debt	104,632,031		104,632,031
Totals	$ 647,258,234		$ 647,258,233

(1) Debt repaid by general government activities.

Source: Frederick County Finance Division.

Capital Budget

The following table sets forth the different classes of capital projects and the amounts included in the Capital Budget for fiscal year 2022 and the amounts included in the Capital Improvement Program for the next five fiscal years indicated:

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Project Categories						
General Government	$ 57,910,189	$ 22,203,732	$ 37,095,904	$ 26,966,994	$ 26,886,333	$ 27,579,628
Parks and Recreation	5,355,439	14,851,836	4,420,648	8,737,897	11,455,731	4,008,427
Watershed Restoration & Retrofit	6,774,334	5,935,231	7,693,689	6,880,523	7,314,231	6,662,500
Roads	1,113,900	21,494,900	490,400	5,915,600	3,074,000	3,480,200
Bridges	3,178,400	1,706,800	1,541,000	1,798,900	1,625,600	1,300,600
Highways	24,311,642	19,385,450	22,006,282	26,855,813	20,153,850	20,110,100
Water & Sewer	27,262,600	35,588,200	26,515,000	21,196,500	27,176,920	85,707,839
Solid Waste	210,000	410,000	1,710,000	210,000	210,000	210,000
Community College	6,531,790	1,600,000	6,010,000	8,042,426	6,018,824	2,400,000
Board of Education	50,996,737	36,930,193	31,563,628	55,448,381	56,180,072	55,292,979
Municipalities	508,940	177,500	164,784	12,500	100,000	25,000
Total - Projects	$184,153,971	$160,283,842	$139,211,335	$162,065,534	$160,195,561	$206,777,273
Sources of Funds						
General Fund	$ 19,526,252	$ 18,890,775	$ 19,938,304	$ 25,639,472	$ 20,437,284	$ 22,780,622
General Fund Bond/Leases	78,639,057	62,734,709	58,558,140	66,904,236	59,283,069	58,505,742
Recordation Tax/Bonds	11,127,828	12,337,598	4,101,235	8,008,412	13,970,293	6,177,734
Impact Fees/Bonds	9,779,248	7,509,225	16,764,081	9,615,327	9,134,934	6,500,000
School Mitigation Fee	3,000,000	-	-	2,000,000	-	-
Enterprise Fees/Bonds	5,969,901	16,001,875	9,106,675	1,413,850	6,391,708	54,952,396
Grants	31,420,877	19,415,891	17,472,267	20,875,226	20,310,308	19,292,967
Other	24,690,808	23,393,769	13,270,633	27,609,011	30,667,965	38,567,812
Total - Source of Funds	$184,153,971	$160,283,842	$139,211,335	$162,065,534	$160,195,561	$206,777,273

Source: Frederick County Budget Office.

The County has consistently used a plan of "pay-as-you-go" financing. Under the pay-as-you-go approach, the County financed the construction of certain of its capital projects by appropriation of revenues from the current funds of the County. Monies expended under General Fund "pay-as-you-go" are as follows:

Fiscal Year	**General Fund "Pay-As-You-Go" Funds**
2022**	$ 19.5 million
2021*	$ 18.2 million
2020	$ 18.9 million
2019	$ 16.6 million
2018	$ 15.0 million

Source: Frederick County Budget Office
*Fiscal Year 2021 estimated.
**Fiscal Year 2022 budgeted amount.

Through use of pay-as-you-go, the County has sought to reduce the aggregate amount of general obligation indebtedness issued that would otherwise bear interest to finance the construction of capital projects.

Future General Obligation Issues

The County's Capital Improvement Program is an ongoing process, which requires periodic issuance of the County's general obligation bonds to fund any portion of such program appropriated from general obligation funds. The County plans to issue bonds in September 2021 to finance projects from the Capital Improvement program.

Potential Impact of COVID-19 Pandemic on the County

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security (CARES) Act was passed by Congress and signed into law on March 27, 2020. The CARES Act provided a $150 billion Coronavirus Relief Fund (CRF) for states, U.S. territories, local and tribal governments that can be used for necessary expenditures incurred due to the COVID-19 pandemic that were not accounted for in the most recently approved budget as of March 27, 2020. The County as of June 30, 2021, has received and expended its allocation of $45,288,950 million in CRF. The CRF funding was spent on programs to address various government, community and business needs related to the pandemic, including COVID-19 contract tracing and testing, financial assistance for County businesses, emergency rental assistance, food assistance, congregate housing for vulnerable people, the purchase of personal protective equipment as well as compensation, overtime and hazard pay for essential employees.

Additionally, as of June 30, 2021, the County received approximately $36,599,191 million of other COVID-19 pandemic related aid from federal and state sources. This funding is allocated to support COVID-19 vaccinations and for similar purposes as those expended under the CARES Act funding.

The American Rescue Plan Act of 2021, which was enacted on March 11, 2021, provides $350 billion in Coronavirus State and Local Fiscal Recovery Funds to help states, local governments, U.S. territories and tribal governments cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. Such funds may be used to (1) respond to the COVID-19 pandemic and its economic effects, including through aid to households, small businesses, nonprofits, and industries such as tourism, travel and hospitality, (2) provide premium pay to eligible essential workers, (3) provide government services affected by a revenue reduction resulting from the COVID-19 pandemic and (4) make investments in water, sewer or broadband infrastructure. The County anticipates receiving approximately $50.4 million from the Coronavirus Local Fiscal Recovery Fund under the American Rescue Plan Act, subject to final calculation of the funding allocations. The County received the first of two allocations in the amount of $25.2 million in May 2021. The County plans to spend this funding on its on-going COVID-10 public health response and prevention efforts; addressing economic harm resulting from, or exacerbated by, the pandemic; programs, services or other assistance to help address disproportionate public health and economic impacts of the hardest-hit communities; and the continuation of critical government programs and services. When received, the second portion of funds from the Coronavirus Local Fiscal Recovery Fund under the American Rescue Plan Act is eligible for disbursement not earlier than one year after disbursement of initial funds.

The COVID-19 pandemic continues as a public health issue, and the County cannot determine at this time the future effects of the pandemic on the County's actual and estimated revenues and expenses or the long-term impact on the State and local economy. The ongoing COVID-19 pandemic may cause additional economic and health challenges that cannot be anticipated at this time. The County, however, remains committed to taking appropriate actions to ensure the well-being of its residents and employees as well as to manage its budget in a fiscally responsible manner.

COUNTY LITIGATION

The County is currently involved in a number of legal disputes involving such matters as civil rights violations, construction contracts, land use, personnel matters, motor vehicle accidents and other negligence claims. Many of these are covered by insurance in whole or in part. Since certain of these disputes involve unspecified damages, it is not possible to provide a total of the damages claimed. In the opinion of the County Attorney, such matters are unlikely to result, singly or collectively, in total liabilities that would have a material effect on the financial condition of the County.

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

The fiscal year 2020 financial statements of the County have been audited by SB & Company, LLC, independent certified public accountants. The fiscal year 2020 financial statements can be found on the County's website (www.frederickcountymd.gov/reports).

VERIFICATION OF MATHEMATICAL COMPUTATIONS

American Municipal Tax-Exempt Compliance ("AMTEC"), a firm of independent arbitrage consultants, upon delivery of the Bonds, will deliver to the County its attestation report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of computations prepared by Davenport & Company LLC, related to (a) sufficiency of the anticipated receipts from the Governmental Obligations, together with the initial cash deposit, if any, to pay, when due, the principal, interest and early redemption premium requirements of the Refunded Bonds.

The report of AMTEC will include the statement that the scope of their engagement was limited to verifying the mathematical accuracy of the computations contained in such schedules provided to them and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

FINANCIAL ADVISOR

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

SALE AT COMPETITIVE BIDDING

The Bonds were offered by the County at competitive bidding on September 14, 2021 in accordance with the respective Notices of Sale (the forms of which is included herewith as Appendix D and Appendix E, respectively). The interest rates shown on the cover page of this Official Statement are interest rates to the County resulting from the award of the Bonds at the competitive bidding therefor. Yields or prices shown on the cover page of this Official Statement are based on information supplied to the County by the successful bidders. Any other information concerning the terms of reoffering of the Bonds, if any, including yields or prices should be obtained from the successful bidders therefor, and not from the County.

Morgan Stanley & Co. LLC., an underwriter of the Taxable Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Taxable Bonds.

CERTIFICATE OF COUNTY OFFICIALS

Simultaneously with or before delivery of and payment for the Bonds, the County will furnish to the Underwriter a certificate of the County Executive and the Director of Finance, which shall state that, to the best of their knowledge and belief, this Official Statement (and any amendment or supplement thereto) as of the date of sale 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 herein, in the light of the circumstances under which they were made, not misleading; and that between the date of sale 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 this Official Statement (and any amendment or supplement thereto).

CONTINUING DISCLOSURE UNDERTAKING

In order to enable the participating underwriter, 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 form of which is attached to this Official Statement as Appendix C. Potential purchasers of the Bonds should note that the definition of Listed Events in Appendix C 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 and matters affecting collateral for the Bonds.

During the last five years, the County has not failed to comply in any material respect with the terms and provisions of previous continuing disclosure agreements entered into in order to comply with the requirements of Rule 15c2-12.

MISCELLANEOUS

Financial data presented in this Official Statement which are identified as having been furnished by the County from its records, unless otherwise stated, reflect data prepared from the County's official records, which are public documents and which are believed to be accurate and reliable. Other data have been prepared by or furnished by sources (identified herein) which the County believes to be accurate and reliable, but the County does not guarantee the accuracy of such data. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement or any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

This Official Statement has been prepared by the County. Davenport & Company LLC, Financial Advisor to the County, has assisted the County with this financing. This Official Statement has been approved, authorized and executed by the appropriate officials of the County for use in connection with the sale of the Bonds, all pursuant to the legislation authorizing the issuance of the Bonds.

So far as any statements are made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of any of the Bonds. Reference is made to Appendix B for the form of legal opinion on the validity of the Bonds.

The execution of this Official Statement and its delivery have been approved by the County.

BY: /S/ JAN H. GARDNER

Jan H. Gardner
County Executive

BY: /S/ ERIN WHITE, CPA

Erin White, CPA
Director of Finance

Appendix A

The County's Fiscal Year 2020 Comprehensive Annual Financial Report can be viewed at
www.frederickcountymd.gov/reports

The County's Fiscal Year 2022 Budget Documents can be viewed at
https://www.frederickcountymd.gov/66/Budget-Office

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Appendix B -1

FORM OF BOND COUNSEL OPINION – 2021A

Frederick County, Maryland
Winchester Hall
12 East Church Street
Frederick, Maryland 21701

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Frederick County, Maryland (the "County"), a body politic and corporate and a political subdivision of the State of Maryland (the "State"), of its Frederick County, Maryland, General Obligation Public Facilities Project and Refunding Bonds, Series 2021A, in an aggregate principal amount of $154,495,000 (the "2021A Bonds") dated September 28, 2021.

In such capacity, we have examined the law and such certified proceedings and other papers as we deem necessary to render the opinions set forth below.

We are qualified to practice law in the State, and we do not purport to be experts on, or to express any opinion herein concerning, any law other than the law of the State and the federal law of the United States of America.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

We express no opinion herein as the accuracy, adequacy or completeness of the Official Statement relating to the 2021A Bonds.

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

Based upon the foregoing, we are of the opinion that, under existing Maryland and federal law and as of the date hereof:

1. The County is a validly created and existing body politic and corporate and political subdivision of the State, possessing authority under the Acts (as hereafter defined) to issue the 2021A Bonds.

2. The 2021A Bonds are issued for valid public purposes as provided in Bill No. 17-03 enacted by the Frederick County Council on April 4, 2017, Bill No. 19-19 enacted by the County Council on January 21, 2019, Section 10-203 and Section 19-101 of the Local Government Chapter of the Annotated Code of Maryland, as amended, Chapter 2-13 of the Code of Public Local Laws of Frederick County (1979), as amended, and Sections 5-601 through 5-604 of the Education Volume of the Annotated Code of Maryland, as amended (collectively, the "Acts") and Resolution No. 21-23 of the County adopted on August 24, 2021 (the "Resolution"), and the issuance thereof is within every debt and other similar legal limit applicable to the County.

3. The Resolution has been validly adopted.

4. All actions for the authorization, approval, sale, execution and delivery of the 2021A Bonds have been taken in full compliance with the Constitution and laws of the State, the laws of the County, the Acts and the Resolution.

5. The 2021A Bonds are valid and binding general obligations of the County to the payment of which the County has pledged its full faith and credit and unlimited taxing power, and are payable as to principal, premium, if any, and interest from ad valorem property taxes upon all the legally assessable property within the corporate limits of the County, and the County is required by law to levy and collect such taxes in rate and amount sufficient to provide for such payments when due.

6. By the terms of the Acts, the 2021A Bonds, their transfer, the interest payable on them, and any income derived therefrom, including any profit made in their sale shall be exempt from State, county, municipal or other taxation of every kind and nature whatsoever within 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 2021A Bonds or the income therefrom.

7. Interest on the 2021A Bonds is excluded from gross income for federal income tax purposes, and interest on the 2021A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the 2021A Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The County has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2021A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2021A Bonds. In addition, interest on the 2021A Bonds may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States.

Other than as set forth in the preceding paragraphs 6 and 7, we express no opinion regarding the federal or state income tax consequences arising with respect to the 2021A Bonds.

The rights of the holders of the 2021A Bonds and the enforceability of the 2021A Bonds are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and to the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or a court of equity).

Very truly yours,

[to be signed "Venable LLP"]

Appendix B -2

FORM OF BOND COUNSEL OPINION – 2021B

Frederick County, Maryland
Winchester Hall
12 East Church Street
Frederick, Maryland 21701

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Frederick County, Maryland (the "County"), a body politic and corporate and a political subdivision of the State of Maryland (the "State"), of its Frederick County, Maryland, General Obligation Public Facilities Taxable Refunding Bonds, Series 2021B, in an aggregate principal amount of $30,850,000 (the "2021B Bonds") dated September 28, 2021.

In such capacity, we have examined the law and such certified proceedings and other papers as we deem necessary to render the opinions set forth below.

We are qualified to practice law in the State, and we do not purport to be experts on, or to express any opinion herein concerning, any law other than the law of the State and the federal law of the United States of America.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

We express no opinion herein as the accuracy, adequacy or completeness of the Official Statement relating to the 2021B Bonds.

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

Based upon the foregoing, we are of the opinion that, under existing Maryland and federal law and as of the date hereof:

1. The County is a validly created and existing body politic and corporate and political subdivision of the State, possessing authority under the Acts (as hereafter defined) to issue the 2021B Bonds.

2. The 2021B Bonds are issued for valid public purposes as provided Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Act") and Resolution No. 21-23 of the County adopted on August 24, 2021 (the "Resolution"), and the issuance thereof is within every debt and other similar legal limit applicable to the County.

3. The Resolution has been validly adopted.

4. All actions for the authorization, approval, sale, execution and delivery of the 2021B Bonds have been taken in full compliance with the Constitution and laws of the State, the laws of the County, the Acts and the Resolution.

5. The 2021B Bonds are valid and binding general obligations of the County to the payment of which the County has pledged its full faith and credit and unlimited taxing power, and are payable as to principal, premium, if any, and interest from ad valorem property taxes upon all the legally assessable property within the corporate limits of the County, and the County is required by law to levy and collect such taxes in rate and amount sufficient to provide for such payments when due.

6. By the terms of the Acts, the 2021B Bonds, their transfer, the interest payable on them, and any income derived therefrom, including any profit made in their sale shall be exempt from State, county, municipal or other taxation of every kind and nature whatsoever within 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 2021B Bonds or the income therefrom.

7. Under existing law, the interest on the 2021B Bonds is not excludable from gross income for Federal income tax purposes..

Other than as set forth in the preceding paragraphs 6 and 7, we express no opinion regarding the federal or state income tax consequences arising with respect to the 2021B Bonds.

The rights of the holders of the 2021B Bonds and the enforceability of the 2021B Bonds are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and to the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or a court of equity).

Very truly yours,

[to be signed "Venable LLP"]

Appendix C

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by **FREDERICK COUNTY, MARYLAND** (the "Issuer") in connection with the issuance of $154,495,000 Frederick County, Maryland General Obligation Public Facilities Project and Refunding Bonds, Series 2021A (the "2021A Bonds") and the $30,850,000 Frederick County, Maryland General Obligation Public Facilities Taxable Refunding Bonds, Series 2021B (the "2021B Bonds" and, together with the 2021A Bonds, the "Bonds"). The Bonds are being issued pursuant to Resolution No. 21-23 adopted on August 24, 2021 (the "Resolution"). 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 holders and the beneficial owners of the Bonds and to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The County'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 in the Resolution, 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:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 3 of this Disclosure Agreement.

"Annual Audited Financial Information" means the annual financial statements of the Issuer, as prepared in accordance with generally accepted accounting principles in effect from time to time consistently applied and which are audited by an independent certified public accountant or firm of such accountants.

The "Electronic Municipal Market Access (EMMA)" described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board (MSRB) for purposes of the Rule. The Electronic Municipal Market Access system, or EMMA, is a comprehensive, centralized online source for free access to municipal disclosures, market transparency data and educational materials about the municipal securities market. EMMA houses municipal disclosure documents that provide information for investors about municipal securities. EMMA also provides access to advance refunding documents, which detail arrangements made when new bonds are issued to establish escrows to pay-off existing bonds (usually to refinance their debt at a lower interest rate), and continuing disclosure documents that describe material information throughout the life of a bond and must be provided by municipal bond issuers. Additional disclosures that are voluntarily provided by issuers may be available for some bonds. EMMA is a service of the MSRB, the federal regulator of broker-dealers and banks that market, trade and underwrite municipal bonds, notes and other securities issued by state and local governments. The MSRB promotes investor protection through rulemaking and information collection and dissemination designed to promote transparency and public access. The MSRB collaborates with the Securities and Exchange Commission, Financial Industry Regulatory Authority, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and the United States Department of the Treasury's Office of the Comptroller of the Currency and Office of Thrift Supervision, all of which enforce compliance by brokers, dealers and banks with MSRB rules.

"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, and its successors.

"Official Statement" shall mean the Official Statement dated September 14, 2021 relating to the 2021A and 2021B Bonds.

"Participating Underwriters" shall mean 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(b)(5) 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 EMMA annual financial information and operating data generally consistent with the information contained under the headings "Certain Revenues and Expenditures" and "Certain Debt Information" in the Official Statement, such information to be made available within 270 days after the end of the Issuer's fiscal year, commencing with the fiscal year ending June 30, 2022.

(b) The Issuer shall provide to EMMA Annual Audited Financial Information, such information to be made available within 270 days after the end of the Issuer's fiscal year, commencing with the fiscal year ending June 30, 2020, 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.

(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 8 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 EMMA or to the Municipal Securities Rulemaking Board and the State Repository, if any.

The Issuer has not failed to comply with any prior undertakings under the Rule except as described in the section of the Official Statement titled "Continuing Disclosure Undertaking".

SECTION 4. ***Reporting of Significant Events.***

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following 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, if any, reflecting financial difficulties,

(v) substitution of credit or liquidity providers, if any, 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 security, or other material events affecting the tax 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 any 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,

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material,

(xv) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Bond holders, if material, and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in the above clause (a)(xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person 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 obligated person, or if such jurisdiction has been assumed by leaving the existing governmental 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 of liquidation by a court or governmental authority having supervision or jurisdiction over substantially all the assets or business of the obligated person.

For purposes of the event identified in the above clause (a)(xv), the term "Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall within ten (10) business days file a notice of such occurrence with the MSRB through EMMA.

(c) The Issuer shall file or cause to be filed with the MSRB notice of any change in its Fiscal Year not later than the date on which it files any information in the then current Fiscal Year.

(d) Any information required to be included in the Annual Bond Disclosure Report or Annual Audited Financial Information may be included by specific reference to other documents previously provided to the MSRB, if any, or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

SECTION 5. ***Termination of Reporting Obligation.*** The Issuer's obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. 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 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.

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 Annual Report 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 Annual Report 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 Annual Report 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 the 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 Director of Finance, Winchester Hall, 12 E. Church Street, Frederick, Maryland 21701, or at such alternate address as shall be specified by the Issuer with disclosures made pursuant to Section 4(a) or 4(b) hereof or a notice of occurrence of a Listed Event.

SECTION 10. ***Relationship to Bonds.*** The 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 Frederick 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.

Date: ________, 2021

ATTEST:	FREDERICK COUNTY, MARYLAND
____________________________	By: ____________________________
Richard P. Harcum	Jan H. Gardner
Chief Administrative Officer	County Executive

Appendix D

NOTICE OF SALE

FREDERICK COUNTY, MARYLAND

Relating to
$150,500,000* General Obligation Public Facilities Project and Refunding Bonds, Series 2021A

Sealed proposals or electronic bids via *PARITY*®
will be received until 10:00 A.M., local Frederick, Maryland time, on

Tuesday, September 14, 2021

Winchester Hall, 12 East Church Street, 1st Floor Hearing Room
Frederick, Maryland 21701

Electronic bids via **Parity**® will be received for the purchase of $150,500,000* aggregate principal amount of General Obligation Public Facilities Project and Refunding Bonds, Series 2021A (the "Bonds"). The Bonds will be dated the date of delivery (expected to be September 28, 2021) and bear interest payable semi-annually on each April 1 and October 1, beginning on April 1, 2022, until maturity or redemption.

The 2021A Bonds are issued pursuant to the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Bond Act"), Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Refunding Act"), Bill No. 17-03, enacted by the Frederick County Council on April 4, 2017 (the "2017 Bond Bill"), Bill No. 19-19 enacted by the County Council on January 21, 2019 (the "2019 Bond Bill"), Sections 2-13-1 through 2-13-31 of the Code of Public Local Laws of Frederick County (1979), as amended (the "Water and Sewer Act"), Sections 5-601 through 5-604 of the Education Volume of the Annotated Code of Maryland, as amended (the "School Bond Act" and, together with the Bond Act, the Refunding Act, the 2017 Bond Bill, the 2019 Bond Bill, and the Water and Sewer Act, the "Acts") and in accordance with Resolution No. 21-23 adopted by the Frederick County Council (the "County Council") on August 24, 2021 (the "Resolution"). .

General Provisions for the Bonds

The Bonds will mature on the first days of October in the following years and aggregate amounts:

Year of Maturity	Annual Amount Maturing October 1*	Year of Maturity	Annual Amount Maturing October 1*
2022	$4,700,000	2037	$9,055,000
2023	4,940,000	2038	9,240,000
2024	5,200,000	2039	9,425,000
2025	5,470,000	2040	9,610,000
2026	5,745,000	2041	9,810,000
2027	6,040,000	2042	185,000
2028	6,345,000	2043	190,000
2029	6,680,000	2044	190,000
2030	7,020,000	2045	195,000
2031	7,380,000	2046	200,000
2032	7,760,000	2047	205,000
2033	8,110,000	2048	210,000
2034	8,400,000	2049	215,000
2035	8,660,000	2050	220,000
2036	8,875,000	2051	225,000

The proceeds of the Bonds will be used to (i) provide funds for the design, planning, renovation and construction of County capital projects, (ii) refund the County's outstanding General Obligation Public Facilities Bond, Series 2020B, and (iii) to pay costs of issuance.

*Preliminary, subject to adjustment.

The Bonds shall be issued only in fully registered form without coupons. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such Bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates representing each maturity with DTC.

The Bonds will bear interest payable semiannually on April 1 and October 1 in each year, commencing April 1, 2022, until maturity or redemption. Interest will be paid to the persons in whose names the Bonds are registered on the registration books maintained by the Bond Registrar on the Regular Record Date, which is the fifteenth day of the month immediately preceding the month in which each such interest payment date occurs, by check mailed to each such person's address as it appears on such bond registration books.

Optional Redemption

The Bonds stated to mature on or before October 1, 2031 are not subject to redemption prior to their respective maturities. The Bonds stated to mature on or after October 1, 2032 are subject to redemption at the option of the County in whole or in part on any date on or after October 1, 2031, at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

All or None Bids

The County will not accept and will reject any bid for less than all of the above described Bonds. The right is reserved to reject any and all bids.

Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of the Bonds (all or none) via **Parity**®. Bids will be communicated electronically to the County no later than 10:00 a.m., local Frederick, Maryland time, on September 14, 2021. 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. For purposes of the electronic bidding process, the time as maintained on **Parity**® shall constitute the official time.

To the extent any instructions or directions set forth in **Parity**® conflict with this notice, the terms of this Notice shall control. For further information about **Parity**®**,** potential bidders may contact **Parity**® at Dalcomp (212) 849-5021.

Disclaimer

Each prospective electronic bidder shall be solely responsible to register to bid via **Parity**® as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access **Parity**® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of the 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 a bidder's failure to register to bid or 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 Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and 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, he should telephone **Parity**® at Dalcomp (212) 849-5021 and notify the County's Financial Advisor, Joseph Mason, at Davenport & Company LLC by facsimile at (866) 932-6660.

Adjustments of Principal Amounts

The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the County, both before and after the receipt of bids for their purchase. Changes to be made prior to the sale will be published on Parity/www.i-dealprospectus.com or TM3 News Service not later than 9:30 a.m. prevailing Eastern time on the date of sale and will be used to compare bids and select a winning bidder. Changes to be made after the sale and the maturity amounts for the Bonds will be communicated to the successful bidder by 3:00 p.m. prevailing Eastern time on the date of the sale, will be made only as necessary to accommodate the amount of premium bid, and will not reduce the aggregate principal amount of the Bonds by more than the premium amount of the bid. Such changes may result in the elimination of one or more maturities of the Bonds. In addition, the final maturity schedule for the Bonds will be communicated to the successful bidder by 4:00 p.m. prevailing Eastern time on the date of the sale. The dollar amount bid by the successful bidder shall be adjusted to reflect any adjustments in the principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue premium or discount, but will not change the per bond underwriter's discount as calculated from the bid and initial offering prices (as herein defined) required to be delivered to the County as stated herein. The coupon rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

Bid Specifications

Bidders shall state in their proposals the rate or rates of interest to be paid on the Bonds in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%), and each proposal shall be based and submitted on the rate or rates stated therein. Bidders may specify more than one rate of interest to be borne by the Bonds but the difference between the lowest rate and the highest rate may not exceed 4.0%. The highest rate of interest permitted may not exceed 5.00% in any year. Bidders may not specify more than one rate of interest for the Bonds of any single maturity. A zero rate may not be named for any maturity. The Bonds will be awarded to the bidder naming the lowest true interest cost for all of the Bonds in any legally acceptable proposal and offering to pay not less than 100% of par. The lowest true interest cost will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery. Where the proposals of two or more bidders result in the same lowest true interest cost for the Bonds, the Bonds may be apportioned between such bidders, but if this shall not be acceptable, the County shall have the right to award all of the Bonds to one bidder. The right is reserved to the County to reject any or all proposals and to waive any irregularity or informality in any proposal. The County's judgment shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Notice of Sale. Any award of the Bonds may be made as late as 4:00 P.M. on the sale date. All bids remain firm until an award is made.

After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on PARITY must submit a good faith deposit of $1,505,000 to the County by wire transfer as instructed by the County or its financial advisor. The award to the apparent successful bidder is contingent upon receipt of the good faith deposit, and the Bonds will not be awarded to such bidder until the County has confirmation of receipt of the good faith deposit. No interest will be allowed on any good faith deposit. In the event the successful bidder shall fail to comply with the terms of its bid, the good faith deposit may be retained as and for full liquidated damages.

THE SUCCESSFUL BIDDER OF BONDS SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL OFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED BELOW.

All Bonds herein described will constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the County.

The Bonds will be issued and sold subject to approval as to legality by Venable LLP, Baltimore, Maryland, Bond Counsel, whose approving opinion substantially in the form included in the Preliminary Official Statement referred to below will be delivered, upon request, to the purchaser or purchasers of the Bonds, without charge.

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which it will undertake to provide certain information annually and notices of certain events. A form of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. When delivered, the Bonds shall be duly executed and authenticated and registered in the name of Cede & Co., as nominee of DTC, as registered owner of the Bonds.

CUSIP Numbers.

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

Not later than seven (7) business days after the award of the Bonds to the successful bidder on the day of sale, the County will authorize an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. If so requested by the purchaser or purchasers at or before the close of business on the date of the sale, the County will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder ("Reoffering Information"), if any, as may be specified and furnished in writing by such bidder. If no Reoffering Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. The successful bidder for the Bonds shall be responsible to the County and its officials for the Reoffering Information, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with up to 300 copies of the Official Statement (and any amendments or supplements thereto).

Delivery of the Bonds, without expense, will be made by the County to the purchaser or purchasers on or about September 28, 2021, or as soon as practicable thereafter, in New York, New York or at such other location as shall be mutually acceptable to the County and the purchasers, and, thereupon, said purchaser or purchasers will be required to accept delivery of the Bonds purchased and pay, in Federal funds, the balance of the purchase price due. 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 any of the Bonds. It shall be a condition to the obligation of said purchaser or purchasers to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, said purchaser or purchasers shall be furnished a certificate or certificates of the County Executive of Frederick County and the Director of Finance 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 provided by the purchaser and information regarding DTC and DTC's book-entry system provided by DTC, as to which no view will be expressed) as of the date of sale 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 date of sale 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 (and any amendment or supplement thereto).

Undertakings of the Successful Bidder

The successful bidder (hereafter, the "Purchaser") agrees to provide certificates, including, but not limited to, an issue price certificate substantially in the form either of the form of certificate attached hereto as Exhibit A or of the form of certificate attached hereto as Exhibit B, whichever is applicable (and in either case subject to such modifications as the County and the Purchaser may agree are necessary or appropriate). The County intends that the provisions of Treasury Regulation 1.148-1(f)(3)(i) (defining "competitive sale" for the purposes of establishing the issue price of municipal bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Requirements") because (i) the County will disseminate this Notice of Sale to potential underwriters 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 who 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 TIC, as set forth herein. Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds.

In the event that the Competitive Sale Requirements are not satisfied, the County shall so advise the winning bidder. In that event, 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 the issue price of that maturity and/or (ii) the Initial Offering Price (as defined below) 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 (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning 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 winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% Test and which shall be subject to the Hold the Offering Price Rule. Bids will not be subject to cancellation in the event that 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 winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "Initial Offering Price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning 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 applies 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: (A) the close of the fifth (5th) business day after the sale date; or (B) 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 to the public. The winning bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the Bonds to the public 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.

The County acknowledges that, in making the representation set forth above, the winning 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 an 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 a party to such agreement to comply with the Hold the Offering Price Rule, as set forth in the retail distribution agreement and the 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 who 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 (to which the bidder is a party) 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 winning 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 winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning 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 winning bidder or such underwriter and as set forth in the related pricing wires.

Sales 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 other than an underwriter or a related party, (ii) "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) 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), (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and (iv) "sale date" means the date that the Bonds are awarded by the County to the winning bidder.

By submitting a bid, each bidder represents that it has an established reputation of underwriting new issuances of municipal bonds such as the Bonds.

Right to Modify Notice of Sale; Right to Postpone Sale.

The County reserves the right to modify 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, adjusting the amortization schedule for the Bonds, changing the method for determination of issue price, and/or changing the bid specifications for the Bonds; however, such modifications shall be made not later than 9:30 a.m. Prevailing Eastern Time on the Bid Date and communicated through 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 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 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 thereafter to 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 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 bid for the purchase of the Bonds in conformity in all respects with this official Notice of Sale except for the Bid Date and except for the changes announced by Parity/www.i-dealprospectus.com or TM3 at the time the alternative or subsequent Bid Date and time are announced.

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

The Preliminary Official Statement, together with this Notice of Sale and the required form of proposal, may be obtained from the Director of Finance, Winchester Hall, 12 East Church Street, Frederick, Maryland 21701, or from Davenport & Company LLC, 8600 LaSalle Road, Suite 618, Towson, Maryland 21286 (410) 296-9426. Such Preliminary Official Statement is deemed final by the County as of its date for purposes of SEC Rule 15c2-12 but is subject to revision, amendment and completion in the Official Statement referred to above.

By order of FREDERICK COUNTY, MARYLAND

EXHIBIT A-1 TO

NOTICE OF SALE

$154,495,000 FREDERICK COUNTY, MARYLAND
Consolidated Public Facilities Project and Refunding Bonds, Series 2021A

ISSUE PRICE CERTIFICATE
(Qualified Competitive Bid)

The undersigned, on behalf of [NAME OF PURCHASER] (the "Purchaser"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

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 (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached 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***.

(a) *Issuer* means Frederick County, Maryland.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a 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.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ________, 2021.

(d) *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 paragraph 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 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Venable LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as Purchaser
By: ______________________________
Title: ____________________________

Dated: ___________, 2021

SCHEDULE A
Expected Offering Prices of the Bonds

SCHEDULE B
Copy of Bid

EXHIBIT A-2 TO
NOTICE OF SALE

$154,495,000 Frederick County, Maryland
Consolidated Public Facilities Project and Refunding Bonds, Series 2021A

ISSUE PRICE CERTIFICATE
(Nonqualified Competitive Bid)

The undersigned, on behalf of [NAME OF PURCHASER] (the "Purchaser"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the 10% Maturities***. As of the date of this Certificate, for each Maturity of the 10% Maturities Bonds, the first price at which a Substantial Amount of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Undersold Maturities.***

(a) The Purchaser offered the Undersold Maturities to the Public for purchase at the respective initial offering prices listed in Schedule B (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 C.

(b) As set forth in the Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Maturity of the Undersold Maturities, it 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, and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule.. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Undersold Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *10% Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "10% Maturities."

(b) *Issuer* means Frederick County, Maryland.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Holding Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([______, 2021]), or (ii) the date on which the Purchaser has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a 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.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _______, 2021.

(g) *Substantial Amount* means ten percent (10%).

(h) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule B hereto as the "Undersold Maturities."

(i) *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 paragraph 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 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Venable LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as
Purchaser
By: ___________________________
Title: ________________________

Dated: _______, 2021

SCHEDULE A
Sale Prices of the 10% Maturities

SCHEDULE B
Initial Offering Prices of the Undersold Maturities

SCHEDULE C
Pricing Wire

Appendix E

NOTICE OF SALE

FREDERICK COUNTY, MARYLAND

Relating to
$30,910,000* General Obligation Public Facilities Taxable Refunding Bonds, Series 2021B

Sealed proposals or electronic bids via *PARITY*®
will be received until 10:30 A.M., local Frederick, Maryland time, on

Tuesday, September 14, 2021

Winchester Hall, 12 East Church Street, 1st Floor Hearing Room
Frederick, Maryland 21701

Electronic bids via **Parity**® will be received for the purchase of $30,910,000* aggregate principal amount of General Obligation Public Facilities Taxable Refunding Bonds, Series 2021B (the "Bonds"). The Bonds will be dated the date of delivery (expected to be September 28, 2021) and bear interest payable semi-annually on each April 1 and October 1, beginning on April 1, 2022, until maturity or redemption.

The 2021B Bonds are issued pursuant to the authority Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Refunding Act") and in accordance with Resolution No. 21-23 adopted by the Frederick County Council (the "County Council") on August 24, 2021 (the "Resolution").

The Bonds will mature on the first days of October in the following years and aggregate amounts:

Year of Maturity	Annual Amount Maturing October 1*	Year of Maturity	Annual Amount Maturing October 1*
2022	$160,000	2031	$4,715,000
2023	165,000	2032	4,815,000
2024	165,000	2033	1,540,000
2025	305,000	2034	1,570,000
2026	330,000	2035	1,600,000
2027	765,000	2036	1,640,000
2028	5,070,000	2037	1,670,000
2029	390,000	2038	1,710,000
2030	2,550,000	2039	1,750,000

The proceeds of the Bonds will be used to provide funds to advance refund certain outstanding County bonds and to pay costs of issuance.

____
*Preliminary, subject to adjustment.

General Provisions for the Bonds

The Bonds shall be issued only in fully registered form without coupons. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such Bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates representing each maturity with DTC.

The Bonds will bear interest payable semiannually on April 1 and October 1 in each year, commencing April 1, 2022, until maturity or redemption. Interest will be paid to the persons in whose names the Bonds are registered on the registration books maintained by the Bond Registrar on the Regular Record Date, which is the fifteenth day of the month immediately preceding the month in which each such interest payment date occurs, by check mailed to each such person's address as it appears on such bond registration books.

Optional Redemption

The Bonds stated to mature on or before October 1, 2031 are not subject to redemption prior to their respective maturities. The Bonds stated to mature on or after October 1, 2032 are subject to redemption at the option of the County in whole or in part on any date on or after October 1, 2031, at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

All or None Bids

The County will not accept and will reject any bid for less than all of the above described Bonds. The right is reserved to reject any and all bids.

Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of the Bonds (all or none) via **Parity**®. Bids will be communicated electronically to the County no later than 10:30 a.m., local Frederick, Maryland time, on September 14, 2021. 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. For purposes of the electronic bidding process, the time as maintained on **Parity**® shall constitute the official time.

To the extent any instructions or directions set forth in **Parity**® conflict with this notice, the terms of this Notice shall control. For further information about **Parity®,** potential bidders may contact **Parity**® at Dalcomp (212) 849-5021.

Disclaimer

Each prospective electronic bidder shall be solely responsible to register to bid via **Parity**® as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access **Parity**® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of the 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 a bidder's failure to register to bid or 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 Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and 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, he should telephone **Parity**® at Dalcomp (212) 849-5021 and notify the County's Financial Advisor, Joseph Mason, at Davenport & Company LLC by facsimile at (866) 932-6660.

Adjustments of Principal Amounts

The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the County, both before and after the receipt of bids for their purchase. Changes to be made prior to the sale will be published on Parity/www.i-dealprospectus.com or TM3 News Service not later than 9:30 a.m. prevailing Eastern time on the date of sale and will be used to compare bids and select a winning bidder. Changes to be made after the sale and the maturity amounts for the Bonds will be communicated to the successful bidder by 3:00 p.m. prevailing Eastern time on the date of the sale, will be made only as necessary to accommodate the amount of premium bid, and will not reduce or increase the aggregate principal amount of the Bonds by more than 10% from the amount bid upon. Such changes may result in the elimination of one or more maturities of the Bonds. In addition, the final maturity schedule for the Bonds will be communicated to the successful bidder by 4:00 p.m. prevailing Eastern time on the date of the sale. The dollar amount bid by the successful bidder shall be adjusted to reflect any adjustments in the principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue premium or discount, but will not change the per bond underwriter's discount as calculated from the bid and initial offering prices (as herein defined) required to be delivered to the County as stated herein. The coupon rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

Bid Specifications

Bidders shall state in their proposals the rate or rates of interest to be paid on the Bonds in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%), and each proposal shall be based and submitted on the rate or rates stated therein. Bidders may specify more than one rate of interest to be borne by the Bonds. The highest rate of interest permitted may not exceed 5.00% in any year. Bidders may not specify more than one rate of interest for the Bonds of any single maturity. A zero rate may not be named for any maturity. The Bonds will be awarded to the bidder naming the lowest true interest cost for all of the Bonds in any legally acceptable proposal and offering to pay not less than 98% of par or more than 110%. The lowest true interest cost will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery. Where the proposals of two or more bidders result in the same lowest true interest cost for the Bonds, the Bonds may be apportioned between such bidders, but if this shall not be acceptable, the County shall have the right to award all of the Bonds to one bidder. The right is reserved to the County to reject any or all proposals and to waive any irregularity or informality in any proposal. The County's judgment shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Notice of Sale. Any award of the Bonds may be made as late as 4:00 P.M. on the sale date. All bids remain firm until an award is made.

After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on PARITY must submit a good faith deposit of $310,300 to the County by wire transfer as instructed by the County or its financial advisor. The award to the apparent successful bidder is contingent upon receipt of the good faith deposit, and the Bonds will not be awarded to such bidder until the County has confirmation of receipt of the good faith deposit. No interest will be allowed on any good faith deposit. In the event the successful bidder shall fail to comply with the terms of its bid, the good faith deposit may be retained as and for full liquidated damages.

All Bonds herein described will constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the County.

The Bonds will be issued and sold subject to approval as to legality by Venable LLP, Baltimore, Maryland, Bond Counsel, whose approving opinion substantially in the form included in the Preliminary Official Statement referred to below will be delivered, upon request, to the purchaser or purchasers of the Bonds, without charge.

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which it will undertake to provide certain information annually and notices of certain events. A form of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. When delivered, the Bonds shall be duly executed and authenticated and registered in the name of Cede & Co., as nominee of DTC, as registered owner of the Bonds.

CUSIP Numbers.

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

Not later than seven (7) business days after the award of the Bonds to the successful bidder on the day of sale, the County will authorize an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. If so requested by the purchaser or purchasers at or before the close of business on the date of the sale, the County will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder ("Reoffering Information"), if any, as may be specified and furnished in writing by such bidder. If no Reoffering Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. The successful bidder for the Bonds shall be responsible to the County and its officials for the Reoffering Information, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with up to 300 copies of the Official Statement (and any amendments or supplements thereto).

Delivery of the Bonds, without expense, will be made by the County to the purchaser or purchasers on or about September 28, 2021, or as soon as practicable thereafter, in New York, New York or at such other location as shall be mutually acceptable to the County and the purchasers, and, thereupon, said purchaser or purchasers will be required to accept delivery of the Bonds purchased and pay, in Federal funds, the balance of the purchase price due. 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 any of the Bonds. It shall be a condition to the obligation of said purchaser or purchasers to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, said purchaser or purchasers shall be furnished a certificate or certificates of the County Executive of Frederick County and the Director of Finance 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 provided by the purchaser and information regarding DTC and DTC's book-entry system provided by DTC, as to which no view will be expressed) as of the date of sale 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 date of sale 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 (and any amendment or supplement thereto).

Right to Modify Notice of Sale; Right to Postpone Sale.

The County reserves the right to modify 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, adjusting the amortization schedule for the Bonds, changing the method for determination of issue price, and/or changing the bid specifications for the Bonds; however, such modifications shall be made not later than 9:30 a.m. Prevailing Eastern Time on the Bid Date and communicated through 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 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 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 thereafter to 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 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 bid for the purchase of the Bonds in conformity in all respects with this official Notice of Sale except for the Bid Date and except for the changes announced by Parity/www.i-dealprospectus.com or TM3 at the time the alternative or subsequent Bid Date and time are announced.

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

The Preliminary Official Statement, together with this Notice of Sale and the required form of proposal, may be obtained from the Director of Finance, Winchester Hall, 12 East Church Street, Frederick, Maryland 21701, or from Davenport & Company LLC, 8600 LaSalle Road, Suite 618, Towson, Maryland 21286 (410) 296-9426. Such Preliminary Official Statement is deemed final by the County as of its date for purposes of SEC Rule 15c2-12 but is subject to revision, amendment and completion in the Official Statement referred to above.

By order of FREDERICK COUNTY, MARYLAND

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APPENDIX F

Refunded Bonds Outstanding as of September 14, 2021

General Obligation Public Facilities Refunding Bond of 2012
(to be redeemed on or about August 1, 2022)

Maturing August 1	Original Principal	Refunded Principal	Rate of Interest	Redemption Price	Original CUSIP
2022	$10,640,000	$2,325,000	4.000%	N/A**	355694X88
2023	10,855,000	1,145,000	4.000	100.00%	355694X96
2024	11,240,000	1,185,000	4.000	100.00	355694Y20
		Total Principal Refunded			
		$4,655,000			

General Obligation Public Facilities Bonds of 2013
(to be redeemed on or about May 1, 2023)

Maturing May 1	Original Principal	Refunded Principal	Rate of Interest	Redemption Price	Original CUSIP
2032	$2,105,000	$2,105,000	3.000%	100.00%	3556942M1
2033	2,190,000	2,190,000	3.000	100.00	3556942N9
		Total Principal Refunded			
		$4,295,000			

General Obligation Public Facilities Bonds, Series 2016A
(to be redeemed on or about August 1, 2026)

Maturing August 1	Original Principal	Refunded Principal	Rate of Interest	Redemption Price	Original CUSIP
2025	$3,975,000	$380,000	5.000%	N/A**	35569PAJ2
2026	4,180,000	400,000	5.000	N/A**	35569PAK9
2027	4,395,000	420,000	5.000	100.00%	35569PAL7
2028	4,620,000	4,620,000	5.000	100.00	35569PAM5
		Total Principal Refunded			
		$5,820,000			

General Obligation Public Facilities Refunding Bonds, Series 2017A (Crossover)

Maturing February 1	Original Principal	Refunded Principal	Rate of Interest	Redemption Price	Original CUSIP
2022	$6,220,000	$1,390,000	5.000%	N/A**	35569PBT9
2023	6,475,000	1,445,000	5.000	N/A**	35569PBU6
2024	6,795,000	1,520,000	5.000	N/A**	35569PBV4
2025	7,130,000	1,595,000	5.000	N/A**	35569PBW2
2026	7,485,000	1,675,000	5.000	N/A**	35569PBX0
2027	7,850,000	1,755,000	5.000	N/A**	35569PBY8
		Total Principal Refunded			
		$9,380,000			

General Obligation Public Facilities Bonds, Series 2018A

Maturing August 1	Original Principal	Refunded Principal	Rate of Interest	Redemption Price	Original CUSIP
2025	$4,320,000	$660,000	5.000%	N/A**	35569PDT7
2026	4,540,000	695,000	5.000	N/A**	35569PDU4
2027	4,775,000	730,000	5.000	N/A**	35569PDV2
		Total Principal Refunded			
		$2,085,000			

General Obligation Public Facilities Bonds, Series 2019A

Maturing August 1	Original Principal	Refunded Principal	Rate of Interest	Redemption Price	Original CUSIP
2025	$4,315,000	$310,000	5.000%	N/A**	35569PEM1
2026	4,535,000	330,000	5.000	N/A**	35569PEN9
2027	4,770,000	345,000	5.000	N/A**	35569PEP4
		Total Principal Refunded			
		$985,000			

General Obligation Public Facilities Bonds, Series 2020B (Bond Anticipation Note)
(to be redeemed on or about September 28, 2021)

Maturing October 1	Original Principal	Refunded Principal	Rate of Interest	Redemption Price
2021	$7,830,000	$7,830,000	0.450%	100.00%
		Total Principal Refunded		
		$7,830,000		

** Escrowed to maturity.

Note: CUSIP (Committee on Uniform Securities Identification Procedures) data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association ("ABA") by S&P Global Market Intelligence. "CUSIP" is a registered trademark of the ABA. CUSIP numbers are included solely for the convenience of the holders of the Refunded Bonds. The County does not take any responsibility for the accuracy of CUSIP information. The CUSIP number for a specific maturity is subject to change in certain circumstances. The County has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the assigned CUSIP numbers set forth herein. 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.

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