<u>NEW ISSUE-DTC BOOK-ENTRY ONLY</u>

Fitch Ratings: AAA
Moody's Investors Service, Inc.: Aaa
S&P Global Ratings: AAA

In the opinion of McGuireWoods LLP, Bond Counsel, under existing law and subject to the conditions described in "TAX MATTERS" herein, interest on the Bonds (i) is excludable from the gross income of the owners of the Bonds for purposes of federal income taxation, and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. In addition, for taxable years beginning after December 31, 2022, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Internal Revenue Code of 1986, as amended (the "Code")) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. Bond Counsel is further of the opinion that by the current terms of the Acts (as defined herein), the principal of and interest on the Bonds, the transfer of the Bonds, and any income derived from the Bonds, including profits made in their sale or transfer, are exempt from State and local taxes in the State of Maryland; however, the terms of the Acts do not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes or any other taxes not levied or assessed directly on the Bonds, the interest thereon, their transfer or the income therefrom. See "Tax Matters" herein regarding other tax considerations.

$99,285,000

FREDERICK COUNTY, MARYLAND

General Obligation Public Facilities Project Bonds, Series 2023A

Dated: Date of Delivery	**Due: April 1, shown on inside cover**
Redemption	Bonds maturing on or after April 1, 2034 are subject to prior redemption in whole or in part, on or after April 1, 2033 at a price of par plus accrued interest to the date of redemption.
Security	General obligations of Frederick County, Maryland
Purpose	The Bonds are being issued by the County for the purpose of (i) financing certain capital projects of the County's Capital Improvement Program and (ii) paying costs of issuance related thereto.
Interest Payment Dates	April 1 and October 1, beginning October 1, 2023
Closing/Settlement	On or about May 31, 2023
Denominations	$5,000
Book-Entry Only Form	The Depository Trust Company, New York, NY
Paying Agent/Registrar	Manufacturers and Traders Trust Company, Baltimore, MD
Bond Counsel	McGuireWoods 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 McGuireWoods LLP, Baltimore, Maryland, Bond Counsel. The date of this Official Statement is May 16, 2023 and the information contained herein speaks only as of such 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.

$99,285,000 General Obligation Public Facilities Project Bonds, Series 2023A

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

Maturing April 1	Principal Amount	Interest Rate*	Yield*	CUSIP**	Maturing April 1	Principal Amount	Interest Rate*	Yield*	CUSIP**
2024	$3,685,000	5.000%	3.040%	35569PKE2	2034	$4,785,000	5.000%	2.400%†	35569PKQ5
2025	3,090,000	5.000	2.740	35569PKF9	2035	5,030,000	5.000	2.550†	35569PKR3
2026	3,240,000	5.000	2.550	35569PKG7	2036	5,275,000	5.000	2.750†	35569PKS1
2027	3,405,000	5.000	2.410	35569PKH5	2037	5,540,000	5.000	2.890†	35569PKT9
2028	3,570,000	5.000	2.360	35569PKJ1	2038	5,820,000	5.000	2.990†	35569PKU6
2029	3,750,000	5.000	2.310	35569PKK8	2039	6,110,000	5.000	3.040†	35569PKV4
2030	3,935,000	5.000	2.280	35569PKL6	2040	6,415,000	5.000	3.110†	35569PKW2
2031	4,135,000	5.000	2.290	35569PKM4	2041	6,735,000	5.000	3.160†	35569PKX0
2032	4,345,000	5.000	2.330	35569PKN2	2042	7,070,000	4.000	3.750†	35569PKY8
2033	4,560,000	5.000	2.360	35569PKP7	2043	7,355,000	4.000	3.800†	35569PKZ5

$650,000 4.000% Term Bonds due April 1, 2048 Yield 4.000% CUSIP 35569PLE1
$785,000 4.000% Term Bonds due April 1, 2053 Yield 4.050% CUSIP 35569PLK7

†Priced to first optional redemption date of April 1, 2033.

**The interest rates and yields shown above are the interest rates payable by the County resulting from the successful bid for the 2023A Bonds on May 16, 2023. The interest rates and yields shown above are furnished by Citigroup Global Markets Inc. (the "Successful 2023A Bidder"). Other information concerning the terms of reoffering of the 2023A Bonds, if any, should be obtained from the Successful 2023A 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 FactSet Research Systems, Inc. "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 Successful Bidder takes 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

Jessica Fitzwater

COUNTY COUNCIL

Brad Young, President
Kavonté Duckett, Vice President
M.C. Keegan-Ayer
Mason Carter
Jerry Donald
Renee Knapp
Steve McKay

CERTAIN APPOINTED AND MANAGERIAL OFFICIALS

John K. Peterson
Chief Administrative Officer

Lori L. Depies, CPA
Chief Financial Officer

Bryon C. Black
County Attorney

Kelly M. Weaver, CPA
Director, Budget

Erin White, CPA
Director, Finance Division

Jason Stitt, P.E.
Director, Public Works Division

Steven C. Horn
Director, Planning & Permitting Division

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

Phillip Harris
Director, Solid Waste & Recycling

Lara Fritts, CEcD, FM
Director, Office of Economic Development

Shannon Moore
Director, Energy & Environment Division

BOND COUNSEL
McGuireWoods LLP
Baltimore, Maryland

FINANCIAL ADVISOR
Davenport & Company LLC
Towson, Maryland

COUNTY AUDITOR
SB & Company
Owings Mills, Maryland

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

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 herein.

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.

This Official Statement is in a form deemed final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1) (the "Rule"), but is subject to minor revision or amendment in accordance with the Rule.

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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

$99,285,000
FREDERICK COUNTY, MARYLAND
General Obligation Public Facilities Project Bonds, Series 2023A

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") of its $99,285,000 General Obligation Public Facilities Project Bonds, Series 2023A (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.

The 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 2021 U.S. Census population estimates, the population of the County is 279,835.

There are 12 incorporated towns within the County. The County seat and largest city is the City of Frederick. According to the 2021 U.S. Census population estimates, the population of City of Frederick is 79,588. 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 corporate and politic 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 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.

THE BONDS

General

The Bonds will be dated 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 a 30-day month/360-day year basis, will be payable semiannually on April 1 and October 1, beginning October 1, 2023, 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 close of business on 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 political subdivision or agency thereof. Security for the Bonds is more fully described herein under "THE BONDS - Security for the Bonds".

Authorization

The 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 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Consolidated Bond Act"), Bill No. 19-19 (the "2019 Bond Bill") enacted by the Frederick County Council (the "County Council") on January 21, 2019, Bill No. 22-19 (the "2022 Bond Bill") enacted by the County Council on October 25, 2022, Sections 2-13-1 through 2-13-35, inclusive, 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, collectively with the Bond Act, the Consolidated Bond Act, the 2019 Bond Bill, the 2022 Bond Bill and the Water and Sewer Act, the "Acts"), and in accordance with Resolution No. 23-01 adopted by the County Council on February 21, 2023 (the "Resolution"). See "CERTAIN DEBT INFORMATION – Bonded Indebtedness of the County; Debt Limitations" below.

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 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.

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 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.

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.

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Application of Proceeds of the Bonds

The Bonds are being issued by the County for the purpose of (i) financing certain capital projects of the County's Capital Improvement Program and (ii) paying related costs of issuance.

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

Sources of Funds:	
Par Amount of the Bonds	$99,285,000.00
Net Original Issue Premium	13,617,122.90
Total Sources Funds	$112,902,122.90
Uses of Funds:	
Capital Projects:	
General Government	$33,331,483.00
Transportation	26,500,931.00
Public Schools (K-12)	23,852,568.00
Public Safety	11,545,000.00
Stormwater	9,500,000.00
Community College	4,335,551.00
Water & Sewer	3,159,467.00
Total Capital Project Funding	$112,225,000.00
Costs of Issuance/Underwriter's Discount	$677,122.90
TOTAL BOND PROCEEDS	$112,902,122.90

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Redemption

Optional Redemption of Bonds

The Bonds maturing on or after April 1, 2034 are subject to redemption prior to their respective maturities, at the option of the County, at any time on or after April 1, 2033, either as a whole or in part, at a price of par 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 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.

So long as the Bonds are maintained under a book-entry only system, the selection of individual ownership interests in the Bonds to be credited with any partial redemption shall be made as described under "Book-Entry Only System." 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 the 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.

Notwithstanding the foregoing, so long as the Bonds are maintained under a book-entry system, notice of the call for redemption of the Bonds shall be given as described under "THE BONDS – DTC and Book-Entry Only System."

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Mandatory Sinking Fund Redemption

The Bonds maturing on April 1, 2048 and April 1, 2053, 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 April 1 of the following years and in the following amounts:

$650,000 Term Bond maturing April 1, 2048

Year	Sinking Fund Installment
2044	$120,000
2045	125,000
2046	130,000
2047	135,000
2048*	140,000

* Final Maturity

$785,000 Term Bond maturing April 1, 2053

Year	Sinking Fund Installment
2049	$145,000
2050	150,000
2051	155,000
2052	165,000
2053*	170,000

* Final Maturity

If such Bonds are redeemed in part prior to the mandatory redemption date, the sinking fund installments for such 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 after the mailing of notice calling such Bond or portion thereof for redemption; provided, however, that this limitation shall not apply to any portion of a Bond which is not being called for redemption.

Bondholders' Remedies

A claim at law or in equity may be made against the County in the event that it fails to perform its obligations under the Bonds to the registered owners thereof and that any judgments or ruling by a Maryland court of competent jurisdiction resulting from such claim would be enforceable against the County. A Maryland court may have jurisdiction to entertain proceedings and power to grant additional relief, if necessary, to enforce the levy and collection of such taxes and payment of the proceeds thereof to the holders of general obligation bonds, subject to the inherent constitutional limitations referred to below. 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.

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

All matters incident to the authorization and issuance of the Bonds are subject to the approval of McGuireWoods LLP, Baltimore, Maryland, Bond Counsel. The form of the approving legal opinion is attached hereto as Appendix B. Bond Counsel has not participated in the preparation of this Official Statement, except for the section entitled "TAX MATTERS." The factual and financial information appearing herein has been supplied or reviewed by certain officials of the County and its certified public accountants, as referred to herein, and Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof.

TAX MATTERS

Opinion of Bond Counsel – Federal Income Tax Status of Interest

Bond Counsel's opinion regarding the federal income tax status of the interest on the Bonds will state that, under current law and assuming continuing compliance with the Covenants (as hereinafter defined), interest on the Bonds (i) is excludable from gross income for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. In addition, for taxable years beginning after December 31, 2022, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. See "Form of Bond Counsel's Opinion" in Appendix B hereto.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the excludability of interest on the Bonds for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the County or about the effect of future changes in the Code, the applicable regulations, or the interpretation or the enforcement thereof by the Internal Revenue Service (the "IRS") and the courts.

Although Bond Counsel is of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect the federal tax liability of an owner of the Bonds. The nature and extent of these other federal tax consequences depend on the owner's particular tax status and levels of other income or deductions. Bond Counsel will express no opinion regarding any such other tax consequences and prospective purchasers of the Bonds should consult their own tax advisors with respect thereto.

Reliance and Assumptions; Effect of Certain Changes

In delivering its opinion regarding the federal income tax treatment of interest on the Bonds, Bond Counsel is relying upon certifications of representatives of the County, the underwriter, as hereinafter defined, and other persons as to facts material to the opinion, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants (as hereinafter defined) by the County. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bonds and the use of the property financed or refinanced by the Bonds, limitations on the source of the payment of and the security for the Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the United States Treasury. The tax compliance agreement for the Bonds contains covenants (the "Covenants") under which the County has agreed to comply with such requirements. Failure by the County to comply with the Covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue. If such a failure were to occur, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for Federal income tax purposes.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Bonds.

Certain requirements and procedures contained, incorporated or referred to in the tax compliance agreement, including the Covenants, may be changed and certain actions may be taken or omitted subject to the terms and conditions set forth in such agreement. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the Bonds.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, banks and other financial institutions, certain insurance companies, dealers in tax-exempt obligations, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial securitization trust, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

Original Issue Discount

Bonds purchased in the initial public offering with yields higher than their applicable interest rates, as shown on the inside cover page hereof, have been sold with "original issue discount." Each such Bond is referred to below as an "OID Bond". The excess of (i) the stated amount payable at the maturity (excluding qualified stated interest) of any OID Bond over (ii) the issue price of the OID Bond as determined under Section 1273 of the Code (which may differ from the price shown on the inside front cover page of this Official Statement) constitutes the amount of original issue discount, which is treated in the same manner as interest on the Bonds for federal income tax purposes.

The Code provides that the amount of original issue discount accrues in accordance with a constant interest method based on the compounding of interest. In the case of an original owner of an OID Bond, the amount of original issue discount that is treated as having accrued on such OID Bond is added to the owner's adjusted basis in determining, for federal income tax purposes, gain or loss upon the disposition of the OID Bond (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued original issue discount will be excludable from the gross income of the owner for federal income tax purposes.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial public offering may be determined according to rules that differ from those described above.

In addition, original issue discount that accrues in each year to an owner of an OID Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed in this section. Consequently, the owner of an OID Bonds should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although such owner has not received cash attributable to such original issue discount in such year.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the original issue discount accrued upon sale or redemption of such OID Bonds (including OID Bonds not purchased in the initial public offering) and with respect to the state and local tax consequences of owning OID Bonds.

Original Issue Premium

Bonds purchased in the initial public offering with yields lower than their applicable interest rates, as shown on the inside cover page hereof, have been sold with "bond premium." Each such Bond is referred to below as an "OIP Bond." The excess of (i) the owner's basis in the OIP Bond immediately after acquisition over (ii) the amount payable at maturity (excluding qualified stated interest) as determined under Section 171 of the Code constitutes the amount of the bond premium. Under the Code, the bond premium is amortized based on the owner's yield over the remaining term of the OIP Bond (or, in the case of certain callable OIP Bonds, to an earlier call date that results in a lowest yield on the OIP Bond). The owner of an OIP Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period against the bond premium allocable to that period. No deduction is allowed for such amortization of bond premium even though the owner is required to decrease the adjusted basis in the owner's OIP Bond by the amount of the amortizable bond premium, which will result in an increase in the gain (or decrease in the loss) recognized for federal income tax purposes upon a sale or disposition of the OIP Bond prior to its maturity.

Prospective purchasers of any OIP Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, sale, exchange, or other disposition of, and amortization of bond premium on, such OIP Bonds.

Information Reporting and Backup Withholding

Prospective purchasers should be aware that the interest on the Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if the interest is paid to an owner who or which (i) is not an "exempt recipient" and (ii) (A) fails to furnish an accurate U.S. taxpayer identification number in the manner required, (B) has been notified of a failure to report all interest and dividends required to be shown on federal income tax returns or (C) fails to certify under penalty of perjury that the owner is not subject to withholding. Individuals generally are not exempt recipients, although corporations and other entities generally are.

The reporting and backup withholding requirements do not in and of themselves affect the excludability of interest on the Bonds from gross income for federal income tax purposes, and amounts withheld under the backup withholding rules may be refunded or credited against the owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Internal Revenue Service Audits

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, the IRS will, under its current procedures, treat the County as the taxpayer. As such, the beneficial owners of the Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Bonds.

Tax Exemption – State of Maryland Taxation

Bond Counsel's opinion will also state that, by the current terms of the Act, the principal of and interest on the Bonds, the transfer of the Bonds, and any income derived from the Bonds, including profits made in their sale or transfer, are exempt from State and local taxes in the State of Maryland; however, the terms of the Act do not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes or any other taxes not levied or assessed directly on the Bonds, the interest thereon, their transfer or the income therefrom.

Interest on the Bonds may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws. Such holders or prospective purchasers of the Bonds should consult their own tax advisors with respect to the tax status of the interest on Bonds in jurisdictions other than the State of Maryland.

Changes in Federal and State Tax Law and Regulations

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in federal or state income tax rates and the application of federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or state income tax purposes.

The U.S. Department of the Treasury and the IRS and state regulatory authorities are continuously drafting regulations to interpret and apply the provisions of the Code and state law and court proceedings may be filed the outcome of which could modify the federal or state tax treatment of tax-exempt obligations.

There can be no assurance that legislation proposed or enacted after the date of issue of the Bonds, regulatory interpretation of the Code or state laws or actions by a court involving either the Bonds or other tax-exempt obligations will not have an adverse effect on the Bonds' federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential consequences of any such proposed or pending federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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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 County's Government Organization Chart is found on the next page.

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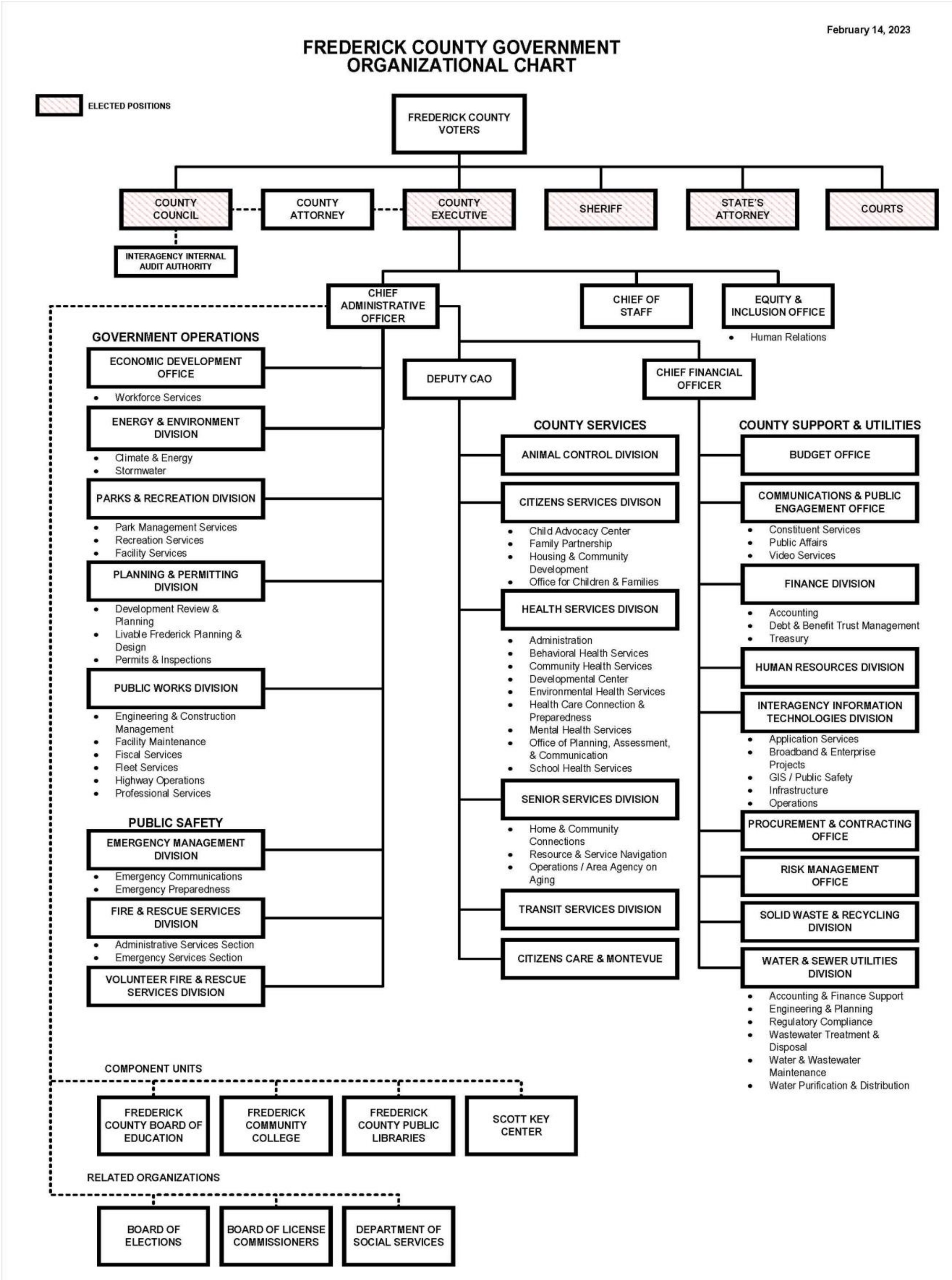
February 14, 2023
FREDERICK COUNTY GOVERNMENT ORGANIZATIONAL CHART
ELECTED POSITIONS
FREDERICK COUNTY VOTERS
COUNTY COUNCIL
COUNTY ATTORNEY
COUNTY EXECUTIVE
SHERIFF
STATE'S ATTORNEY
COURTS
INTERAGENCY INTERNAL AUDIT AUTHORITY
CHIEF ADMINISTRATIVE OFFICER
CHIEF OF STAFF
EQUITY & INCLUSION OFFICE
Human Relations
GOVERNMENT OPERATIONS
ECONOMIC DEVELOPMENT OFFICE
Workforce Services
ENERGY & ENVIRONMENT DIVISION
Climate & Energy
Stormwater
PARKS & RECREATION DIVISION
Park Management Services
Recreation Services
Facility Services
PLANNING & PERMITTING DIVISION
Development Review & Planning
Livable Frederick Planning & Design
Permits & Inspections
PUBLIC WORKS DIVISION
Engineering & Construction Management
Facility Maintenance
Fiscal Services
Fleet Services
Highway Operations
Professional Services
PUBLIC SAFETY
EMERGENCY MANAGEMENT DIVISION
Emergency Communications
Emergency Preparedness
FIRE & RESCUE SERVICES DIVISION
Administrative Services Section
Emergency Services Section
VOLUNTEER FIRE & RESCUE SERVICES DIVISION
DEPUTY CAO
COUNTY SERVICES
ANIMAL CONTROL DIVISION
CITIZENS SERVICES DIVISON
Child Advocacy Center
Family Partnership
Housing & Community Development
Office for Children & Families
HEALTH SERVICES DIVISON
Administration
Behavioral Health Services
Community Health Services
Developmental Center
Environmental Health Services
Health Care Connection & Preparedness
Mental Health Services
Office of Planning, Assessment, & Communication
School Health Services
SENIOR SERVICES DIVISION
Home & Community Connections
Resource & Service Navigation
Operations / Area Agency on Aging
TRANSIT SERVICES DIVISION
CITIZENS CARE & MONTEVUE
CHIEF FINANCIAL OFFICER
COUNTY SUPPORT & UTILITIES
BUDGET OFFICE
COMMUNICATIONS & PUBLIC ENGAGEMENT OFFICE
Constituent Services
Public Affairs
Video Services
FINANCE DIVISION
Accounting
Debt & Benefit Trust Management
Treasury
HUMAN RESOURCES DIVISION
INTERAGENCY INFORMATION TECHNOLOGIES DIVISION
Application Services
Broadband & Enterprise Projects
GIS / Public Safety
Infrastructure
Operations
PROCUREMENT & CONTRACTING OFFICE
RISK MANAGEMENT OFFICE
SOLID WASTE & RECYCLING DIVISION
WATER & SEWER UTILITIES DIVISION
Accounting & Finance Support
Engineering & Planning
Regulatory Compliance
Wastewater Treatment & Disposal
Water & Wastewater Maintenance
Water Purification & Distribution
COMPONENT UNITS
FREDERICK COUNTY BOARD OF EDUCATION
FREDERICK COMMUNITY COLLEGE
FREDERICK COUNTY PUBLIC LIBRARIES
SCOTT KEY CENTER
RELATED ORGANIZATIONS
BOARD OF ELECTIONS
BOARD OF LICENSE COMMISSIONERS
DEPARTMENT OF SOCIAL SERVICES

Certain Elected and Appointed Officials

Jessica Fitzwater, County Executive, was sworn into office on December 5, 2022. Ms. Fitzwater was born and raised in Smithsburg, Maryland, and has been residing in the County for 17 years. A member of the first-ever County Council, she represented Council District 4 for two terms before being elected County Executive. As a Council Member, she championed numerous pieces of legislation that were enacted on a bipartisan basis, including: repealing the County's English-only Ordinance, improving affordable workforce housing by strengthening the Housing Initiative Fund, creating a Human Trafficking Task Force, addressing anti-discrimination, and establishing a Climate Emergency Mobilization Work Group. 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. Prior to being elected County Executive, she was a music teacher with Frederick County Public Schools at Oakdale Elementary for over 16 years, where she also directed 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, the Frederick Symphony Orchestra, and the Frederick Arts Council.

Brad Young, County Council President, is a 1982 graduate of Governor Thomas Johnson High School. Mr. Young earned an associate's degree in business at Frederick Community College, a bachelor's degree in economics from the University of Maryland, College Park and master's degree in Business at Frostburg State University. He is a Doctoral Candidate at Hood College. A Certified Financial Planner professional and a Certified Trust and Financial Advisor, he also holds certificates from the Northwestern Graduate Trust School and the Cannon Financial Institute Trust School. Mr. Young is President and CEO of Maryland Financial Planners. He is an adjunct faculty member of Mount St. Mary's University. He is a member of Frederick Rotary. Mr. Young also serves on the Board of I Believe in Me and Love for Lochlin. He serves on the planned giving committee for Frederick Health Hospital. Mr. Young served as an elected member for 12 years on the Board of Frederick County Public Schools, 15 years on the Frederick Community College Board of Trustees, six years on the Board of the Maryland Association of Community College Trustees, and six years on the Board of the Association of Community College Trustees. He also served six years on the Board of Advisors for the Universities of Shady Grove.

Kavonté Duckett, County Council Vice President, is a 7^{th} generation native of Frederick, graduated from Tuscarora High School and Frederick Community College ("FCC"). He was FCC's President of the Student Government Association and Student Representative on the Presidential Search Committee. He has been employed with the Gary L. Rollins Funeral Home since 2011 and is currently the Director of Alan P. Linton Jr. Emergency Shelter and is very active in the Frederick community. He is a member of Improved, Benevolent, Protective Order of Elks of the World ("IBPOEW"), Mountain City Lodge #382, President of Road Knights Car Club and serves on the board of directors for African American Resources Cultural and Heritage Society ("AARCH") and Fairview Cemetery. He has previously served on Frederick County Human Relation Commission, Eliminating the Achievement Gap, and I Believe in Me Inc. board of directors and as past president of the Young Democrats of Frederick County. Mr. Duckett has received numerous awards including the 2017 Rising Star Award from the Frederick Democratic Party and the Dr. Dorothy I. Height Leadership Award from Frederick County Alumnae Chapter, Delta Sigma Theta Sorority, Inc.

M.C. Keegan-Ayer, County Council Member, 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. Ms. Keegan-Ayer worked part-time as a staffer in the campaign office of Congresswoman Beverly Byron, and continued to work for her until the early 1990'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, 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, Domestic Violence Coordinating Council, Immigrant Affairs Committee, 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, and National Association of Counties ("NACo") Committee on Energy, Environment and Land Use.

Mason Carter, County Council Member, was born and raised in the County, graduating from Walkersville High School in 2022. He will attend Frederick Community College. Before seeking office, Mr. Carter volunteered in local, state, and federal elections before being tapped as campaign manager for a mayoral candidate in the City of Frederick. He was also appointed as a County Representative to the Maryland Center for School Safety in 2021. Mr. Carter currently serves as the youngest Councilman in the County and the State of Maryland.

Jerry Donald, County Council Member, is a native and has worked in the 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.

Renee Knapp, County Council Member, moved to the County with her family in the early 1970s, and has lived here most of her life. A few years after graduating from Middletown High School, she met her husband, Chris Knapp, and moved to the County in 1994 to raise their family. She has two grown children, both graduates of Frederick County Public Schools ("FCPS"). As the parent of a child with special needs, Ms. Knapp has spent many years as an advocate, providing a support system for her son who is on the autism spectrum. In the 1990's, when not much was known about autism, she worked with doctors, specialists, therapists, and FCPS to advocate for a plan to help her son to become as independent as possible. For over 20 years, Ms. Knapp built connections with professionals working in the emerging field of autism therapy, encouraging information sharing and collaboration. With the help of many people along the way, her son graduated from Tuscarora High School and successfully transitioned to employment as a grocery store cashier in the County. Their daughter, also a Tuscarora High School graduate, is currently a graduate student at Northwestern University. Ms. Knapp enjoyed many years as a volunteer in FCPS in her children's classrooms and in the PTSA in support of her son and daughter. Her experiences with both special education and gifted and talented education have shaped her views of the importance of investment in public education, and her time on the PTSA sparked her interest in public service in the County. Ms. Knapp received her Bachelor of Arts in Criminal Justice from Mount St. Mary's University in Emmitsburg, Maryland. In her free time, Ms. Knapp enjoys cooking and baking. She lives with her family in Adamstown.

Steve McKay, County Council Member, has lived with his family in Monrovia since 1999. Mr. McKay's wife 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.

John K. Peterson, Chief Administrative Officer, was appointed to his position in April 2023. Prior to his appointment, Mr. Peterson served as Assistant Chief Administrative Officer for Howard County Government. Since November 2019, Mr. Peterson managed Howard County's internal COVID-19 response, drafting remote work and telework policies, ensuring the work infrastructure and facilities were prepared and safe for employees to return onsite, establishing COVID-19 protocols, preparing communications for employees and monitoring COVID-19 cases in the workplace. Mr. Peterson was responsible for managing labor relations, negotiating collective bargaining agreements with eight unions and advising departments on Howard County policies and employee relations issues. He is a trustee on the Retirement Plan Committee, an advisor to the OPEB (Retiree Health Care) Trust Committee, the Deferred Compensation Committee and the Risk Management Committee for Howard County. Prior to rejoining Howard County, Mr. Peterson served as the Director of Human Capital Benefits, Leave and Retirement for the Howard County Public School System. Mr. Peterson had previously served Howard County as the Deputy Administrator for the Office of Human Resources where he advised Howard County departments and offices on a wide variety of human resources, labor relations and personnel issues. Mr. Peterson has served as the Acting Personnel Officer, Deputy Personnel Officer and Assistant Personnel Officer for Anne Arundel County Government and has served as a trustee on the Howard County Employees' Retirement Plan and the Anne Arundel County retirement plans. Mr. Peterson earned a Bachelor of Arts in History and Political Science from Saint Olaf College in Northfield, Minnesota and a Master of Business Administration from the University of Baltimore. Mr. Peterson is a Society of Human Resources Management ("SHRM") Senior Certified Professional ("SCP").

Lori L. Depies, CPA, Chief Financial Officer ("CFO"), As the CFO, Ms. Depies is responsible for the divisions of Finance, Human Resources, Interagency Information Technologies, the offices of Budget, Risk Management, and Procurement and Contracting as well as two of the County's enterprise funds, the Division of Water and Sewer Utilities and the Division of Solid Waste and Recycling. 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 the 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, the Government Finance Officers Association, and the Maryland Government Finance Officers Association. She serves as the trustee for the County's various benefit trust funds that include the Master Trust for the County Employees' Retirement Plan and the Uniformed Employees' Retirement Plan, 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 the 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 Associate of 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.

Erin M. White, CPA, Director, Finance Division, was appointed to her position in June 2021. She also previously served as Acting Director, Finance Division for the 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 supervisor for the capital projects fund, various special revenue funds, the pension fund, and payroll department. Prior to her employment with the 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. She currently serves as a public member on the Maryland National Park and Planning Audit Committee.

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 the 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 Laboratory Supervisor 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 31 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.

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.

Jason M. Stitt, P.E., Director, Public Works Division, was appointed to his position in August 2022 after serving as Department Head for the Department of Engineering and Construction Management. Mr. Stitt's employment with the County began in 2003 when he was hired as an engineer in the Office of Transportation Engineering. Prior to his career at the County, he spent six years as a bridge engineer for the Maryland State Highway Administration. Mr. Stitt has 25 years of experience in transportation and public works. He earned a Bachelor of Arts in Mathematics with a minor in physics from St. Vincent College and a Bachelor of Science in Civil Engineering from Penn State University in 1998. Mr. Stitt is a licensed professional engineer, has served on the Board of Directors for the County Engineer's Association of Maryland, and is an active member of the American Society of Civil Engineers.

Kelly M. Weaver, Director, Budget Office, 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.

Lara Fritts, CEcD, FM, Director, Office of Economic Development, was appointed to her position in March 2023. Mrs. Fritts is a certified economic developer with over 25 years of experience in economic development, community development, and technology. Her experience spans city and regional levels in both the public and private sectors assisting companies to execute their location strategies or development projects while helping communities achieve their goals. Mrs. Fritts has expertise in building economic development organizations for elected officials having started six public-private partnerships and departments. Mrs. Fritts has an extensive economic development background, having held positions in Wisconsin, Maryland, Washington, DC, Virginia and Utah. Mrs. Fritts is known as a community and economic development expert, with strength in economic recovery, affordable housing, strategic planning, tax credits and incentives, and organizational development. Mrs. Fritts is a sought-after speaker and consultant on real estate, community revitalization, and economic development finance. Mrs. Fritts has a master's degree in Urban Studies from the University of Wisconsin – Milwaukee, and a bachelor's degree in Regional Analysis from the University of Wisconsin - Green Bay. In 2019, Mrs. Fritts was the recipient of Consultant Connect's Top 50 Economic Developers and was named a Fellow Member of the International Economic Development Council in 2020, which honors economic development professionals for attaining unusual stature in their field and closely-related disciplines.

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 led 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.

Shannon Moore, Director, Energy and Environment Division, was appointed to her position in February 2023. She was tasked with the creation of the new Division and its Departments of Stormwater and Climate & Energy and its award-winning programs in 2022. Previously, she served as Director of the Office of Sustainability and Environmental Resources within the Office of the County Executive, Manager of the Stormwater Section, and Project Manager IV in Frederick County Government. Ms. Moore has 21 years of progressively responsible local government administration, climate, energy, and regulatory stormwater experience. She previously worked in the financial sector and for federal government. Ms. Moore received her Bachelor of Arts in English from Saint Mary's College of Maryland in 1995 and Master of Environmental Science and Management from the Bren School at the University of California, Santa Barbara, California, in 1998. She services as the Vice President of the Maryland Municipal Stormwater Association.

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Remuneration of Certain County Officials

The following table presents the annual remuneration for certain County officials as of February 1, 2023:

Official Title	
Chief Administrative Officer……………………….	$ 200,000
Chief Financial Officer…………………………….	221,953
County Attorney……………………………………	195,370
Director of Division of Water & Sewer Utilities….	192,129
Director of Finance………………………………..	189,806
Director of Planning and Permitting……………….	189,422
Director of Economic Development……………….	185,000
Director of Public Works………………………….	180,166
Director of Budget…………………………………	166,316
Director of Solid Waste & Recycling……………..	156,716
Director of Energy and Environment………..……..	136,709

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 Code of Public Local Laws of Frederick County (1979), as amended (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 the County Plan. In addition, grant funded employees hired or rehired after June 30, 2012, were not eligible to participate in the County 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 one to three 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 (Non-Uniformed Employees)

The type and number of employees covered as of June 30, 2022, were as follows:

Retirees and beneficiaries currently receiving benefits	937
Active employees	1,413
Terminated employees entitled to benefits – vested	174
Terminated employees entitled to benefits – non-vested	405

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 June 30, 2022, were as follows:

Retirees and beneficiaries currently receiving benefits	305
DROP participants	14
Active employees	809
Terminated employees entitled to benefits – vested	25
Terminated employees entitled to benefits – non-vested	53

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 Plans. This policy establishes a formal methodology for financing the pension obligations of the County Plans, 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 marketplace 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 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, 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 year 2021 was 14.0%. Below are the employer contribution rates for each plan:

	Fiscal Year 2022	**Fiscal Year 2023**	**Fiscal Year 2024**
Employee's Retirement Plan	11.6%	11.6%	15.0%
Uniformed Employee's Retirement Plan	20.0%	17.9%	31.5%

The increase in the contribution rates for fiscal year 2024 are reflective of the establishment of a permanent Cost-of-Living (COLA) adjustment tied to annual changes in the Consumer Price Index effective July 1, 2023, with a minimum adjustment of one percent per year and a maximum adjustment of three percent per year.

The components of the net pension liability of the County at June 30, 2022, were as follows:

	Employee's Plan	**Uniformed Employee's Plan**
Total pension liability	$ 470,473,015	$ 362,496,616
Plan fiduciary net position	(457,051,839)	(341,282,528)
County's net pension liability	$ 13,421,176	$ 21,214,088
Plan fiduciary net position as a percentage of the total pension liability	97.15%	94.15%

The total pension liability above was determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Rates vary by participant years of service
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Mortality rates	Pre-retirement mortality is 70% of Pub-2010 General Employees Amount-Weighted Mortality table with fully generational projection using scale MP2018. Post-retirement mortality for healthy participants and beneficiaries is Pub-2010 General Retirees Amount-Weighted Mortality table with fully generational projection using scale MP2018. Post-retirement mortality for disabled participant is Pub-2010 General Disabled Retirees Amount-Weighted Mortality table with fully generational projection using scale MP2018.

The above is a summary of key actuarial assumptions. Full descriptions of the actuarial assumptions are available in the July 1, 2021, actuarial valuation report.

The County's contributions to the Employee's Retirement Plan for fiscal year 2022 were $10.2 million and are $971,000 in excess of the actuarial determined contribution of $9.3 million, as provided in the actuarial valuation as of July 1, 2021. The County's contributions to the Uniformed Employees Plan for fiscal year 2022 were $12.3 million. This amount equaled the actuarially determined contribution, as provided in the actuarial valuation as of July 1, 2021. The actuarially determined contributions for each of the plans in fiscal year 2023 and 2024 are listed below:

	Fiscal Year 2023	**Fiscal Year 2024**
Employee's Retirement Plan	$ 6.4 million	$11.0 million
Uniformed Employee's Plan	$15.2 million	$21.1 million

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 2019, 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 five 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 five 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, 2021, the date of the Actuarial Valuation:

Active volunteers	853
Terminated vested	35
Service retirements continuing employment	106
Service retirements and beneficiaries	160
Total:	1,154

Net Pension Liability of the County

The components of the net pension liability of the County at June 30, 2022, were as follows:

Total LOSAP liability	$	12,479,976
Plan fiduciary net position		(2,965,415)
County's net pension liability	$	9,514,561
Plan fiduciary net position as a percentage of the total pension liability		23.76%

During fiscal year ending June 30, 2022, contributions were made in accordance with the actuarially determined contribution requirements determined through an actuarial valuation as of July 1, 2020, in the amount of $1.2 million. For the year ended June 30, 2022, the County recognized LOSAP expense of $760,492.

Other Post-Employment Benefits

Plan Description

The Frederick County Retiree Health Benefit Plan was established on July 1, 2008, as 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 the County and Frederick County Public Library and, in certain instances, their eligible survivors and dependents. As of January 1, 2023, the County has moved their health benefits to a self-insurance model. This change will have no impact on participant contributions and is estimated to provide cost savings in future years.

Membership of the Plan consisted of the following at July 1, 2021, per the actuarial valuation report dated February 3, 2022:

Retirees and beneficiaries receiving benefits	805
Terminated plan members entitled to but not yet receiving benefits	N/A
Active plan members	1,887
Total	2,692

Funding Policy and OPEB Liability

Funding for the plan provides for periodic contributions based upon actuarial valuations. In March of 2022, the OPEB Committee recommended the establishment of a funding policy for the OPEB Plan and was approved by the County Executive. This policy establishes a formal methodology for financing the OPEB obligations of the Plan, with a funded target ratio of 90%. This target was set at less than 100% due to the volatility in medical costs and the possibility they will increase less than anticipated in the future. 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 funding levels and provide for a stable contribution rate. It is intended to provide flexibility to smooth the volatility of the investment marketplace and the actual economic and demographic experiences that differ from assumed experience. The policy considers the actuarial determined contribution (ADC), and should the funding level drop below 90%, a methodology to regain the target funding level within five years. Required contributions under the plan are funded entirely by the County.

Benefits are based on the employee's hire date. For employees hired on or before July 1, 1992, the County pays approximately 84 percent of the cost of premiums for medical and hospitalization costs. Employees hired after July 1, 1992, and before August 1, 2008, also must have worked for the County for a minimum of ten total benefitted years; these employees pay 50% of the cost of premiums. If the retiree has 25 or more years of service, these employees pay 45% of the cost of premiums.

Employees hired after August 1, 2008, also must have worked for the County for a minimum of ten total benefitted years; these employees will pay 75% of the cost of the premium with 10 to 14.9 years of service, 65% with 15 to 19.9 years, 55% with 20 to 24.9 years and 45% with over 25 years of service. Employees who have reached age 65 with five years of total benefitted service will pay 80% of the cost of the premium. If a retiree elects to discontinue coverage at the time of retirement or later, they have the option of re-enrolling in the County Plan. Therefore, the number of retirees participating in the plan varies throughout the year. For fiscal year 2022, the County contributed $6,863,941 to the Plan. Plan members receiving benefits contributed $2,321,445, approximately 22% of the total premium. Administrative costs are financed through investment earnings.

Funding Status and Progress

The components of the net OPEB liability of the County at June 30, 2022, were as follows:

Actuarial accrued liability:

Total OPEB liability	$ 236,312,028
Plan fiduciary net position	198,533,703
County's net OPEB liability	$ 37,778,325
Funded Ratio	84.01%

In the July 1, 2022 actuarial valuation, the projected unit credit cost method with linear proration to assumed benefit commencement was used. The actuarial assumptions included:

- 7.0% investment rate of return;
- An annual healthcare cost trend rate for years 2021-2022 of 6.0% and was updated to the latest model and the inflation rate of 2.5%;
- Market value of assets;
- The unfunded actuarial accrued liability is being amortized over a 16-year period, as a level of percentage of payroll for fiscal year 2023;
- 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 2021, the County contributed $6.5 million to the plan, which was $379,000 over the actuarially determined contribution of $6.2 million. For fiscal year 2022, the County contributed $6.9 million, exceeding the actuarially determined contribution of $6.3 million by $554,000. The fiscal year 2023 budget estimates contributions of $4.31 million, which is $0.2 million above the actuarially determined contribution of $4.29 million.

Labor Relations

As of December 31, 2022, the County employed approximately 2,427 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 ("MOU") 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 County Executive of Frederick County and the Career Fire Fighters Association of Frederick County, MD Inc., Local #3666, IAFF completed official negotiations on December 31, 2022, for the upcoming contractual period. The County and IAFF are preparing to engage in binding arbitration to resolve several unresolved items of collective bargaining. A new Memorandum of Understanding is scheduled to go into effect on July 1, 2023.

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 2022. The labor agreements between the Sheriff of Frederick County and the Fraternal Order of Police Lodge No. 102 and 102A were both signed and are in effect from July 1, 2022, through June 30, 2024. Both agreements provided market driven increases to the pay scales along with more generous military leave for training purposes.

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 automobile liability, 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. The County is a self-insured employer for workers' compensation as of July 1, 2022. In addition to these policies, the County keeps excess insurance policies in force to provide added coverage for large and/or catastrophic events.

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

Starting in fiscal year 2022, the County's financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of the GASB Statement No. 87, Leases is to enhance the relevance and consistency of information about governments' leasing activities. The GASB Statement No. 87, Leases establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under the GASB Statement No. 87, Leases a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Additional information is available in the County's Annual Comprehensive Financial Report.

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: 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, Weed Control Division of the Maryland Department of Agriculture, Non-County Agencies, Commission for Women, and the Community Partnership Grant. Those agencies are funded for in whole or in part by the County's General Fund. The Board of Education, Frederick Community College, Frederick County Public Libraries and Scott Key Center, Inc. are accounted for as component units. The Board of Education and Frederick Community College 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.

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 69 schools serving approximately 46,899 students. There are 38 elementary schools (prekindergarten-grade 5), 13 middle schools (grades 6-8), 10 high schools (grades 9-12), 4 specialized schools, and 4 public charter schools.

During the 2022-2023 school year, the teacher/student ratio was approximately 1 to 14.5. In 2021, 3,220 students received high school diplomas.

The County's largest General Fund appropriation in its adopted fiscal year 2023 budget is $365,338,683 for operating expenditures for public education. County appropriations for operating expenditures constituted a 10.6% increase over approved operating expenditures by the County for public education in fiscal year 2022. County funds for educational purposes are requested and appropriated in accordance with categorical classifications delineated by the Education Article of the Maryland Code. Net County appropriations for capital expenditures for public education are $63,702,193, with an additional $67,687,897 in State funding (comprised of capital improvement funds of $25,757,767 and Built to Learn funds of $41,930,130), in fiscal year 2023. The County expects to receive State and federal aid of $365,686,270 and $71,243,748 for operating expenditures, respectively, for public education during fiscal year 2023.

Frederick Community College (FCC)

Frederick Community College (the "College") is a two-year community college offering three separate curricula: a credit curriculum for those who wish to obtain a bachelor's degree and transfer to another college or university; a credit 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 in the continuing education and workforce development. Fiscal year 2022 covers the timeframe between July 1, 2021, and June 30, 2022, and included the following semesters: Summer II 2021, Fall 2021, Spring 2022, and Summer I 2022. For fiscal year 2022, the College served 12,351 total unduplicated students, of which 7,305 were credit students, 4,700 were Continuing Education and Workforce Development ("CEWD") students, and 346 were students who took a combination of credit and CEWD courses. The Summer II session included census dates between July 1, 2021, through and July 19, 2021, and there were 414 unduplicated students. In Fall 2021, the total unduplicated headcount was 5,389. In Spring 2022, the total headcount was 5,072. Summer I 2022 included census dates between June 6, 2022, to June 24, 2022, and there were 1,456 unduplicated students. Full-time Equivalent ("FTE") is a measure derived from the credit loads of students and is used to secure funding for FCC from the State through the CADE Formula. For fiscal year 2022, the total FTE was 3,385.6, with the total credit FTE of 4,937.9 and CEWD at 447.7. The Fall 2021 credit FTE was 1401.0, the Spring 2022 FTE was 1289.6, and the combined summer session (Summer II 2021 and Summer I 2022) totaled 247.3; the total FTE for non-credit courses was 447.7.

Fiscal year 2023 operating budget for the College is $62,473,610. Of this amount, approximately 35.8% was appropriated from the County's General Fund and an additional 0.8% for in-kind expenses. The balance of the College's funding is derived from a combination of State aid in the amount of $19,380,351, 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 2023 capital budget is $2,040,000.

Sheriff's Office

The Frederick County Sheriff's Office is a full-service Sheriff's Office, with roles as the primary law enforcement agency in the County, responsibility for management and operations of the adult detention center, and the responsibility for civil process service and security within the county courthouse. The men and women of the agency, in both law enforcement and corrections, as well as civilian support staff, are committed to serving the citizens of the County in the most effective and efficient ways possible with the highest level of integrity, all while treating everyone fairly with dignity and respect. The Sheriff's Office is integrity driven and community built.

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 68 civilian personnel. The Corrections Bureau is composed of Administrative Services, Community Services, Inmate Services and Security Operations, and is staffed with 137 uniformed and 30 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.

The Sheriff's Office follows a Community Policing philosophy which requires an agency-wide philosophical commitment to involve citizens as partners in the process of reducing and controlling the problems of crime and fear of crime, drugs, and neighborhood decay. Community policing results in the improvement of the overall quality of life in the community. The agency provides a wide variety of support services to the citizens of the County, including victim services, domestic violence follow-up, school resource officers ("SRO"), contracted school crossing guards, fingerprinting, online reporting, sex offender registry, crime data and mapping, crime prevention programs, and child support enforcement. A community volunteer program ("CAV") uses volunteers to enhance the services provided by the Sheriff's Office to the community by improving efficiency and productivity. This program uses volunteers to handle assignments and events that do not require a sworn deputy. The Sheriff's Office has also partnered with the Public Safety Cadets national non-profit organization to offer a cadet program for young adults, ages 14-20 (until their 21st birthday), to prepare them for careers and leadership in the public safety profession. This program provides classroom as well as hands-on practical training. In addition to law enforcement training, cadets will receive education and experience in public speaking, interviewing, resume building, and other life skills necessary to enter the workforce.

The Sheriff's Office has developed an adopted policy and practice to utilize Body Worn Cameras ("BWC") for the purpose of; strengthening police accountability, promoting de-escalation by both law-enforcement and those being encountered, enhancing the ability to resolve deputy-involved incidents and complaints, improving transparency and safety amongst the community, identifying and correcting internal agency training, policy, and other issues and strengthening the performance and safety of deputies. Deputies are required to activate their BWC in the following circumstances: upon arrival at the scene of calls for service, or other encounters that are investigative or enforcement related. This includes but is not limited to dispatched calls, traffic stops, arrests and transports, searches, pursuits, interviews and interrogations, mental health interventions, use of force incidents, documentation, seizure of evidence, etc. All contacts with a community member that become confrontational, when not otherwise prohibited by law or policy, and the recording would be beneficial in the interest of the public.

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 the County so that police officers can return to their patrol duties faster. At any given time, the Corrections Bureau supervises over 600 offenders a day.

Since April of 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. In October 2022, the Corrections Bureau ended its participation in a Federal Inter-Governmental Services Agreement with DHS/ICE to provide temporary housing for criminal illegal aliens due to a new state law.

In the wake of incidents across the country of misconduct and criminal acts involving police officers, particularly those that resulted in serious injury or death of a citizen, the Maryland General Assembly enacted substantial legislation focused on police reform. The Maryland Police Accountability Act of 2021 – Police Discipline and Law Enforcement Programs and Procedures requires that each county governing body establish a Police Accountability Board. After a robust public process, the County adopted its Police Accountability Board and Administrative Charging Committee in April of 2022. To the maximum extent practicable, the membership of the board reflects the racial, gender, and cultural diversity of the county as well as representation from communities that experience a higher frequency of interactions with law enforcement, including but not limited to people who are Black/African American, Latino, and lesbian/gay/bisexual/transgender/queer ("LGBTQ"), first or second-generation immigrants, people with disabilities, people with behavioral health concerns, and people who have experienced homelessness.

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 30 stations. DFRS is comprised of 531 uniformed personnel responding with approximately 600 volunteers. Emergency response vehicles include 45 pumpers, 10 aerials, 15 tankers/engine tankers, 10 squads, 25 brush trucks, 45 ambulances, and 12 medic units.

All volunteer companies receive funding for operating expenses and equipment through the County budget process and a portion of Emergency Medical Services ("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 Division is responsible for operating the County's 9-1-1 Center as identified in Section 1–304 of the Public Safety Article of the Annotated Code of Maryland, as amended, and as the local Emergency Management organization in the County for the responsibilities identified in Section 14–109 of the Public Safety Article of the Annotated Code of Maryland, as amended. The Administrative Office provides supervision for Departmental activities as well as leadership and coordination for strategic projects. The Division Director is appointed jointly by the County Executive and Governor and is supported by a Deputy Director, Administrative Support Supervisor, Special Project Manager, Emergency Planner, and three administrative support staff.

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, and a Grant Compliance Coordinator.

The Department of Emergency Communications operates the 9-1-1 call center for the 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 City of Brunswick and the Town of 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, two Assistant Administrators, twelve Managers, six supervisors, sixty-five Emergency Communications Specialists.

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. The Division serves 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 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 farmland. 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 these programs 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 eight 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 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 online 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.

Division of Energy and Environment

In 2022, the County Executive and County Council formed the Division of Energy and Environment ("DEE"). A Climate and Energy Department was formed to coordinate Frederick County's Government's climate emergency mobilization efforts. A Department of Stormwater merged stormwater regulatory functions from the previous County Executive's Office of Sustainability and Environmental Resources with flooding resilience and adaptation. The existing Sustainability Program Administrator position was converted to improve Diversity, Equity Inclusion and Belonging ("DEIB") efforts and to ensure that Division programs reach vulnerable and traditionally underserved populations. DEE collaborates with County divisions, intergovernmental agencies, businesses, citizens, and others to advance improvements in the areas of sustainability, climate, energy, and environment for all.

The Department of Stormwater manages compliance with the National Pollutant Discharge Elimination System ("NPDES") Municipal Separate Storm Sewer System (MS4) Clean Water Act program for municipal stormwater discharges. NPDES MS4 permits are managed by the Maryland Department of the Environment ("MDE"). The Department of Stormwater also manages eleven industrial discharge permits for stormwater from individual sites owned by the County. Stormwater permits require the county to identify water quality problems from the storm sewer system discharges in the County and to correct these water quality problems through best management practices and watershed restoration projects. This work includes Geographic Information Systems ("GIS") data collection, water quality monitoring, stream restoration projects, reforestation, stormwater management facility retrofits, and the reduction of untreated urban impervious areas. The County completed its last NPDES MS4 permit in full compliance, to include the restoration of 1,981 acres of land with inadequate stormwater controls. The County was awarded its new NPDES MS4 permit on December 30, 2022. It has five years to complete an additional 1,027 acres of restoration. Restoration acres are programmed into the Capital Improvement Program for funding. Restoration projects were developed from watershed and feasibility studies completed under the past permit cycle. MDE renewed the County's General Permit for Industrial Stormwater Discharges on February 1, 2023; the County will have six months to apply for coverage for its eleven facilities under the new permit. It ended the last cycle of eleven permits in full compliance.

Creating Resilience to Flooding Risks

The Department of Stormwater has worked extensively across agencies to address flood risks. It has incorporated stormwater flooding into its $12 million per year compliance program. In 2022, the Department of Stormwater received Congressionally Directed Funding for the Point of Rocks community to remove a significant high hazard dam above a commuter train station and parking lot. It also worked collaboratively with other Divisions and the State to coordinate on flood hazard reductions. It partnered with Division of Public Works ("DPW") beginning in 2018 on its Drainage Assessment and Response Team ("DART") and ensuing stormwater retrofit projects. It helped the Division of Emergency Management to create the first Hazard Mitigation and Climate Adaptation Plan in the state, used as a model by the Maryland Department of Emergency Management ("MDEM") and Maryland Department of the Environment ("MDE"). In 2022, staff participated in a statewide A-StoRM regulatory process (Senate Bill 227) with MDE to update its rainfall projections to more recent data using National Oceanic and Atmospheric Administration ("NOAA") Atlas 14 model, increase stormwater retention standards for new development, and to examine watershed areas of localized flooding for more stringent standards. The Department is also collaborating with the Livable Frederick Department to update the Water Resources element of the County's comprehensive plan to include stormwater flooding.

Frederick Government Climate Actions

- 2007 - The County develops its first greenhouse gas inventory for community and County government operations.
- 2010 - The County develops its first Comprehensive Energy Plan.
- 2011 - The County installs a solar water heater at the Adult Detention Center.
- 2012 - The County updates the greenhouse gas inventory for County operations.
- 2013 - The County receives its first Power Saver Retrofits grant, adopts its first resolution as a Maryland Smart Energy Community, and completes projects including adding electric buses to the fleet and LED lighting retrofits.
- 2016 - The County develops its Livable Frederick Master Plan to provide a roadmap for sustainability that addresses climate change and establishing frameworks to meet strategic goals. The County completed purchase of first electric buses.
- 2019 - The County completes a 1.9 Mega Watt (MW) solar array on a closed landfill to supply energy to County buildings and electric buses and a 1 MW solar array at the Ballenger-McKinney Wastewater Treatment Plant. The County is certified as a LEED Silver community. The County begins to update its Comprehensive Energy Plan for fiscal year 2020-2023.
- 2020 - The Frederick County Climate Emergency Resolution is approved, committing the Council to implement policy and legislative actions through the lens of climate change. The Climate Emergency Mobilization Workgroup ("CEMWG") is established to implement policy and legislative actions through the lens of climate change; reduce County-wide Greenhouse Gas ("GHG") emissions to 50% of 2010 levels by 2030 and by 100% of 2010 levels by 2050; draw down carbon where possible and implement climate adaptation measures.
- 2021 - The County Executive launches comprehensive climate initiatives. The CEMWG published its Climate Response and Resilience Report ("CRRR") in August 2021.
- 2022 - The County Council approves the climate initiatives, creates the Division of Energy and Environment, and the Departments of Stormwater and Climate & Energy. The County develops the Hazard Mitigation and Climate Adaptation Plan ("HMCAP") and develops an Alternative Fuel Vehicle ("AFV") Transition Plan and a Climate and Energy Action Plan.

Climate Risks in Frederick County are Increasing

- The number of extreme heat days—where temperatures hit 95°F or above—are expected to increase from a historically observed 2-3 days per year to a future estimated 19-26 days per year by 2050 and 27-62 days by 2090. Higher temperatures will impact the County in many ways, including but not limited to greater energy needs for cooling and threats to human health.
- The amount of precipitation is not predicted to greatly change, but rain events will be less frequent and more intense—which can lead to greater flooding than what the County currently experiences.
- The risk of droughts as well as winter storms is projected to increase in the future due to climate change.
- The amount to which humans reduce greenhouse gas emissions globally influences the degree to which climate change will impact the County.

In 2022, the newly created Department of Climate & Energy partnered with the Metropolitan Washington Council of Governments ("MWCOG") on a Frederick County Climate and Energy Action Plan ("CEAP") for Internal Operations that includes a Greenhouse Gas Emissions Inventory, Mitigation Strategy, Climate Risk and Vulnerability Assessment, and Resilience Strategy.

The primary objectives of the CEAP are to:

- Describe the County's GHG emissions sources and business-as-usual projections through 2050, including a discussion of base year (2010) and progress year (2018) GHG emissions.
- Identify and estimate the impact of GHG reduction actions to achieve its climate targets.
- Assess the risks and vulnerabilities posed to County government operations and County-managed assets under a changing climate, including from extreme heat, flooding, drought, and extreme winter conditions.
- Identify and recommend operational strategies to improve the resilience of the County government to climate change.
- Consider and incorporate the impact of parallel actions the County is taking, such as developing an Alternative Fuels Vehicle Plan.
- Provide key next steps and related guidance to facilitate implementation of GHG reduction and resilience actions outlined in this Plan and track progress towards goals over time.

Community-wide greenhouse gas emissions have reduced 42% since 2005. Internal operational emissions have reduced 20% from the baseline year. The Internal Operations CEAP aligns with MWCOG's region wide CEAP, which has been approved by the Global Covenant of Mayors in support of the Paris Climate Agreement.

The Department of Climate and Energy is further tasked with programs to include the Clean Fleet and Electric Vehicle Infrastructure Program, Clean Energy Production and Procurement Program, and Building Energy and Resiliency Program. These specific programs address climate resiliency and adaptation as well as emissions from the transportation and building sectors, which account for about 89% of greenhouse gas emissions from internal operations and 85% of emissions community-wide. The Department collaborates with Divisions through the CEAP on remaining emissions from processes like solid waste and wastewater treatment.

The Clean Fleet and Electric Vehicle Infrastructure Program includes the conversion of the County's fleet to alternative vehicles, collaboration with MWCOG on an Electric Vehicle Readiness Plan, and evaluation of planning regions for Electric Vehicle siting opportunities and equity considerations. In 2022, staff worked with the County Council to pass electric vehicle readiness legislation for new home construction. This Program has a goal of net zero emissions by 2050.

The Clean Energy Production and Procurement Program includes the County's production of clean energy as well as its electricity procurement. This program has a net goal of zero emissions by 2050. A solar array at the County's Reichs Ford Road Landfill, comprised of 7,776 panels over nearly 14 acres powers nine electric bus chargers housed at its Transit facility. 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). On March 1, 2021, the Maryland Energy Administration ("MEA") approved a grant award to the County through the Division of Public Works in an 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. This solar canopy went live in 2022. The Ballenger-McKinney Wastewater Treatment Plant Solar Array project includes construction of a 3,528 module PV Array, with a 1 MW generation capacity adjacent to the treatment plant. This project generates 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. The County takes a strategic approach to electricity procurement using a PJM Interconnection LLC ("PJM") subaccount to purchase energy blocks and manage cost and risk associated with electricity. This work is done in collaboration with the Frederick Area Cooperative Team ("FACT"), with members including Frederick County Government, Frederick County Public Schools, and Frederick Community College.

The Building Energy and Resiliency Program was created to grow an existing building retrofitting program into a portfolio management program. The County runs a sophisticated operations and maintenance program for its facilities. Its facility maintenance group is responsible for a large set of work in-house including full renovations of facilities and the installation of new HVAC and electrical systems in buildings. Their work already includes a variety of energy efficiency and electrification scopes in alignment with the 2021 Comprehensive Energy Plan for County Government and are well governed to expand their work to include additional energy-related projects, including capital projects, new building automation systems ("BAS") and energy efficiency installations. BAS provide opportunities to significantly reduce energy consumption of buildings, but by controlling equipment to optimize the hours and ways that they heat and cool facilities. The County annually benchmarks facilities energy use with ENERGY STAR® Portfolio Manager, which helps to identify building inefficiencies and energy project opportunities. The program is also focused on staff development, including the hiring of new staff qualified in technologies like BAS and the certification of existing staff on building energy performance.

Economic Development

Functions within the Frederick County Office of Economic Development ("FCOED") are administered by a staff of ten full-time employees whose mission is to sustain, diversify and grow the County's vibrant economy by providing leadership and resources for businesses to start, locate and expand. The Frederick County Workforce Services ("FCWS") department is included within Economic Development. This department is one of the nation's American Job Centers. With 25 full-time county staff and 9 state staff, their mission is to be the leader in workforce development for the County and contribute to the economic prosperity of the community. In 2017, FCWS co-located with Frederick Community College to continue to foster the workforce training opportunities through this enhanced partnership. The County consists of a diverse business community that 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 second quarter 2018 to second quarter 2019, the County saw an increase of 3.2% in jobs. From second quarter 2019 to second quarter 2020 the employment decreased by 14.2% due to the pandemic. Since 2020, jobs have increased by 12.8%. Second quarter 2022 reports 102,887 jobs or an increase of 11,670 jobs since 2020. The average wage per worker was $1,192 per week, up 25.9% since the second quarter 2018. The industries that experienced the most growth in employment in the private sector are the information, professional and business services and the trade, transportation and utilities sectors.

Frederick Innovative Technology Center, Inc. ("FITCI") is a business incubator and accelerator designed to cultivate entrepreneurs and innovation in the County. Since its founding in 2004, FITCI has had an unprecedented 93% success rate, serving over 260 companies. These companies received startup and accelerator services through mentorship or educational programs creating over 1,160 jobs. These 260 FITCI Companies contribute over $84 million dollars to the local economy annually. Currently, FITCI is home to 74 companies.

There are 54 volunteer CEOs that serve as company advisors as part of FITCI's Strategic Growth and Advisory Board. A business resource portal keeps all 260 graduate companies connected. FITCI expanded its offerings to include the AgriTech industry, and 20% of the current FITCI companies include AgriTech businesses. Recently, FITCI announced a 20,000 square foot expansion, currently under construction, which will double the capacity. FITCI received the Outstanding Rural Economic Development Award from Rural Maryland Council in 2021 and was named the number one incubator in 2023 by the Baltimore Business Journal.

Businesses from the life sciences industry continue to locate and expand in the 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 National Interagency Biodefense Campus.

Several businesses have chosen the County for their location, and many existing businesses have expanded. In 2021, Quantum Loophole acquired over 2,000 acres and is currently constructing a first-of-its-kind, environmentally friendly data center campus. Aligned Data Centers became the first company to sign a contract with Quantum Loophole and is currently in its infrastructure phase with plans to construct a 1,300,000 square foot data center in the master planned data center community. DRS Signal Solutions Inc. will be locating to the County occupying 88,000 square feet and employing 150 people. Kite, a Gilead Company, recently announced plans to expand adding 100 new jobs and 70,000 square feet to their existing 275,000 square foot facility. The Kroger Co., in partnership with the Ocado Group, has finished construction on its 700,000 square foot High-Tech Customer Fulfillment Center ("CFC") with plans to employ 550. In addition, Forecyte Bio Limited, New York Life Insurance Company and X-energy have all chosen to locate their businesses in the County. Chestnut Hill Farm, Westbound Transport, Goodwill, Federal Stone Industries, Green Leaf Medical and Planar Monolithics Industries have all expanded their existing businesses in the County.

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 1,301 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 $51,741,838 and $21,171,234, respectively, for the County's road system in fiscal year 2023. 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 2023.

Health

In 2022, the County performed better than the state average in health outcomes and health 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. HSD was reaccredited in 2021. 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 the 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 the 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 the County and surrounding areas. FH consists of Frederick Health Hospital (including FH Hospice and Home Care), Frederick Health Medical Group ("FHMG"), Monocacy Insurance Limited, Frederick Health Services Corporation, and Frederick Integrated Healthcare Network employing over 3,400 employees. Frederick Health Hospital is a 264 licensed bed acute care hospital with 24/7 medical and surgical coverage provided by medical staff comprised of over 800 contracted, employed, and independent physicians and advanced practice providers (nurse practitioners and physicians assistances). Hospitalists, intensivists, surgical specialists, adult and pediatric emergency physicians, and many other specialists provide in-house and on-call coverage. Frederick Health Hospital's adult and pediatric emergency departments treat over 67,000 patients annually and more than 2,500 families and newborns in its Family Center and Level III Neonatal Intensive Care unit. In addition, the hospital has a Cardiac Catheterization and Electrophysiology Lab, and several full-service outpatient facilities located throughout the County to include laboratory, imaging, and rehabilitation services.

In 2017 FH constructed the $40 million, 62,000 square feet James M. Stockman Cancer Institute which houses three 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 advanced practice providers located in 29 practices around the 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, Comprehensive Care Center, Behavioral Health, Sleep, and Wound Care & Hyperbarics, Medical Weight Loss, Pulmonary, Neurosurgery, Infectious Disease, Gastroenterology, and Radiologist Services.

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 August 2028. 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 2022 was 90.9%. Occupancy rates are estimated at 93% for fiscal year 2023.

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. The 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 which was closed in September 2001, in accordance with State regulations. 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 the 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.

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 the County and use the County's Reich's Ford Road disposal facilities as their primary disposal facility for municipal solid waste generated in the 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.

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 the County and through waste transportation and disposal contracts, procured through the Northeast Maryland Waste Disposal Authority ("NMWDA"). The County transfers a majority of the waste to landfills outside of the County. This contract expires on April 30, 2025.

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, 2025, and options will be evaluated in the coming years 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.

Summarized below are the current tipping fees and the approved fiscal year 2023 tipping fees:

Material	**Fiscal Year 2023 Cash**	**Fiscal Year 2023 Credit**
Municipal Solid Waste	$ 71/ton	$ 78/ton
Construction & Demolition (C&D)	$ 80/ton	$ 87/ton
Tires - Commercial	$162/ton	$162/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 since fiscal year 2020. The current fees are shown below.

Property Designation	**FY2023**
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 $18 million in fiscal year 2023, while the SBC is estimated to generate over $11 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 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 $130,000 for fiscal year 2023.

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 the 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 the 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 91% of the County's water supply is provided from the Potomac River. The remaining 9% 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 average day 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 December 31, 2022, 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 37,130 accounts and the water systems serve a total of 27,433 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 became effective September 1, 2019. The approved rate schedule included sewer rate increases that were effective fiscal year 2020 through fiscal year 2024 with no adjustment to the water rates. The water and sewer rate model is updated and reviewed annually with the next comprehensive cost-of-service study planned for fiscal year 2024.

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(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 population estimate for the last ten years based on the U.S. Census Bureau's American Community Survey.

Census Year	Population of Frederick County
2021	279,835
2020	271,717
2019	259,547
2018	255,648
2017	252,022
2016	247,591
2015	245,322
2014	243,675
2013	241,409
2012	239,582

Source: U.S. Census Bureau – American Community Survey – 1 Year Estimates Data Profiles.

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	79,588
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
2021....................	$68,704	5.2%	$69,817	6.3%	$64,143	7.3%
2020....................	65,338	4.9	65,685	5.4	59,765	6.2
2019....................	62,317	3.4	62,313	2.9	56,250	4.6
2018....................	60,263	3.4	60,577	2.4	53,786	4.4
2017....................	58,258	3.3	59,155	2.6	51,500	3.9

Source: Regional Economic Information system. U.S. Bureau of Economic Analysis, Table CAINC1 – November 16, 2022 – new statistics for 2021; revised statistics for 2010 – 2020.

Frederick County and State of Maryland
Total Personal Income

	Personal Income ($000's)*		Percent Change from Previous Year	
Calendar Year	Frederick County	State of Maryland	Frederick County	State of Maryland
2021..	$19,225,710	$430,429,300	7.9%	6.2%
2020..	17,819,954	405,454,600	6.9	5.6
2019..	16,667,929	384,074,300	5.7	3.3
2018..	15,771,138	371,870,300	5.7	2.8
2017..	14,926,748	361,606,200	5.2	3.2

Source: Regional Economic Information system. U.S. Bureau of Economic Analysis, Tables CAINC4 – November 16, 2022 and SAINC4 – September 30, 2022 - new statistics for 2021; revised statistics for 2010 – 2020.
*Note: Total personal income values are in thousands of dollars, not adjusted for inflation.

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Personal income levels for the County residents from 2016 to 2020 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

	2020 Number of Returns	2016 Number of Returns	Percent Increase
Calvert County..................	23,360	21,802	7.2%
Charles County	39,724	35,814	10.9
Frederick County	**66,384**	**57,215**	**16.0**
Montgomery County	262,608	247,587	6.11
Prince George's County ...	187,032	169,431	10.4
State of Maryland.............	1,351,707	1,237,205	9.3

Source: Comptroller of the Treasury, Income Tax Summary Report, Tax Years 2016 and 2020.

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 2021, as a percentage of their ninth-grade enrollment four grades earlier, are presented below:

Calvert County............................	95.0 %
Charles County............................	93.5
Frederick County	**93.7**
Montgomery County..................	91.3
Prince George's County.............	77.9
State of Maryland.......................	97.2

Source: Maryland Report Card 2021 – 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 the 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)	1.2%	2.1%	**3.9%**	4.5%	7.5%	3.7%
High School						
1–3 years................................	2.6	3.8	**3.6**	4.1	5.5	5.2
4 years....................................	29.8	26.8	**26.3**	13.1	26.8	23.8
College						
No degree...............................	20.1	23.5	**17.2**	12.1	19.3	17.8
Associate degree	13.7	10.6	**6.3**	5.3	6.0	6.9
Bachelor's degree...................	15.8	19.4	**23.5**	27.14	19.9	22.4
Graduate/Professional degree..	16.9	13.7	**19.2**	33.8	14.9	20.2

Source: Table S1501 - Educational Attainment. U.S. Bureau of the Census, 2021 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 an increase between fiscal years 2021 and 2022. 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 2021	Fiscal Year 2022	Percent Increase
Calvert County	$35,709	$55,616	55.7%
Charles County	88,544	124,227	40.3
Frederick County	**145,229**	**220,134**	**51.6**
Montgomery County	425,947	708,582	66.3
Prince George's County	450,201	674,717	50.0
State of Maryland	4,548,722	7,013,068	51.2

Source: Comptroller's Revenue Accounting Division. Summary by Principal Business Activity Fiscal Year 2021-2022.

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 2021 calendar year 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	62	0.9 %	592	0.6 %
Construction	907	13.7	9,954	10.1
Manufacturing	198	3.0	5,475	5.6
Trade/Transportation/Utilities	1,109	16.6	18,373	18.7
Information	78	1.2	915	0.9
Financial Activities	637	9.6	4,472	4.6
Professional and Business Services	1,495	22.6	16,435	16.6
Education and Health Services	801	12.1	13,891	14.1
Leisure and Hospitality	589	8.9	10,145	10.3
Other Services	584	8.8	4,146	4.2
Total – Private Sector	6,478	97.9	84,416	86.01
Local Government	72	1.1	8,882	9.1
State Government	12	0.1	1,135	1.2
Federal Government	56	0.9	3,711	3.8
Total	6,619	100.00 %	98,144	100.00 %

Source: Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information, "Employment and Payrolls, Annual Average, 2021".

Listed below are the 10 largest employers as of June 2022, located in the County:

Ten Largest Employers in Frederick County

Employer	Principal Products or Activities	Employees
Fort Detrick	Research/Telecommunications	10,200*
Frederick County Board of Education	Education	6,585
Frederick Health Hospital (formerly Frederick Memorial Healthcare System)	Comprehensive Healthcare	3,275
Frederick County Government	Local Government	2,396
Leidos Biomedical (formerly SAIC-Frederick)	Medical Research	2,341
Frederick Community College	Education	1,251
Thermo Fisher Scientific (formerly Life Technologies)	Life Sciences Research	950
Frederick City Government	Local Government	841
Costco Wholesale	Wholesale Distribution Center and E-commerce Center	740
AstraZeneca	Research-Based BioPharmaceutals	700

* 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 2018-2022.

Annual Average Unemployment Rate

	2022	2021	2020	2019	2018
Calvert County	2.9%	4.2%	5.0%	3.0%	3.4%
Charles County	3.3	5.3	6.4	3.4	3.7
Frederick County	**3.0**	**4.4**	**5.6**	**3.0**	**3.4**
Montgomery County	2.9	5.1	6.1	2.8	3.1
Prince George's County	3.5	6.8	7.8	3.6	3.9
State of Maryland	3.2	5.3	6.5	3.4	3.8
United States(1)	3.6	5.3	8.1	3.7	3.9

The number of persons living in the County who were available for work and composed the work force 138,155 in February 2023 and the total employment for this force was 134,308 resulting in an unemployment rate of 2.8% for this period. Certain comparative unemployment rates are given below for February 2023.

Calvert County	2.7%
Charles County	3.0
Frederick County	**2.8**
Montgomery County	2.6
Prince George's County	3.2
State of Maryland	3.0
United States (1)	3.6

Source: "State of Maryland. Civilian Labor Force, Employment, and Unemployment by Place of Residence, Issued February 2023." 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 2021 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	33.8%
Charles County...........................	24.1
Frederick County	**22.3**
Montgomery County..................	20.2
Prince George's County	15.5

Source: U.S. Census Bureau, 2017-2021 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 December 30, 2022, Maryland Agricultural Land Preservation Foundation easements have been purchased on 25,238 acres with an additional 3,905 acres under the temporary district status. The County has purchased easements in the Installment Purchase Program to protect a total of 21,733 acres. In combination with county and State land preservation programs, there are permanent protective easements on 69,709 acres as of December 30, 2022.

Transportation

Transit Services of the County provides fixed-route services in the City of Frederick and Walkersville, as well as rural shuttle service to Brunswick, Jefferson, Emmitsburg, Thurmont, Point of Rocks, and Spring Ridge. Transit Services also provides commuter resources for employers and commuters in the County and administers the rideshare program. Commuter rail services are provided by the Maryland Department of Transportation Maryland Transit Administration ("MDOT MTA") through the Maryland Area Rail Commuter ("MARC") Train, with service to Washington, D.C. The County has four MARC Train stations: a downtown Frederick location, shared with Transit Services local buses and regional transportation such as Commuter Bus, Bayrunner, and Greyhound; a suburban location shared with Transit Services local buses at Monocacy MARC, just south of the City of Frederick; and MARC stations at both Brunswick and Point of Rocks.

In addition, MDOT, MTA provides commuter bus services to the Washington, D.C. area, including to Washington Metropolitan Area Transit Authority's ("WMATA") Shady Grove station via the 515 Commuter Bus from various points within 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. Each of these buses makes a stop in Urbana. Intercity bus service is provided by Greyhound to a variety of locations outside the County, as well as by the Bayrunner Shuttle which serves Western Maryland, initiating in Grantsville and serving stops in route to the City of Frederick, terminating in Baltimore and the reverse.

The Frederick Municipal Airport is served by private, industrial, and charter aviation as well as local Transit Services bus service. Three major airports are within 60-miles of the County: Dulles International, Reagan National and Baltimore-Washington International Thurgood Marshall airports.

CSX Corporation, Maryland Midland Shortline, and numerous truck lines provide railroad and truck freight service to the County.

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, New Spire Arts Stages, 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 Major League Baseball ("MLB") Draft League) and Frederick Atlantic League Professional Baseball Team (a MLB Partner 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. The County is the leader in the State of Maryland in craft beverages. Now home to 39 wineries, breweries and distilleries, this industry generates jobs in agriculture and manufacturing, strengthens Frederick's tourism industry and attracts young talent to the community.

Parks and Recreation

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 2,444 acres of which 1,549 acres are developed to some degree. The largest site is 254 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 National Historical Park and Catoctin Mountain National Park.

The twelve municipalities also provide and maintain park systems which include neighborhood, community, regional 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:

	2022*		2021		2020		2019		2018	
	Issued	Value (000's)	Issued	Value (000's)	Issued	Value (000's)	Issued	Value (000's)	Issued	Value (000's)
Residential	2,597	$ 711,222	2,774	$ 805,492	2,604	$ 736,367	2,382	$ 570,289	2,038	$ 568,320
Com./Ind./Other	12,768	296,358	9,581	305,748	7,606	331,608	8,479	201,453	986	139,958
Total	15,365	$ 1,007,580	12,355	$ 1,111,240	10,210	$ 1,067,975	10,861	$ 771,742	3,024	$ 708,278

*2022 Information as of December 31, 2022
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	2022 No. of Units/ % of Total	2021 No. of Units/ % of Total	2020 No. of Units/ % of Total	2019 No. of Units/ % of Total	2018 No. of Units/ % of Total
Single Family Detached	798 / 31%	1108 / 40%	1135 / 44%	865 / 36%	874 / 43%
Townhouse	723 / 28%	1075 / 39%	1085 / 42%	742 / 31%	724 / 35%
Multi-Family	1068 / 41%	586 / 21%	384 / 15%	775 / 33%	423 / 21%
Total	**2,589**	**2,769**	**2,604**	**2,382**	**2,021**

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 Map (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.

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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 8 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. 22-03-003.

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 generally accepted accounting principles ("GAAP") accepted in the United States of America.

The Government-wide financial statements, which include the Statement of Net Position and the Statement of Activities, report information on all 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 are included in the County's Annual Comprehensive Financial Report ("ACFR") 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, Employees' Retirement Plan, Non-Uniformed Employees' Retirement Plan, 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 Annual Comprehensive Financial Report ("ACFR") for fiscal year 2021. This was the fortieth year (thirty-fifth 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. The fiscal year 2022 ACFR was submitted for the award. The County is still awaiting the results of our submission.

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 ACFR to the Certificate of Achievement program requirements. The application for the fiscal year 2022 award is pending review.

Distinguished Budget Presentation Award

The Budget Office received the GFOA's Distinguished Budget Presentation Award for the past six fiscal years' (2018 – 2023) 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 each of the five most recent fiscal years for which audited results are available and projected results for fiscal year 2023:

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

	FY23*	FY22	FY21	FY20	FY19	FY18
Revenues						
Local property taxes	$ 397,798,410	$ 367,366,537	$ 354,958,289	$ 335,803,751	$ 322,868,436	$ 308,021,607
Local income taxes	332,741,101	314,419,691	289,489,750	246,930,060	236,272,579	217,210,924
Other local taxes	4,284,042	1,695,977	2,817,589	2,493,489	1,648,701	1,654,293
Recordation	28,940,343	38,541,413	33,347,840	25,294,952	24,436,376	21,452,057
Grants from federal government	204,546	377,491	233,321	1,346,072	443,571	818,673
Highway user	3,239,646	3,515,152	2,862,742	2,355,509	2,876,877	1,960,241
Other state grants	2,314,672	1,759,156	1,823,209	1,838,758	1,868,498	1,846,827
Investment earnings	7,257,094	101,416	197,024	3,495,592	3,981,717	2,008,672
Charges for services	8,954,050	8,380,965	8,633,900	10,849,514	11,725,155	11,948,627
Licenses and permits	5,297,180	7,212,432	7,690,951	6,564,046	6,637,041	5,870,061
Fines and forfeitures	31,556	44,453	32,699	24,706	40,170	88,920
Miscellaneous revenues	3,186,493	4,473,295	3,018,433	2,490,758	3,183,879	2,596,530
Total revenues	794,249,133	747,887,978	705,105,747	639,487,207	615,983,000	575,477,432
Expenditures						
Current						
General government	68,587,625	55,076,915	51,380,021	48,251,315	48,591,608	47,027,360
Public safety	160,004,181	146,832,389	127,333,158	129,939,454	119,480,300	112,028,385
Public works	27,607,411	22,159,878	20,124,773	20,308,453	21,447,061	20,533,439
Health	9,488,058	7,701,302	6,379,407	6,113,745	5,995,133	6,166,996
Social services	8,719,011	6,810,363	6,186,403	6,984,247	6,556,044	5,753,887
Education						
Board of education	365,604,552	330,557,080	309,170,970	294,548,343	283,305,204	271,000,287
Community college	22,864,463	21,798,561	20,252,684	18,857,979	17,754,562	16,567,453
Parks, recreation and culture	25,611,102	22,120,571		19,516,854	19,179,116	17,602,228
Conservation of natural resources	6,721,456	5,250,005	19,364,330	2,702,933	2,966,007	2,708,867
Community development and public housing	908,269	751,298	3,430,577	658,575	668,913	614,563
Economic development and opportunity	5,114,785	4,506,303	662,132	4,438,382	4,235,545	3,382,121
Non-departmental			4,683,527			
Tax rebate to municipalities	5,246,806	5,092,756	5,003,752	4,931,492	4,689,916	4,480,156
State Department of Assessments and Taxation	900,618	878,756	725,780	888,368	724,248	848,028
Other employee benefits	1,500,000	442,079	566,168	913,648	386,434	305,451
Property and liability insurance	2,417,331	1,705,357	1,553,228	1,409,636	1,290,030	1,169,042
Indirect cost recovery	(3,393,499)	(3,142,871)	(3,013,079)	(2,848,991)	(2,854,060)	(2,849,639)
Other non-departmental & contingencies	3,517,066	10,416,881	3,621,202	764,395	5,535,120	453,816
Total expenditures	711,419,235	638,957,623	577,425,033	558,378,828	539,951,181	507,792,440
Other financing sources (uses)						
Transfers from						
Special revenue funds	-	12,011	18,871	264,767	295,252	-
Transfers to						
Capital projects funds	(22,894,842)	(80,035,647)	(18,259,536)	(18,951,787)	(17,107,782)	(14,954,639)
Special revenue funds	(12,371,022)	(12,833,110)	(8,529,352)	(8,939,500)	(6,640,937)	(6,234,579)
Internal service funds	(1,578,170)	(6,097,798)	(1,677,651)	(1,850,652)	(1,206,005)	(1,211,801)
Enterprise funds	-	(20,587)	(239,519)	-	-	-
Debt service fund	(49,599,362)	(47,099,362)	(45,071,160)	(43,680,000)	(42,000,000)	(40,533,525)
Total other financing sources (uses)	(86,443,396)	(146,074,493)	(73,758,347)	(73,157,172)	(66,659,472)	(62,934,544)
Total expenditures and other financing uses	797,862,631	785,032,116	651,183,380	631,536,000	606,610,653	570,726,984
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(3,613,498)	(37,144,138)	53,922,367	7,951,207	9,372,347	4,750,448
Change in fund balance	$ (3,613,498)	$ (37,144,138)	$ 53,922,367	$ 7,951,207	$ 9,372,347	$ 4,750,448

* Fiscal Year 2023 is estimated.
Source: Frederick County Finance Division.

The fiscal year 2023 assessed property values increased 6.35% compared to fiscal year 2022, resulting in an additional $30.4 million in revenue. It is anticipated that the fiscal year 2023 income tax revenue will be 2.3% lower than fiscal year 2022. The Comptroller of Maryland Bureau of Revenue Estimates expects withholding growth to slow as the labor market recovery nears completion and as tighter monetary policy slows overall economic growth.

Taxes

Ad valorem property taxes are one of the County's most important source of revenues, estimated at 49.12% of total General Fund revenues and 50.88% of total local General Fund tax revenues in fiscal year 2022. By comparison, in fiscal year 2018, these percentages were 53.52% and 56.17%, respectively.

The following table represents the County's actual principal tax revenues by source for each of the five most recent fiscal years for which audited results are available and projected results for fiscal year 2023:

	Total Local Taxes	General Property Taxes (1)	Income Taxes	Other Local Taxes
2023*	$ 763,763,896	$ 397,798,410	$ 332,741,101	$ 33,224,385
2022	722,023,618	367,366,537	314,419,691	40,237,390
2021	680,613,468	354,958,289	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

*Fiscal Year 2023 is 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 $825,000 for fiscal year 2023. Other budgeted tax credits not reimbursed by the State for fiscal year 2023 include credits for historic districts ($1,000), for rehabilitated vacant commercial structures ($100,000), and for agriculture land and buildings ($1,300,000).

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 2019-2023 and the County and State tax rates applicable in each of those years. The projected fiscal year 2023 assessment of tax exempt property owned by federal, State and County governments, churches, schools, fraternal organizations, cemeteries, disabled and the blind aggregated $3,770,045,638. 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 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Assessments						
Real Property	$ 38,213,700,556	$35,899,939,037	$ 33,798,784,065	$ 32,209,543,072	$ 30,689,657,964	$ 29,364,340,477
Public Utilities	442,117,040	447,268,660	432,443,030	422,730,930	416,801,030	393,853,430
Total Base	$ 38,655,817,596	$36,347,207,697	$ 34,231,227,095	$ 32,632,274,002	$ 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	$1.060
State Tax Rate (Per $100 of Assessment)	$0.112	$0.112	$0.112	$0.112	$0.112	$0.112

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 tax rates for fiscal years 2022 and 2023 are shown below. All tax calculations are based on $100 of assessment:

	2023	2022
State of Maryland	$ 0.1120	$ 0.1120
Frederick County	$ 1.0600	$ 1.0600
County - Frederick City Differential	$ 0.9487	$ 0.9505
County - Town of Myersville Differential	$ 0.9423	$ 0.9407

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 2022:

Name of Taxpayer	Assessment	Percentage of Total County Taxable Assessments
POTOMAC EDISON CO	$ 225,787,220	0.59%
ASTRAZENECA PHARMACEUTICALS	127,948,993	0.34
KITE PHARMA INC	117,221,867	0.31
RIV 402 LLC	105,657,300	0.28
THE KROGER CO	93,638,867	0.25
APARTMENTS AT URBAN GREEN LLC	76,519,167	0.20
COSTCO WHOLESALE CORPORATION	74,517,300	0.20
WASHINGTON GAS LIGHT COMPANY	62,739,910	0.16
B R LAKE LINGANORE DST	58,716,267	0.15
PR FINANCING LIMITED PARTNERSHIP	58,070,600	0.15
YBC INVESTORS LLC	57,520,333	0.15
RACHUBA PROSPECT HALL LLC	57,223,800	0.15
LPF CLEMSON CORNER LLC	56,196,600	0.15
HOMEWOOD AT FREDERICK MD INC	54,929,900	0.14
EASTERN GAS TRANSMISSION & STORAGE	53,748,740	0.14
CENTENNIAL CLEARBROOK LLC	52,597,533	0.14
FANNIE MAE	48,924,067	0.13
100 ALESSANDRA LLC	41,811,500	0.11
FREDERICK SHOPPING CENTER LLC	39,902,400	0.10
SPIRIT REALTY LP	39,057,267	0.10
	$ 1,502,729,631	3.35%

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.

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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 for which audited results are available, as well as estimates for fiscal year 2023:

Fiscal Year	Total Tax Levy (Adjusted Levy)	Current Year's Taxes Collected in Year of Levy		Collections in Through 2/27/2023	Total Collections to Date	
		Amount	Percentage		Amount	Percentage of Adjusted Levy
2023*..	$ 383,812,304	$ 375,480,598	97.83%	$0	$ 375,480,598	97.83%
2022…	361,254,601	361,277,039	100.01%	($115,751)	361,161,288	99.97%
2021…	340,222,786	340,076,115	99.96%	$32,500	340,108,615	99.97%
2020…	323,063,395	322,731,093	99.90%	$314,660	323,045,753	99.99%
2019…	308,218,891	308,100,885	99.96%	$93,772	308,194,657	99.99%
2018…	294,060,649	293,695,909	99.88%	$236,572	293,932,481	99.96%

Source: Frederick County Treasurer's Office.

*Fiscal Year 2023 is estimated.

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 2.25% of Maryland taxable income, but not in excess of 3.20%. The County's income tax rate was 2.96% since 2002. With the passage of Ordinance 22-02-002, the County's income tax rate was reduced to 2.75% for joint status taxable income of $100,000 or less and single status taxable income of $50,000 or less. The rate for all remaining taxpayers remains at 2.96% This change is effective as of January 1, 2023. Local income tax is budgeted at $307,265,361 for fiscal year 2023.

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 2022 were $79,812,411 (including General Fund revenues of $38,541,413). The adopted budget for fiscal year 2023 is $60,468,749 (including General Fund revenues of $28,940,313). 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 (effective October 1, 2020) to the Housing Initiative Fund through fiscal year 2023, as reflected below. This legislation also increased the recordation tax rate by $100 from $6.00 to $7.00, per $500 of consideration.

Recordation Tax Allocations

	FY2023	FY2022	FY2021	FY2020	FY2019
General Fund	47.860%	48.290%	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.

Fund Balance Trend

General Fund

	FY 2023*	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Nonspendable	$ 1,780,898	$ 1,780,898	$ 1,992,197	$ 2,322,098	$ 1,331,441	$ 2,229,603
Restricted						
Other	816,614	1,073,801	1,022,443	1,007,637	923,383	948,467
Committed						
Enabling Legislation **	60,881,488	54,884,559	43,574,733	39,086,518	40,736,583	33,006,509
Bond Rating Enhancement	100,000	100,000	100,000	100,000	100,000	100,000
Appropriation of current year's fund balance	-	1,282,190	7,831,610	6,319,824	2,089,793	
Year 1 Budget	48,211,000	27,804,400	33,297,977	26,005,370	25,763,352	22,698,108
Year 2 Budget	29,957,705	48,211,611	75,407,718	33,297,977	26,005,370	25,763,352
LOSAP	-	-	-	-	53,818	336,818
Severe Weather	-	-	-	-	1,149,900	1,409,900
Commission for Women	27,614	27,614	-	-	-	
Permanent Public Improvement	79,074	199,074	199,074	79,074	79,074	50,000
Assigned						
Revenue Stabilization	10,788,924	12,788,924	14,788,924	13,788,924	11,639,024	11,467,382
Income Taxes (Wynne Case)	-	-	-	150,000	150,000	150,000
Downtown Hotel	-	-	2,520,000	-	-	
Purchase Property (Denn)	-	-	288,500	-	-	
Encumbrances	4,851,882	7,775,220	4,999,597	3,441,870	5,375,813	2,667,710
Other	1,308,906	1,637,880	1,195,043	2,998,045	857,593	1,594,457
Unassigned						
Other	300,000	300,000	300,000	300,000	300,000	300,000
	$ 159,104,105	$ 157,866,171	$ 187,517,816	$ 128,897,337	$ 116,555,144	$ 102,722,306

*Fiscal Year 2023 is estimated.
**6.5% set aside required FY18, 7% set aside required FY19 - FY21, 8% FY22 - FY23.

Section 2-7-1(a)(2) of the County Code provides for the County to maintain a committed General Fund balance equal to eight percent of General Fund expenditures and transfers to the Debt Service Fund, Board of Education and Frederick Community College on a budgetary basis. This commitment has been gradually increased to 8.0% as of fiscal year 2022, from 6.5% in fiscal year 2018. As of June 30, 2022, the required balance is $54,884,559. 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

The following table sets forth certain information with respect to available fund balances for debt service for each of the five most recent fiscal years for which audited results are available, as well as estimates for fiscal year 2023:

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023*
Recordation Taxes						
School Construction						
Fund Balance	$ 12,653,576	$ 13,819,637	$ 13,558,217	$ 14,126,314	$ 17,554,179	$ 20,637,068
Next Year's Debt Service	3,963,124	4,004,720	4,029,838	4,114,955	4,311,471	4,491,750
Debt Service Coverage	**3.19**	**3.45**	**3.36**	**3.43**	**4.07**	**4.59**
Parks Acquisition & Development						
Fund Balance	7,457,992	2,863,709	5,722,417	4,400,323	9,824,488	6,456,930
Next Year's Debt Service	144,020	281,132	946,625	987,018	425,000	1,670,350
Debt Service Coverage	**51.78**	**10.19**	**6.05**	**4.46**	**23.12**	**3.87**
Impact Fees						
Fund Balance	25,701,415	56,688,877	61,832,562	71,236,623	98,197,684	113,829,973
Next Year's Debt Service	7,864,038	7,380,733	5,346,046	1,939,879	2,049,554	2,143,510
Debt Service Coverage	**3.27**	**7.68**	**11.57**	**36.72**	**47.91**	**53.10**
Totals						
Fund Balance	45,812,983	73,372,223	81,113,196	89,763,260	125,576,351	140,923,971
Next Year's Debt Service	11,971,182	11,666,585	10,322,509	7,041,852	6,786,025	8,305,610
Debt Service Coverage	**3.83**	**6.29**	**7.86**	**12.75**	**18.51**	**16.97**

* Fiscal Year 2023 is estimated.
Source: Frederick County Finance Division.

Water and Sewer Proprietary 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 2022, the Water and Sewer Proprietary Fund reported $19,811,458 of connection fees and $9,236,418 in developer/municipal contributions for a total capital contribution of $29,047,876. Overall, for fiscal year 2022, net position increased $22,554,946 consisting of $6,575,241 net loss, $82,311 transfer from other funds and $29,047,876 in capital contributions. Fiscal year 2023 reflects estimated connection fees of $8.4 million and $4.6 million of developer/municipal contributions, as well as an increase of $11.7 million in net position.

Fiscal year 2023 operating revenues are projected to meet budget expectations while operating expenses are projected to be below budget by 6%. Fiscal year 2023 is budgeted with a 7% increase in operating revenues, as well as a 15% increase in operating expenses. Capital contributions are budgeted at $23 million; however, due to declining new construction applications, these fees are anticipated to bring in $13 million.

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The following table summarizes the revenues and expenses of the Water and Sewer Proprietary Fund for each of the five most recent fiscal years for which audited results are available and projected results for fiscal year 2023:

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

	2023*	2022	2021	2020	2019	2018
Operating revenues						
Water and sewer charges	$ 44,853,874	$ 45,414,731	$ 46,325,821	$ 41,322,641	$ 37,912,035	$ 36,856,313
Delinquent Fees	95,896	77,024	6,973	56,587	81,226	65,736
Other sources	3,188,637	2,883,837	5,862,412	3,016,726	2,685,184	2,975,706
Total operating revenues	48,138,407	48,375,592	52,195,206	44,395,954	40,678,445	39,897,755
Operating expenses						
Personnel services	11,774,043	10,084,031	9,482,537	9,328,141	9,688,768	9,801,595
Operating expenses	8,961,884	11,666,362	8,443,268	8,100,997	8,171,253	7,724,248
Insurance	932,708	539,423	520,280	328,881	331,827	402,130
Supplies	3,321,658	3,108,090	2,827,815	2,527,020	2,584,198	2,332,856
Repairs and maintenance	8,546,620	7,160,065	4,782,391	3,725,915	3,822,241	3,196,037
Depreciation expense	17,121,651	17,123,659	15,734,657	14,371,391	14,222,889	13,961,844
Total operating expenses	50,658,564	49,681,630	41,790,948	38,382,345	38,821,176	37,418,710
Operating income (loss)	(2,520,157)	(1,306,038)	10,404,258	6,013,609	1,857,269	2,479,045
Nonoperating revenues (expenses)						
Investment income	4,561,121	264,302	202,400	2,083,386	3,301,990	1,410,278
Miscellaneous Income (expense)	(323,867)	(2,407,328)	(4,888,337)	(8,461,600)	(4,661,907)	(1,867,280)
Build America Bonds Subsidy	-	-	-	197,193	364,846	364,816
Interest expense	(3,132,568)	(2,964,302)	(2,927,296)	(4,230,548)	(4,601,570)	(4,378,081)
Gain (Loss) on disposition of capital assets	-	(161,875)	2,503	(262,107)	44,149	6,255
Total nonoperating revenues (expenses)	1,104,686	(5,269,203)	(7,610,730)	(10,673,676)	(5,552,492)	(4,464,012)
Net Income (Loss) Before Capital Contributions and Transfers	(1,415,471)	(6,575,241)	2,793,528	(4,660,067)	(3,695,223)	(1,984,967)
Capital Contributions	13,058,701	29,047,876	41,894,490	35,638,453	40,247,614	25,227,165
Transfers in	66,518	152,688	-	394,475	-	-
Transfers out	-	(70,377)	(1,003,700)	-	(743,708)	(166,960)
Total contributions and transfers	13,125,219	29,130,187	40,890,790	36,032,928	39,503,906	25,060,205
Change in Net Position	$ 11,709,748	$ 22,554,946	$ 43,684,318	$ 31,372,861	$ 35,808,683	$ 23,075,238

Source: Frederick County Finance Division.
* Projected as of 12/31/2022.

Solid Waste Management Proprietary Fund

As of July 1, 1989, the Solid Waste Management Proprietary 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 operating, debt service and capital project expenditures.

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 Proprietary Fund for each of the five most recent fiscal years for which audited results are available and projected results for fiscal year 2023:

Solid Waste Management Proprietary Fund
Statement of Revenues, Expenses & Changes in Net Position
For the Fiscal Years ending June 30

	2023*	2022	2021	2020	2019	2018
Operating revenues						
Tipping Fee Charges	$ 17,602,441	$ 17,177,303	$ 16,950,015	$ 16,201,733	$ 15,603,433	$ 13,170,654
System Benefit Charges	11,560,018	11,320,545	11,109,574	10,914,544	10,666,737	10,337,487
Recycling	1,149,409	2,565,133	1,149,625	411,674	1,761,620	2,036,634
Delinquent Fees	33,100	42,837	54,930	51,342	64,387	66,610
Miscellaneous Operating Revenues	377,612	1,058,155	369,331	213,865	122,064	110,174
Landfill Gas Revenues	-	-	-	-	-	198,943
Total operating revenues	30,722,580	32,163,973	29,633,475	27,793,158	28,218,241	25,920,502
Operating expenses						
Personnel services	3,106,261	2,825,696	2,781,954	2,817,117	2,708,246	2,460,714
Operating expenses	1,718,268	1,746,338	2,329,315	1,184,176	1,102,179	6,855,876
Insurance	41,942	39,677	51,808	77,160	63,706	50,180
Supplies	79,667	63,845	38,622	23,803	29,450	31,478
Repairs and maintenance	312,186	577,558	562,719	333,467	259,377	319,706
Transfer expense	12,829,844	12,918,550	12,445,686	11,397,348	10,545,312	8,742,116
Recycling	10,316,085	9,170,856	8,684,772	7,885,558	7,377,168	7,131,950
Depreciation expense	1,508,639	1,351,124	1,292,252	1,211,429	1,194,870	1,160,231
Total operating expenses	29,912,892	28,693,644	28,187,128	24,930,058	23,280,308	26,752,251
Operating income (loss)	809,688	3,470,329	1,446,347	2,863,100	4,937,933	(831,749)
Nonoperating revenues (expenses)						
Investment income	1,451,876	138,253	50,582	925,511	1,272,477	668,079
Miscellaneous Income (expense)	(200,000)	(179,050)	-	3,152	-	-
Build America Bonds Subsidy	-	-	-	5,165	9,555	9,557
Interest expense	(246,314)	(196,429)	(249,352)	(427,732)	(442,026)	(531,020)
Gain (Loss) on disposition of capital asse	110,000	3,350	78,776	20,000	90,173	7,800
Total nonoperating revenues (expenses)	1,115,562	(233,876)	(119,994)	526,096	930,179	154,416
Net Income (Loss) Before Capital Contributions and Transfers	1,925,250	3,236,453	1,326,353	3,389,196	5,868,112	(677,333)
Capital Contributions	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(170,000)	(13,175)	-	-
Total contributions and transfers	-	-	(170,000)	(13,175)	-	-
Change in Net Position	$ 1,925,250	$ 3,236,453	$ 1,156,353	$ 3,376,021	$ 5,868,112	$ (677,333)

Source: Frederick County Finance Division.
*Fiscal Year 2023 is estimated.

Comprehensive Care Facility Fund

The budgeted operating revenue of Citizens Care & Rehabilitation Center ("CCRC") for fiscal year 2023 are $24,710,633. This increase in revenue is a direct result of the recovery from the COVID-19 pandemic. The fiscal year 2023 budget includes a one and half percent increase to the Medicaid system as well as a five percent increase to the private pay rates. Budgeted operating expenses for fiscal year 2023 are $22,107,205. The increase for fiscal year 2023 reflects a stable employee count and an average increase for salaries at three percent. The fiscal year 2023 budget includes 183 full time equivalent positions, consisting of full-time and part-time personnel.

The budgeted operating revenue of the Montevue Assisted Living Facilities for fiscal year 2023 are $2,309,488. This decline is a direct result of the COVID-19 pandemic. Budgeted operating expenses for fiscal year 2023 are $5,178,199, which reflect an average increase for salaries of three percent and an increase in the cost for contracted services from CCRC of two percent. The fiscal year 2023 budget includes 30 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 2022, 19 residents were participants in the financial subsidy program of the facility. Increase in amount of subsidy in fiscal year 2023 is projected at 24 residents 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 2023 is budgeted at $1,557,192.

The following table summarizes the revenues and expenses of the Comprehensive Care Facility Fund for each of the five most recent fiscal years for which audited results are available and projected results for fiscal year 2023:

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

	2023*	2022	2021	2020	2019	2018
Operating revenues						
Charges for Services	$ 29,887,475	28,569,536	$ 26,165,204	27,237,227	27,246,149	25,857,418
Other sources	345,821	437,347	523,176	1,144,485	229,309	135,651
Total operating revenues	30,233,296	29,006,883	26,688,380	28,381,712	27,475,458	25,993,069
Operating expenses						
Personnel services						
Operating expenses	29,107,895	28,207,768	26,286,023	26,948,074	25,720,618	24,218,300
Insurance	43,549	69,762	75,467	74,629	53,072	43,417
Depreciation expense	75,249	916,962	885,982	851,410	835,681	866,615
Total operating expenses	29,226,693	29,194,492	27,247,472	27,874,113	26,609,371	25,128,332
Operating income (loss)	1,006,603	(187,609)	(559,092)	507,599	866,087	864,737
Nonoperating revenues (expenses)						
Investment income	47,646	7,622	5,216	51,226	36,803	28,806
Miscellaneous Income (expense)	-	-	-	(2,929)	-	70,707
Interest expense	(534)	(688,183)	(714,216)	(728,512)	(741,551)	(730,600)
Gain (Loss) on disposition of capital assets	78,035	186,912	-	-	-	-
Total nonoperating revenues (expenses)	125,147	(493,649)	(709,000)	(680,215)	(704,748)	(631,087)
Net Income (Loss) Before Capital Contributions and Transfers	1,131,750	(681,258)	(1,268,092)	(172,616)	161,339	233,650
Capital Contributions	-	-	-	-	4,911,763	-
Transfers in	2,500,000	2,520,587	816,665	-	-	-
Transfers out	-	-	-	-	-	-
Total contributions and transfers	2,500,000	2,520,587	816,665	-	4,911,763	-
Change in Net Position	$3,631,750	$1,839,329	$ (451,427)	$ (172,616)	$5,073,102	$ 233,650

Source: Frederick County Finance Division
*FY2023 is estimated

CERTAIN DEBT INFORMATION

Bonded Indebtedness of the County; Debt Limitations

The County has the power to incur debt without specific enabling legislation from the Maryland General Assembly. 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.

Pursuant to Section 508 of the Charter, 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.

The following categories of debt are not computed or applied in establishing the debt limitation: 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. As of July 1, 2022, the borrowing limit is estimated at approximately $1.12 billion, of which $366.28 million is available.

In addition, the County is authorized (i) by the County Code to incur debt for the purpose of providing funds for the construction of water, sewage, drainage systems and solid waste systems, which is included within and subject to the County's borrowing limitations under Section 508 of the Charter and (ii) by State law pursuant to Sections 5-601 to 5-604 of the Education Volume of the Annotated Code of Maryland, as amended, to incur debt for the purposes of providing funds for the construction and improvement of public schools.

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, 2022.

	Date of Debt Issue	Date of Debt Maturity	Amount of Original Issue	Amount Outstanding 6/30/2022
General Government Debt				
Public Facilities Refunding Bonds of 2006	2/1/2006	11/1/2022	$ 12,608,476	$ 2,798,446
Public Facilities Refunding Bonds of 2012	2/9/2012	8/1/2017	59,842,669	20,126,020
Public Facilities Bonds of 2013	5/2/2013	5/1/2033	26,800,000	2,573,482
Public Facilities Bonds of 2014, Series A	7/8/2014	8/1/2034	32,117,727	959,978
Public Facilities Refunding Bonds of 2014, Series C	11/25/2014	6/1/2028	12,429,335	11,856,760
Public Facilities Bonds of 2016, Series A	6/29/2016	8/1/2036	77,186,341	59,635,158
Public Facilities Ref Bonds of 2017A (2020 Crossover)	4/11/2017	2/1/2030	56,901,147	47,537,667
Public Facilities Ref Bonds of 2017B	12/20/2017	8/1/2031	35,860,543	34,323,655
Public Facilities Bonds of 2018A	3/7/2018	8/1/2037	84,465,639	72,651,374
Public Facilities Bonds of 2019A	9/24/2019	8/1/2039	98,509,493	92,121,141
Public Facilities Bonds of 2019B Refunding	9/24/2019	8/1/2034	26,747,887	26,747,886
Public Facilities Bonds of 2020A Refunding	3/26/2020	6/1/2027	7,952,496	7,661,797
Public Facilities Refunding Bonds of 2021, Series A	9/28/2021	10/1/2032	149,610,000	149,610,000
Public Facilities Refunding Bonds of 2021, Series B	9/28/2021	10/1/2032	8,873,683	8,873,683
Public Facilities Refunding Bonds of 2022, Series A	5/3/2022	8/1/2024	16,346,973	16,346,973
FY2017 Capital Lease	5/19/2017	4/1/2027	3,704,232	1,383,677
FY2019 Capital Lease	11/16/2018	10/1/2025	7,008,003	3,746,696
Installment Purchase Agreements	VARIOUS	VARIOUS	48,519,652	47,976,410
Total General Government Debt			$ 765,484,296	$606,930,803
Less: Installment Purchase Agreements			(48,519,652)	(47,976,410)
Less: Capital Leases			(10,712,235)	(5,130,373)
Total Serial Bond General Government Debt			$ 706,252,409	$553,824,020
Proprietary Fund Debt				
Maryland Department of the Enviroment Loans	VARIOUS	VARIOUS	$ 73,665,546	$ 37,726,771
Public Facilities Refunding Bonds of 2006	2/1/2006	11/1/2022	7,756,524	1,721,554
Public Facilities Refunding Bonds of 2012	2/9/2012	8/1/2024	25,232,331	6,298,980
Public Facilities Bonds of 2013	5/2/2013	5/1/2033	4,650,000	446,518
Public Facilities Bonds of 2014, Series A	7/8/2014	8/1/2034	2,677,273	80,022
Public Facilities Refunding Bonds of 2014, Series C	11/25/2014	6/1/2028	4,285,665	4,088,239
Public Facilities Refunding Bonds of 2016, Series A	6/29/2016	8/1/2036	8,218,659	5,149,842
Public Facilities Refunding Bonds of 2016, Series B	6/29/2016	8/1/2036	34,820,000	27,565,000
Public Facilities Ref Bonds of 2017A (2020 Crossover)	4/11/2017	2/1/2030	16,963,853	6,182,333
Public Facilities Ref Bonds of 2017B	12/20/2017	8/1/2031	824,457	696,345
Public Facilities Bonds of 2018A	3/7/2018	8/1/2037	15,269,361	11,048,626
Public Facilities Bonds of 2019A	9/24/2019	8/1/2039	7,735,507	6,248,859
Public Facilities Bonds of 2019B Refunding	9/24/2019	8/1/2034	3,267,113	3,267,114
Public Facilities Bonds of 2020A Refunding	3/26/2020	6/1/2027	5,794,607	5,648,203
Public Facilities Refunding Bonds of 2021, Series A	9/28/2021	10/1/2032	4,885,000	4,885,000
Public Facilities Refunding Bonds of 2021, Series B	9/28/2021	10/1/2032	21,976,317	21,976,317
Public Facilities Refunding Bonds of 2022, Series A	5/3/2022	8/1/2024	5,218,027	5,218,028
FY2019 Capital Lease	11/16/2018	10/1/2025	212,000	113,342
Total Proprietary Debt			$ 243,452,240	$148,361,093
Less: Capital Lease			(212,000)	(113,342)
Less: MDE Loans			(73,665,546)	(37,726,771)
Total Serial Bond Proprietary Debt			169,574,694	110,520,980
Total Serial Bond Long-Term Indebtedness			$ 875,827,103	$664,345,000

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, 2022, the County has no authorized and approved borrowings left to draw. As of June 30, 2022, the County has one solid waste loan with a principal balance of $1,574,254 and two water and sewer loans with a combined principal balance of $36,152,517. The outstanding principal on these MDE loans as of June 30, 2022 is $37,726,771. 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 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.

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 revenue bonds ("TIF Bonds") to finance a portion of the new infrastructure in the Jefferson Technology Park and Oakdale-Lake Linganore Development Districts. The County pledges its tax revenues on the incremental increase in property taxes within the districts to pay the debt service on these bonds. All funds are held in a trust for the payment of debt service for and related expenses of the TIF Bonds. These are limited obligation bonds and as such, do not pledge the full faith and credit of the County. More recent series of the TIF Bonds are also served by special tax assessments within the districts, as 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, 2013. The bonds were restructured to take advantage of market conditions and ease the debt service burden, and were issued on September 17, 2020 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 not provide sufficient revenues to pay debt service. No additional bonds will be issued for new 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 refinanced through refunding bonds 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 aggregate 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 6/30/2022
Lake Linganore - Series 2001A	CDA-Term	$ 4,285,000	01/18/21	07/01/29	5.700%	$ 2,182,000
Lake Linganore - Series 2007A	CDA-Loan	3,114,000	09/20/07	07/01/29	0.000%	1,291,849
Lake Linganore - Series 2007B	CDA-Loan	3,232,142	09/20/07	03/01/28	0.000%	1,118,142
Urbana CDA - Series 2020A	CDA-Term	65,355,000	11/12/20	07/01/40	4.00-5.00%	61,965,000
Urbana CDA - Series 2020B	CDA-Term	1,410,000	11/12/20	07/01/40	4.000%	1,330,000
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%	6,810,000
Jefferson Technology Park - Series 2020B	TIF/CDA-Serial	37,330,000	09/17/19	07/01/43	4.625%	36,105,000
Oakdale-Lake Linganore - Series 2019	TIF/CDA-Serial	1,665,000	12/19/19	12/01/24	2.625%	1,665,000
Oakdale-Lake Linganore - Series 2019	TIF/CDA-Serial	3,665,000	12/19/19	12/01/29	3.250%	3,665,000
Oakdale-Lake Linganore - Series 2019	TIF/CDA-Serial	12,085,000	12/19/19	12/01/39	3.750%	12,085,000
		$ 164,686,142				$153,721,991

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, 2022.

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
2023	$ 55,001,239	$ 21,185,580	$ 13,415,244	$ 3,364,746	$ 68,416,483	$ 24,550,326	$ 92,966,809
2024	39,481,461	19,189,933	7,986,154	3,060,177	47,467,615	22,250,110	69,717,725
2025	40,352,881	17,509,137	8,158,121	2,866,856	48,511,002	20,375,993	68,886,995
2026	37,899,073	15,823,723	8,345,882	2,728,849	46,244,955	18,552,572	64,797,527
2027	40,615,739	14,234,943	8,096,727	2,557,275	48,712,466	16,792,218	65,504,684
2028	40,263,284	12,446,519	7,745,774	2,401,566	48,009,058	14,848,085	62,857,143
2029	37,148,942	10,675,454	7,934,774	2,158,724	45,083,716	12,834,178	57,917,894
2030	36,556,360	8,967,672	8,193,969	1,908,981	44,750,329	10,876,653	55,626,982
2031	32,674,106	7,383,938	8,425,004	1,629,679	41,099,110	9,013,617	50,112,727
2032	29,957,187	5,970,939	8,618,752	1,444,207	38,575,939	7,415,146	45,991,085
2033	28,073,620	5,007,632	8,807,086	1,261,208	36,880,706	6,268,840	43,149,546
2034	27,423,760	4,246,803	7,559,511	1,083,001	34,983,271	5,329,804	40,313,075
2035	27,676,040	3,573,566	7,737,688	911,613	35,413,728	4,485,179	39,898,907
2036	27,946,587	2,939,689	7,725,552	734,688	35,672,139	3,674,377	39,346,516
2037	27,835,242	2,210,548	7,917,023	551,816	35,752,265	2,762,364	38,514,629
2038	23,414,986	1,569,832	5,200,546	404,916	28,615,532	1,974,748	30,590,280
2039	17,597,253	1,070,969	4,204,587	313,962	21,801,840	1,384,931	23,186,771
2040	15,779,785	616,669	4,280,867	236,993	20,060,652	853,662	20,914,314
2041	10,539,042	361,826	2,034,009	186,383	12,573,051	548,209	13,121,260
2042	10,694,216	149,703	2,052,549	164,243	12,746,765	313,946	13,060,711
2043	-	-	2,076,274	141,868	2,076,274	141,868	2,218,142
2044	-	-	190,000	35,000	190,000	35,000	225,000
2045	-	-	195,000	31,150	195,000	31,150	226,150
2046	-	-	195,000	27,250	195,000	27,250	222,250
2047	-	-	200,000	23,300	200,000	23,300	223,300
2048	-	-	205,000	19,250	205,000	19,250	224,250
2049	-	-	210,000	15,100	210,000	15,100	225,100
2050	-	-	215,000	10,850	215,000	10,850	225,850
2051	-	-	215,000	6,550	215,000	6,550	221,550
2052	-	-	220,000	2,200	220,000	2,200	222,200
Totals	$ 606,930,803	$ 155,135,075	$ 148,361,093	$ 30,282,401	$ 755,291,896	$ 185,417,476	$ 940,709,372

Source: Frederick County Finance Division.

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

Fiscal Year as of June 30	Total Debt Service(1)	Consolidated Public Improvement Project Bonds, Series 2023A Principal	Interest (2)	Adjusted Total Debt Service (1)
2023	$92,966,809	$0	$0	$92,966,809
2024	69,717,725	3,685,000	4,018,057	77,420,782
2025	68,886,995	3,090,000	4,621,400	76,598,395
2026	64,797,527	3,240,000	4,466,900	72,504,427
2027	65,504,684	3,405,000	4,304,900	73,214,584
2028	62,857,143	3,570,000	4,134,650	70,561,793
2029	57,917,894	3,750,000	3,956,150	65,624,044
2030	55,626,982	3,935,000	3,768,650	63,330,632
2031	50,112,727	4,135,000	3,571,900	57,819,627
2032	45,991,085	4,345,000	3,365,150	53,701,235
2033	43,149,546	4,560,000	3,147,900	50,857,446
2034	40,313,075	4,785,000	2,919,900	48,017,975
2035	39,898,907	5,030,000	2,680,650	47,609,557
2036	39,346,516	5,275,000	2,429,150	47,050,666
2037	38,514,629	5,540,000	2,165,400	46,220,029
2038	30,590,280	5,820,000	1,888,400	38,298,680
2039	23,186,771	6,110,000	1,597,400	30,894,171
2040	20,914,314	6,415,000	1,291,900	28,621,214
2041	13,121,260	6,735,000	971,150	20,827,410
2042	13,060,711	7,070,000	634,400	20,765,111
2043	2,218,142	7,355,000	351,600	9,924,742
2044	225,000	120,000	57,400	402,400
2045	226,150	125,000	52,600	403,750
2046	222,250	130,000	47,600	399,850
2047	223,300	135,000	42,400	400,700
2048	224,250	140,000	37,000	401,250
2049	225,100	145,000	31,400	401,500
2050	225,850	150,000	25,600	401,450
2051	221,550	155,000	19,600	396,150
2052	222,200	165,000	13,400	400,600
2053	0	170,000	6,800	176,800
Total	$940,709,372	$99,285,000	$56,619,407	$1,096,613,779

(1) Totals may not add due to rounding.
(2) Interest rates range from 4.00% to 5.00%.
Source: Frederick County Finance Division and Davenport & Company LLC.

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 each of the five most recent fiscal years for which audited results are available:

Fiscal Year	General Government Debt	Property Tax Assessment	Debt to Assessment	Population (1)	Debt Per Capita
2022…	$ 606,930,803	$ 36,347,207,697	1.67%	279,835	2,169
2021…	477,219,500	34,234,284,580	1.39%	271,717	1,756
2020…	507,688,134	32,632,272,192	1.56%	265,480	1,912
2019…	514,760,538	31,106,458,994	1.65%	259,952	1,980
2018…	549,476,863	29,758,193,877	1.85%	255,265	2,153

(1) Population estimate from the Frederick County Planning and Permitting Division
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 the five most recent fiscal years for which audited results are available:

Fiscal Year	General Fund Revenues	Debt Service Expenditures	Percentage
2022	$ 747,887,978	$ 47,819,023	6.39%
2021	705,105,747	45,634,971	6.47%
2020	639,487,207	55,200,968	8.63%
2019	615,983,000	48,030,728	7.80%
2018	575,477,432	42,208,482	7.33%

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.

Rapidity of Debt (Excluding Proposed Issue)

Number of Years	Principal Retired	Percent of Debt Retired
5	$ 259,352,521	34.34%
10	476,870,673	63.14%
15	655,572,782	86.80%
20	751,370,655	99.48%
25	754,226,896	99.86%
30	755,291,896	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, 2022:

Governmental Unit	**Debt Outstanding (1)**	**Percentage Applicable**	**Share of Direct and Overlapping Debt**
Direct:			
Frederick County	$ 643,516,843	100%	$ 643,516,843
Overlapping Debt:			
Component Units			
Frederick County Public Schools	21,232,783	100%	21,232,783
Frederick Community College	5,407,001	100%	5,407,001
Towns, Cities and Villages:			
Brunswick	1,392,977	100%	1,392,977
Burkittsville	128,259	100%	128,259
Frederick City	45,512,776	100%	45,512,776
Middletown	1,912,911	100%	1,912,911
Myersville	3,763,373	100%	3,763,373
Thurmont	60,038	100%	60,038
Subtotal Overlapping Debt	79,410,118		79,410,118
Totals	$ 722,926,961		$ 722,926,961

(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 2023 and the amounts included in the Capital Improvement Program for the next five fiscal years indicated:

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Project Categories						
General Government	$ 36,403,878	$ 43,108,200	$ 36,622,899	$ 26,393,107	$ 40,375,480	$ 21,970,531
Parks and Recreation	23,328,823	6,181,705	8,269,930	17,394,049	4,051,687	17,655,386
Watershed Restoration & Retrofit	6,026,111	7,198,148	7,832,488	6,901,006	8,607,928	7,085,000
Roads	25,541,100	1,697,800	7,093,100	4,677,500	3,648,200	12,659,000
Bridges	2,682,000	3,950,300	2,238,500	1,638,300	3,096,500	2,678,500
Highways	23,518,738	21,740,840	26,999,579	20,058,021	20,010,333	19,220,083
Water & Sewer	28,234,459	40,431,250	22,684,185	21,394,655	27,164,000	92,710,914
Solid Waste	2,342,000	1,710,000	210,000	210,000	210,000	210,000
Community College	2,040,000	5,950,000	8,597,426	6,073,824	2,955,000	7,405,000
Board of Education	64,981,226	129,541,610	43,667,040	20,771,033	50,468,786	48,937,279
Municipalities	185,833	25,000	152,778	15,000	150,000	175,000
Total - Projects	$ 215,284,168	$ 261,534,853	$ 164,367,925	$ 125,526,495	$ 160,737,914	$ 230,706,693
Sources of Funds						
General Fund	$ 22,887,119	$ 23,575,507	$ 22,626,008	$ 19,726,292	$ 19,544,797	$ 36,885,394
General Fund Bond/Leases	89,110,411	71,048,855	67,987,281	51,534,423	71,575,758	44,974,362
Recordation Tax/Bonds	19,929,248	18,081,659	11,275,153	16,702,547	6,251,271	18,127,899
Impact Fees/Bonds	9,170,046	34,903,470	18,040,342	4,045,185	6,500,000	11,500,000
School Mitigation Fee	(3,000,000)	2,000,000	-	-	-	-
Enterprise Fees/Bonds	10,430,318	23,067,009	2,901,903	1,612,373	6,379,156	60,252,735
Grants	63,782,652	66,707,075	22,634,010	19,461,952	21,840,001	22,082,302
Other	2,974,374	22,151,278	18,903,228	12,443,723	28,646,931	36,884,001
Total - Source of Funds	$ 215,284,168	$ 261,534,853	$ 164,367,925	$ 125,526,495	$ 160,737,914	$ 230,706,693

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
2023*	$ 22.9 million
2022	$ 80.0 million
2021	$ 18.9 million
2020	$ 16.6 million
2019	$ 15.0 million

Source: Frederick County Budget Office
*Fiscal Year 2023 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 May 2023 to finance projects from the Capital Improvement program.

COVID-19 Transition from Response to Recovery

As COVID-19 transitions from a pandemic to an endemic, so too has Frederick County transitioned from a response posture focused on the immediate needs related to the public health emergency to a recovery posture focused on providing generational investments that will lay the foundation for a strong and equitable recovery with meaningful and lasting change for our entire community.

The Federal Coronavirus State and Local Fiscal Recovery Funds ("CSLFRF") established in 2021 through the American Rescue Plan Act ("ARPA") provided broad latitude to get much-needed aid into our community to support its pandemic recovery. Based on community feedback, stakeholder input, and internal workgroup discussions, the County narrowed down its funding priorities to seven key pillars identified to be the areas of greatest need within its community. These pillars include:

- Health
  - Ensure a robust response to protect public health from the impacts of COVID-19;
- Health Disparities
  - Advance equity in health outcomes by identifying and addressing disparities;
- Children & Families
  - Strengthen children and families by providing resources and support to improve family stability, reduce adverse childhood experiences, and ensure success in school;
- Economic Recovery
  - Support economic recovery for businesses and the agriculture industry;
- Mental Health
  - Strengthen and expand behavioral health response to address growing community needs resulting from the pandemic;
- Seniors
  - Ensure resources and support are available for seniors to live safe, healthy, and productive lives; and
- Transportation
  - Address transportation gaps in our community to enable everyone to participate in its recovery from the pandemic.

One unique provision included through this funding source, called "Revenue Replacement", allows the recipient to utilize the funding for a variety of general government services. However, the County took a different approach and decided to allocate all of its CSLFRF funding allocation toward projects or programs that aligned with the full spirit and intent of ARPA instead of moving any allowable funding to its general fund. Through the use of its $50.4 million CSLFRF allocation, the County has partnered with dozens of community stakeholders across nearly sixty disparate projects and programs aimed at supporting our community's recovery efforts now and well into the future.

To date COVID-19 has not had an adverse impact on the County's revenues, and revenues continue to exceed expectations; however, additional economic and health challenges that may materially impact the County's revenues and operations cannot be anticipated at this time. Regardless, the County remains committed to taking appropriate actions to ensure the well-being of its residents and employees while continuing to act proactively 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 payment of debt service on the Bonds or financial condition of the County.

INDEPENDENT AUDITOR

The basic financial statements for fiscal year 2022 of the County have been audited by SB & Company, LLC, the County's independent auditor. The fiscal year 2022 financial statements can be found on the County's website (www.frederickcountymd.gov/reports). The independent auditor has not been engaged to perform, and has not performed, since the date of its report, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this Official Statement. Such report speaks only as of its indicated date.

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 representation, guaranty, or warranty 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 May 16, 2023, in accordance with the respective Notice of Sale (the form of which is included herewith as Appendix D). 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. The yields shown on the cover page of this Official Statement will be 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.

CERTIFICATE OF COUNTY OFFICIALS

The County will furnish a certificate to the effect that, to the best of its 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 is 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 and distribution have been approved by the County.

BY: /S/JESSICA FITZWATER
Jessica Fitzwater
County Executive

BY: /S/ERIN WHITE
Erin White, CPA
Director, Finance Division

The County's Fiscal Year 2022 Annual Comprehensive Financial Report can be viewed at
www.frederickcountymd.gov/reports

The County's Fiscal Year 2023 Budget Documents can be viewed at
https://www.frederickcountymd.gov/66/Budget-Office

FORM OF BOND COUNSEL'S OPINION

[Closing Date]

Frederick County, Maryland
Frederick, Maryland

$99,285,000
Frederick County, Maryland
General Obligation Public Facilities Project Bonds, Series 2023A

Ladies and Gentlemen:

We have acted as bond counsel to Frederick County, Maryland (the "County"), in connection with the issuance by the County of its $99,285,000 General Obligation Public Facilities Project Bonds, Series 2023A (the "Bonds").

In connection with this opinion, we have examined (i) the Constitution of the State of Maryland (the "State"), (ii) the applicable laws of (A) the State and the County, including, without limitation, the Charter of Frederick County, Maryland (the "Charter"), Section 10-203 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Bond Act"), Section 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Consolidated Bonds Act"), Sections 2-13-1 through 2-13-35, inclusive, of the Code of Public Local Laws of Frederick County (1979), as amended (the "Water and Sewer Act"), Sections 5-601 through 5-604, inclusive, of the Education Article of the Annotated Code of Maryland, as amended (the "School Bond Act" and, collectively with the Bond Act, the Consolidated Bonds Act, and the Water and Sewer Act, the "Acts"), Bill No. 19-19 enacted by the County Council of Frederick County (the "County Council") on January 21, 2019 (the "2019 Bond Bill"), Bill No. 22-19 enacted by the County Council on October 25, 2022 (the "2022 Bond Bill" and, together with the 2019 Bond Bill, the "Bond Bills"), Resolution No. 23-01 adopted by the County Council on February 21, 2023 (the "Authorizing Resolution") and an Executive Order of the County Executive of the County executed and delivered on May 16, 2023 (the "Executive Order") and (B) the United States of America, including, without limitation, the Internal Revenue Code of 1986, as amended (the "Code"), and (iii) copies of proceedings and other documents relating to the Bonds as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities, and we have not independently verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have also assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents.

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.

Based on the foregoing, we are of the opinion that, under current law:

1. The County is a validly existing body corporate and politic and a political subdivision of the State, possessing authority under the laws of the State, the Charter, the Acts, the Bond Bills, the Authorizing Resolution and the Executive Order to issue the Bonds.

2. The Bonds have been duly authorized and legally issued in accordance with the Constitution and Public Laws of the State of Maryland, including the Charter, the Acts, the Bond Bills, the Authorizing Resolution and the Executive Order.

3. The Bonds are valid and legally binding general obligations of the County to which the County's full faith and credit is pledged, payable as to both principal and interest from ad valorem taxes, unlimited as to rate and amount, which the County is empowered to levy on all real and tangible personal property subject to taxation by the County.

4. To provide for the payment of the principal of and interest on the Bonds, the County has, by the adoption of the Bond Bills, the Authorizing Resolution and delivery of the Executive Order, covenanted to levy such ad valorem taxes in rate and amount sufficient for that purpose in each fiscal year in which provision must be made for the payment of such principal and interest.

5. Under current law, interest on the Bonds (i) is excludable from the gross income of the owners of the Bonds for purposes of federal income taxation under Section 103 of the Code and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. However, for taxable years beginning after December 31, 2022, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

In providing the opinions set forth in this paragraph 5, we are assuming continuing compliance with the Covenants (as hereinafter defined) by the County. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bonds and the use of the property financed or refinanced by the Bonds, limitations on the source of the payment of and the security for the Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the United States Treasury. The Tax Certificate of even date herewith executed and delivered by the County (the "Tax Certificate") contains covenants (the "Covenants") under which the County has agreed to comply with such requirements. Failure by the County to comply with the Covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issue of the Bonds. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for federal income tax purposes. We have no responsibility to monitor compliance with the Covenants after the date of issue of the Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Tax Certificate. We express no opinion concerning any effect on the excludability of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this firm.

6. Under existing law of the State, the principal of and interest on the Bonds are exempt from State and local taxes in the State; however, the law of the State does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the principal of or interest on the Bonds.

The rights of any owner of the Bonds and the enforceability of Bonds may be subject to (a) any applicable bankruptcy, insolvency (including, without limitation, laws relating to preferences and fraudulent transfers or conveyances), reorganization, moratorium and other similar laws affecting creditors' rights generally, (b) the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and (c) the valid exercise of constitutional powers of the United States of America and of the sovereign police and taxing powers of the State or other governmental units having jurisdiction.

Our services as Bond Counsel to the County have been limited to rendering the foregoing opinions based on our review of such legal proceedings and other documents as we deem necessary to approve the validity of the Bonds and tax-exempt status of the interest on them. We express no opinion as to the accuracy, completeness or sufficiency of any offering material or information, including the Official Statement relating to the Bonds, that may have been relied upon by any owner of the Bonds in making a decision to purchase the Bonds.

This opinion is delivered solely for your benefit in connection with the issuance of the Bonds and may not be relied upon by any other person or for any other purpose without our prior written consent in each instance. 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.

Very truly yours,

McGuireWoods 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 its $99,285,000 General Obligation Public Facilities Project Bonds, Series 2023A (the "Bonds"). The Bonds are being issued pursuant to Resolution No. 23-01 adopted on February 21, 2023 (the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. *Purpose of the Disclosure Agreement.* This Disclosure Agreement is being executed and delivered solely to assist the Participating Underwriters in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5).

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.

"Electronic Municipal Market Access (EMMA)" shall mean the system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board (MSRB) for purposes of the Rule.

"Financial Obligation" shall mean 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) a 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.

"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 May 16, 2023 relating to the 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, Expenditures and Fund Balance Trends" 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, 2023.

(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, 2023, 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 not in excess of ten (10) business days after the occurrence of the event a notice of such failure to EMMA.

The Issuer represents that in the previous five years it has not failed to comply in all material respects with any prior undertakings under the Rule except as described in the section of the Official Statement titled "Continuing Disclosure Undertaking."

The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Issuer and that, under some circumstances, compliance with this Disclosure Agreement without additional disclosures or other action may not fully discharge all duties and obligations of the Issuer under such laws.

SECTION 4. *Notice 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, reflecting financial difficulties,

(v) substitution of credit or liquidity providers, or their failure to perform,

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 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 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.

(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) Any such notice of a defeasance of Bonds shall state whether the Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

(d) Each Notice Event notice relating to the Bonds shall include the CUSIP numbers of the Bonds to which such Notice Event notice relates or, if the Notice Event notice relates to all bond issues of the Issuer including the Bonds, such Notice Event notice need only include the CUSIP number of the Issuer. Each notice of a Notice Event hereunder shall be captioned “Notice Event.”

(e) 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 legal 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.

This Disclosure Agreement, or any provision hereof, shall be null and void in the event that the Issuer (1) receives an opinion of bond counsel to the effect that those portions of the Rule which require this Disclosure Agreement, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to MSRB.

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.***

(a) This Disclosure Agreement may be amended by the Issuer, without the consent of the holders of the Bonds if all of the following conditions are satisfied: (1) this Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Agreement, after taking into account any amendments to or interpretations of the Rule, as well as any change in circumstances, (2) the Issuer shall have received an opinion of bond counsel to the same effect as set forth in clause (1) above, and (3) the Issuer shall have received an opinion of bond counsel or a determination by a person, in each case unaffiliated with the Issuer, to the effect that the amendment does not materially impair the interests of the holders of the Bonds.

(b) To the extent any amendment to this Disclosure Agreement results in a change in the type of financial information or operating data provided pursuant to this Disclosure Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

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.***

(a) The provisions of this Disclosure Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds, except that beneficial owners of Bonds shall be third-party beneficiaries of this Disclosure Agreement. The provisions of this Disclosure Agreement shall create no rights in any person or entity except as provided in this subsection (a) and subsection (b) of this Section.

(b) The obligations of the Issuer to comply with the provisions of this Disclosure Agreement shall be enforceable by any holder of outstanding Bonds. The holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Disclosure Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the Issuer to perform in accordance with this Disclosure Agreement shall not constitute a default with respect to the Bonds.

(d) This Disclosure Agreement shall be construed and interpreted in accordance with the laws of the State of Maryland, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State of Maryland; provided, however, that to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 14. ***Reference to Other Filed Documents.*** It shall be sufficient for purposes of Section 1.2 hereof if the Issuer provides Annual Financial Information (but not Notice Event notices) by specific reference to documents (i) available to the public on the MSRB Internet Web site or (ii) filed with the SEC.

SECTION 15. ***Submission of Information.*** Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

SECTION 16. ***Transmission of Information and Notices.*** Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 17. ***Fiscal Year.***

(a) The Issuer's current Fiscal Year begins July 1 and ends on June 30, and the Issuer shall promptly notify MSRB of each change in its Fiscal Year.

(b) Annual Financial Information shall be provided at least annually notwithstanding any Fiscal Year longer than 12 calendar months.

Date: ________, 2023

ATTEST:	FREDERICK COUNTY, MARYLAND
____	By: ________________________________
John K. Peterson Chief Administrative Officer	Jessica Fitzwater County Executive

NOTICE OF SALE

FREDERICK COUNTY, MARYLAND

Relating to
$101,620,000* General Obligation Public Facilities Project Bonds, Series 2023A

Electronic bids via *PARITY*®
will be received until 10:30 A.M., local Frederick, Maryland time, on
Tuesday, May 16, 2023

Time and Place

Electronic bids via **Parity**® will be received for the purchase of $101,620,000* aggregate principal amount of General Obligation Public Facilities Project Bonds, Series 2023A (the "Bonds").

Details of the Bonds

The Bonds will be dated the date of delivery (expected to be May 31, 2023) and bear interest payable semi-annually on each April 1 and October 1, beginning on October 1, 2023, until maturity or redemption. Interest will be computed on the basis of 360-day year of twelve 30-day months.

The Bonds will be 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 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Consolidated Bond Act"), Bill No. 19-19 (the "2019 Bond Bill") enacted by the Frederick County Council on January 21, 2019, Bill No. 22-19 (the "2022 Bond Bill") enacted by the Frederick County Council on October 25, 2022, Sections 2-13-1 through 2-13-35 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, collectively with the Bond Act, the Consolidated Bond Act, the 2019 Bond Bill, the 2022 Bond Bill and the Water and Sewer Act, the "Acts") and in accordance with Resolution No. 23-01 adopted by the Frederick County Council on February 21, 2023 (the "Resolution").

The proceeds of the Bonds will be used to (i) provide funds for the design, planning, renovation and construction of County capital projects, and (ii) to pay costs of issuance.

General Provisions for the Bonds

The Bonds will mature on April 1 in the following years and amounts as follows:

Year of Maturity*	Amount*	Year of Maturity*	Amount *
2024	$3,770,000	2039	$6,255,000
2025	3,190,000	2040	6,505,000
2026	3,350,000	2041	6,765,000
2027	3,520,000	2042	7,040,000
2028	3,690,000	2043	7,320,000
2029	3,880,000	2044	120,000
2030	4,075,000	2045	125,000
2031	4,275,000	2046	130,000
2032	4,490,000	2047	135,000
2033	4,715,000	2048	140,000
2034	4,950,000	2049	145,000
2035	5,195,000	2050	150,000
2036	5,455,000	2051	155,000
2037	5,730,000	2052	160,000
2038	6,020,000	2053	170,000

*Preliminary, subject to adjustment.

Term Bond Option

Bidders may designate in their bid two or more consecutive serial maturities beginning no earlier than April 1, 2034 and in any year thereafter as a term bond which matures on the maturity date of the last serial maturity of the sequence. The stated maturity date for any term bond so designated may not be earlier than April 1, 2035. More than one such sequence of serial maturities may be designated as a term bond. Any term bond so designated shall be subject to mandatory redemption in each year on the principal payment date and in the entire amount of each serial maturity designated for inclusion in such term bond.

Book Entry System

The Bonds will be issued by means of a book-entry system with no physical distribution of the Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Bond Registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

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.

Bond Registrar and Paying Agent

Manufacturers and Traders Trust Company will act as the Bond Registrar and Paying Agent for the Bonds.

Optional Redemption

The Bonds maturing on or before April 1, 2033 are not subject to redemption prior to their respective maturities. The Bonds maturing on or after April 1, 2034 are subject to redemption at the option of the County, in whole or in part, on any date on or after April 1, 2033, 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 County reserves the right 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**® for purposes of the electronic bidding process, and the time as maintained by **Parity**® shall constitute the official time with respect to all bids submitted to **Parity**®. Bids will be communicated electronically to the County no later than 10:30 a.m., local Frederick, Maryland time, on May 16, 2023. 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 aggregate principal amount and 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 and will not reduce or increase the aggregate principal amount of the Bonds by more than 15% of the bid by the successful bidder. The dollar amount bid for principal by the successful bidder shall be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds to be issued. 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 County will reserve the right: (i) to reject any or all proposals without cause; (ii) to waive non-substantive irregularity or informality in any proposal or of matters relating to the receipt of bids and award of the Bonds; and (iii) reject any bid which the County determines to have failed to comply with the terms herein. 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. No bid can be withdrawn or amended after the time set for receiving bids unless the meeting of the County scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. 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.

Good Faith Deposit

A good faith deposit is required in connection with the sale and bid for the Bonds. 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 $1,016,200 to the County by wire transfer as instructed by the County or its financial advisor to be submitted not later than 4:00 p.m. Eastern time. 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. The Deposit of the successful bidder will be retained by the County to be applied in partial payment for the Bonds, and no interest will be allowed or paid upon the amount of 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.

Security and Purpose

The Bonds herein described will be general obligations of the County to which the County will pledge its full faith and credit and unlimited taxing power. The proceeds will be used to finance certain capital projects of the County and pay the costs of issuing the Bonds.

Continuing Disclosure

The County has made certain covenants for the benefit of the holders from time to time of the Bonds to provide certain continuing disclosure, in order to assist bidders in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. 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.

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.

All charges of DTC and all other expenses of the successful bidder will be the responsibility of the successful bidder for the Bonds.

Preliminary Official Statement; Official Statement

The County has deemed the Preliminary Official Statement dated May 4, 2023 to be final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain information permitted to be omitted by said Rule. The County agrees to deliver to the successful bidder not later than seven (7) business days after the date or sale an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement. If so requested by the successful bidder for the Bonds 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 of such issue by the successful bidder ("Reoffering Information"), if any, as may be specified and furnished in writing by such bidder. If no such 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. The successful bidder for the Bonds shall be responsible to the County and its officials for the Reoffering Information furnished by such bidder, 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 an electronic copy and a reasonable number of hard copies (not to exceed 25) of the Official Statement (and any amendments or supplements thereto).

Settlement

The Bonds will be delivered on or about May 31, 2023 or as soon as practicable thereafter, without expense, to the purchaser through DTC, in New York, New York. Delivery will be subject to receipt by the purchaser of an approving legal opinion of McGuireWoods LLP, Baltimore, Maryland, and the customary closing documents, including a no-litigation certificate. 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).

On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the County or its designee. Except as compliance with the terms of payment for the Bonds shall have been made impossible by action of the County, or its agents, the purchaser shall be liable to the County for any loss suffered by the County by reason of the purchaser's non-compliance with said terms for payment.

Undertakings of the Successful Bidder

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.

The successful bidder (hereafter, the "Purchaser") shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, 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 may be appropriate or necessary, in the reasonable judgement of the County, the Purchaser and Bond Counsel). All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County's Financial Advisor identified herein and any notice or report to be provided to the County may be provided to the County's Financial Advisor.

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 highest price (or lowest interest cost), as set forth herein.

In the event that the Competitive Sale Requirements are not satisfied, the County shall so advise the successful 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 successful bidder shall advise the County if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The County shall then promptly advise the successful bidder, at or before the time of award of the Bonds, which maturities (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 successful 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 successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold the Offering Price Rule 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 successful 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 successful bidder will rely on (i) the agreement of each underwriter to comply with the Hold the Offering Price Rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold the Offering Price Rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that 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 successful bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the Hold the Offering Price Rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party 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 successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the Hold the Offering Price Rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

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 successful 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 BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 News Service.

The County reserves the right to postpone, from time to time, the date established for the receipt of bids. In the event of a postponement, the new date and time will be announced via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 News Service at least 24 hours prior to the time bids are to be submitted.

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 BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 News Service at least 24 hours prior to such subsequent bid date.

On any such alternative or subsequent bid date, any bidder may submit electronic bids for the purchase of the Bonds in conformity with the provisions of this Notice of Sale, except for the changes to this Notice of Sale, the change of the date of sale and the changes described in the next sentence. If the date fixed for receipt of bids is postponed, the expected date of delivery of the Bonds also may be postponed. Such changes, if any, will be 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, Finance Division 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

$99,285,000
Frederick County, Maryland
Consolidated Public Facilities Project Bonds, Series 2023A

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 _______, 2023.

(e) *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 Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the Federal income tax rules affecting the Bonds, and by McGuireWoods 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: ___________, 2023

SCHEDULE A
Expected Offering Prices of the Bonds

SCHEDULE B
Copy of Bid

EXHIBIT A-2 TO
NOTICE OF SALE

$99,285,000
Frederick County, Maryland
Consolidated Public Facilities Project Bonds, Series 2023A

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) Each Underwriter 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, each Underwriter 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 Offering Period for such Maturity, nor would it permit a related party to do so (the "hold-the-price rule") 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- price rule. Pursuant to such agreement, no Underwriter has offered nor 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 Offering 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) *Offering 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 (______, 2023), 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 _______, 2023.

(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 Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the Federal income tax rules affecting the Bonds, and by McGuireWoods 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: _______, 2023

SCHEDULE A
Sale Prices of the 10% Maturities

SCHEDULE B

Initial Offering Prices of the Undersold Maturities

SCHEDULE C
Pricing Wire