

AGENDA

WORCESTER COUNTY COMMISSIONERS

Worcester County Government Center, Room 1101, One West Market Street, Snow Hill, Maryland 21863

March 19, 2019

Item #

- 9:00 AM - Vote to Meet In Closed Session in Commissioners' Conference Room - Room 1103
Government Center, One West Market Street, Snow Hill, Maryland
- 9:01 - Closed Session: Discussion regarding hiring two (2) Communications Clerk Trainees for Emergency Services, and a Vehicle & Equipment Mechanic II for the Roads Division of Public Works; considering posting to fill vacancies for a Maintenance Worker II and a Plant Operator III for the Water and Wastewater Division, and a Mosquito Control Foreman Trainee for Public Works; reviewing personnel matters in the Sheriff's Office; consider hiring a Commercial Real Estate Agent and discussing a Negotiating Strategy for Sale of the former Liquor Control Warehouse in Snow Hill; receiving legal advice from Counsel; and performing administrative functions
- 10:00 - Call to Order, Prayer (Arlene Page), Pledge of Allegiance
- 10:01 - Report on Closed Session; Review and Approval of Minutes
- 10:05 - Presentation of Proclamation Recognizing Public Health Week - April 1-7, 2019 1
- 10:10 - J. McClellan - SVN Miller CRE: Listing of Former Liquor Control Warehouse in Snow Hill 2
- 10:20 - S. Rayne - Coastal Realtors: Annual Report on Worcester County Real Estate Market 3
- 10:30 - Meet with Town of Ocean City Officials - FY20 Budget and Increased Room Tax Requests 4-5
- 10:40 -
- 10:50 - Chief Administrative Officer: Administrative Matters 6-21
(Bond Counsel Engagement Letter; Bond Resolution - Consolidated Public Improvement Bonds, 2019 Series; Scheduling a Public Hearing on CDBG Housing Rehabilitation Grant Progress and New Application; Maryland Tourism Development Board FY19 Cooperative Marketing Grant; Social Media Services Contract; Lease of Environmental Health Condominium and Cleaning Contract; 2020 Grant for Heroin Coordinator; Budget Adjustment for Library Shelves in Ocean City; Nomination for Local Government Justice Reinvestment Commission; Pending Board Appointments; Dissolution of Van Vonno Well Agreement; Adoption of Worcester County Strategic Plan Project Report; Proposed FY20 Health Benefit Renewal; Board of Education Non-Recurring Items; Board of Education Maintenance of Effort Calculation for FY20; and potentially other administrative matters)
- 11:00 -
- 11:10 -
- 11:20 - Presentation of Requested FY2019/2020 County Operating Budget 22
and Requested FY2019/2020 County Enterprise Fund Operating Budgets 23
- 11:30 -
- 11:40 - Chief Administrative Officer: Administrative Matters 6-21, continued
- 11:50 -
- 12:00 - Questions from the Press; County Commissioners Remarks
- Lunch
- 1:30 PM - County Commissioners and Board of Education Work Session on
Other Post-Employment Benefits (OPEB) Long-Term Funding Strategy 24
- 1:40 -
- 1:50 -
- 2:00 -

AGENDAS ARE SUBJECT TO CHANGE UNTIL THE TIME OF CONVENING

Hearing Assistance Units Available - see Kelly Shannahan, Asst. CAO.

Please be thoughtful and considerate of others.

Turn off your cell phones & pagers during the meeting!

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Minutes of the County Commissioners of Worcester County, Maryland

March 5, 2019

Diana Purnell, President (Absent)
Joseph M. Mitrecic, Vice President
Anthony W. Bertino, Jr.
Madison J. Bunting, Jr.
James C. Church
Theodore J. Elder
Joshua N. Nordstrom

Following a motion by Commissioner Nordstrom, seconded by Commissioner Bunting, with Commissioner Purnell absent, the Commissioners unanimously voted to meet in closed session at 9:00 a.m. in the Commissioners' Conference Room to discuss legal and personnel matters permitted under the provisions of Section 3-305(b)(1) and (7) of the General Provisions (GP) Article of the Annotated Code of Maryland and to perform administrative functions, permitted under the provisions of Section GP 3-104. Also present at the closed session were Chief Administrative Officer Harold L. Higgins, Assistant Chief Administrative Officer Kelly Shannahan, County Attorney Maureen Howarth, Public Information Officer Kim Moses, and Human Resources Director Stacey Norton. Topics discussed and actions taken included: hiring Cindy Longwell as a Welcome Center Greeter for Tourism and James Mansfield, Jr. as a Roads Worker I for the Roads Division of Public Works; posting to fill vacancies for a Maintenance Worker II, Plant Operator III, and Water System Supervisor for the Water and Wastewater Division of Public Works; acknowledging the hiring of Leslie Floyd-Forrest within the State's Attorney's Office; receiving legal advice from counsel; and performing administrative functions, including: discussing the health benefits Memorandum of Understanding (MOU) recently signed between the Board of Education (BOE) and the Worcester County Teachers Association; receiving FY19 monthly financial update; and discussing potential board appointments.

Commissioner Purnell was absent from the meeting.

Following a motion by Commissioner Bertino seconded by Commissioner Bunting, the Commissioners unanimously voted to adjourn their closed session at 9:30 a.m.

After the closed session, the Commissioners reconvened in open session. Commissioner Mitrecic called the meeting to order, and following a morning prayer by Arlene Page and pledge of allegiance, announced the topics discussed during the morning closed session.

The Commissioners reviewed and approved the open and closed session minutes of their February 19, 2019 meeting as presented, and they approved the open session minutes of their January 29-30, 2019 Strategic Planning Work Session minutes as amended, with Commissioner Bunting abstaining due to his absence from the work session.

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The Commissioners presented a proclamation recognizing March as Women's History Month to Commission for Women Co-Chairs Tamara White and Liz Mumford, and members Theresa Shockley, Vanessa Alban, Beth Rodier, and Hope Carmean, and Friends of the Commission for Women Chair Eloise Henry-Gordy honoring the contributions of women locally and nationwide to the economic, cultural, and social well-being of Worcester County.

The Commissioners presented a proclamation recognizing March as National Social Work Month to Jamie Manning, Assistant Director of Services for the Worcester County Department of Social Services (DSS), and staff members Dawn Blades, Tammy Jones, Terry Whitney, Kimberly Linton, Terry Edwards, Brandon Riffin; Latosha Harmon, Ashley Collins, Althenia Jolley, Trina Townsend, Kevin Schablein, Meg Marcarelli, and Felicia Northan to honor the Worcester County DSS professionals striving to improve lives locally. The Commissioners spotlighted the extraordinary efforts of DSS professionals to empower people, to equip them to solve problems and overcome personal roadblocks, and to obtain needed resources.

Jillian Cordova, Partnership Specialist with the Philadelphia region of the U.S. Census Bureau, briefed the Commissioners regarding details of the upcoming 2020 Census, including the following: Census history; available part-time, temporary Census jobs paying \$18.50 per hour; the online option to complete the Census application, which is the preferred submission method; and a suggested partnership with the County to assemble a Complete Count Committee, comprised of individuals from the community who can help encourage participation in the Neighbor-to-Neighbor program to help increase participation in the Census, specifically in low response areas, which have recently included Berlin, Snow Hill, and Pocomoke, where non-response rates are 20% or higher, and the elderly and immigrant populations, where participation rates remain low. Ms. Cordova stated that the information obtained for the Census is confidential and safe, so residents should not be afraid to respond. She explained that a Complete County Committee, including trusted local individuals, can help to increase participation. She also stated that poor census participation can result in reduced federal funding to the County in the future. Therefore, she encouraged them to assemble the proposed committee and to work with the Board of Education (BOE) to help reach the immigrant population and other tough to reach residents who can be encouraged to participate by their children. Commissioner Mitrecic thanked Ms. Cordova for meeting with them, agreed that the BOE should be involved, and offered County assistance to help increase participation in the 2020 Census.

Pursuant to the request of Finance Officer Phil Thompson and upon a motion by Commissioner Elder, the Commissioners unanimously authorized Commission Vice President Mitrecic to sign new leases for the postage machine at a total cost of \$315.74 per month, which is \$35.21 less than the current lease, and a folder/insertor at a total cost of \$461.59 per month, which is \$113.97 more than the recently-expired lease for the prior folder/insertor. Mr. Thompson stated that the postage machine is used by all County departments and the folder/insertor is used to process more than 100,000 bills annually by the Treasurer's Office. He advised that the folder/insertor will increase efficiency and provide a higher capacity stacker that

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will allow staff to process higher volumes of materials. He advised that funding for these expenditures are available within the FY19 budget.

Upon a motion by Commissioner Bunting, the Commissioners unanimously adopted Resolution No. 19-5 amending the Comprehensive Water and Sewerage Plan to reclassify the Water and Sewer Planning Area of the Ocean Pines Sanitary Service Area (SSA) to provide public water and sewer service to Atlantic General Hospital (AGH) Outpatient Center, as conceptually approved on December 18, 2018, and Resolution No. 19-6 expanding the Ocean Pines SSA for the AGH Outpatient Center, as conceptually approved by the Commissioners on February 19, 2019.

The Commissioners met with Environmental Programs Director Bob Mitchell to discuss a Priority Funding Area (PFA) request for Crabs to Go. Mr. Mitchell advised that PFAs are existing communities and places designated by local governments to indicate where they want State investment to support future growth. He then reviewed PFA qualifications and advised that Crabs to Go commercial properties meet the qualifications to be designated a PFA. Specifically, the property is developed and zoned C-2 General Commercial District, designated S-1 (service within two years) in the Water and Sewerage Plan, and the property was established with commercial uses prior to the passage of the Smart Growth Areas Act of 1997. Mr. Mitchell concluded that both he and Development Review and Permitting Director Ed Tudor concur that the properties should be certified as a PFA, which will make them eligible to receive Bay Restoration Fund (BRF) grants to fund a portion of their proposed sewer connection project.

Following some discussion and upon a motion by Commissioner Bertino, the Commissioners unanimously authorized Vice President Mitrecic to sign a letter to Maryland Department of Planning (MDP) Secretary Rob McCord certifying that the Crabs to Go properties meet the qualifications for designation as a PFA under the Smart Growth Areas Act of 1997.

The Commissioners met with Mr. Mitchell to schedule a public hearing on a Comprehensive Water and Sewerage Plan amendment application submitted by Attorney Mark Cropper, on behalf of River Run Development Associates, LLC (River Run) and Nichols-Neff Properties, LLC to reclassify the sewer and water planning areas from S-6/W-6 (no planned service) to S-1/W-1 (service within two years) for two adjacent parcels known as the former Pine Shore North Golf Course and identified on Tax Map 15 as Parcels 127 and 259, in conjunction with expanding the River Run sewer planning area and the Ocean Pines water planning area to serve a proposed residential development on the subject properties. Mr. Mitchell advised that the Planning Commission found the proposed amendment to be consistent with the County's Comprehensive Development Plan and granted the application a favorable recommendation.

Upon a motion by Commissioner Bunting, the Commissioners unanimously agreed to schedule a public hearing on April 2, 2019 to receive public comment on the proposed amendment to the Worcester County Water and Sewerage Plan and expansion of the service areas as requested.

The Commissioners met with Mr. Mitchell to discuss a request from Moore Boats to use 4.71 acres of the County's Atlantic Coastal Bays Critical Area Growth Allocation to

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accommodate a proposed warehouse at their facility on North Piney Point Road in Bishopville. Mr. Mitchell stated that the Planning Commission reviewed this request and gave it a favorable recommendation. Following some discussion and upon a motion by Commissioner Bunting, the Commissioners unanimously agreed to schedule a public hearing on April 2, 2019 to consider the request for Growth Allocation.

Pursuant to the recommendation of Mr. Mitchell and upon a motion by Commissioner Bunting, the Commissioners unanimously accepted the proposal from Coastline Design PC of Achilles, Virginia for design of the Selsey Road resiliency project in West Ocean City at a total cost of \$43,603. Mr. Mitchell stated that this will be a demonstration project for the State and will garner additional support and guidance from the Department of Natural Resources (DNR) in the design and construction phases. Mr. Mitchell further explained that DNR will provide funding for the design and ultimate construction of the soft shoreline or hard shoreline if the nature-based design fails to protect the area from weather events and flooding. Mr. Mitchell stated that the project could ultimately cost more than \$1 million.

The Commissioners met with Budget Officer Kathy Whited to review the FY19 Municipal Tax Rates and Constant Yield Tax Rates for Berlin, Ocean City, Pocomoke City, and Snow Hill. They also met with representatives from the towns of Pocomoke City, Snow Hill, and Berlin, as well as the Ocean Pines Association (OPA) regarding their FY20 grant requests from the County, with Ocean City representatives unable to attend due to a prior commitment to attend a hearing in Annapolis. The Commissioners announced that they will meet with Ocean City representatives on March 19, 2019.

The Commissioners met with Pocomoke City Council members Esther L. Troast and George Tasker and City Manager Bobby Cowger. Mr. Cowger thanked the Commissioners for their ongoing support of Pocomoke City. He then advised that town officials are requesting that the County maintain funding to Pocomoke City in all categories for FY20. These include continued categorical funding and pass-through grants as follows: \$465,000 for an unrestricted grant for police, public works, and future economic development; \$472,989 in support for the city's ambulance services based on the County formula; a restricted fire grant of \$56,000 based on the number of out-of-town fire calls, as well as continued tourism marketing, shared revenues, and State aid pass thru funds. He asked the Commissioners to continue providing separate grants of \$40,000 to the Discovery Center, and \$15,000 to the Marva Theater, both of which play key rolls in attracting visitors to the downtown area. Finally, he asked the Commissioners to consider assisting Pocomoke with a portion of the \$400,000 cost to complete emergency repairs to four failing lift stations; and \$360,000 to complete emergency repairs to the riverside boardwalk, which was installed 30 years ago without bulkhead and is now being washed out due to erosion. He suggested that a contribution of \$100,000 toward these projects would be greatly appreciated.

In response to a question by Commissioner Nordstrom, Mr. Cowger explained that one of the lift stations failed yesterday, causing the city to absorb the \$20,000 cost to pump and haul waste. In response to a question by Commissioner Bertino, Mr. Cowger explained that previously there was no plan in place to maintain the 40-year-old wastewater system; however, his administration is working diligently to correct that situation. Council members Troast and Tasker

expressed their gratitude to the Commissioners for their support and assured them that they are committed to proactively solving problems in Pocomoke City.

The Commissioners met with Snow Hill Mayor Stephen Mathews and Council member Latoya Purnell. Councilwoman Purnell thanked the Commissioners for their prior support and stated that the town is seeking level funding for FY20, including an unrestricted grant of \$500,000; \$175,000 payment in lieu of taxes; one-time grants of \$100,000 to assist with infrastructure needs for paving projects and \$75,000 to assist with establishing a butterfly house in Sturgis Park; ambulance and fire department funding and other shared revenues and State aid pass throughs for a total of \$1,819,433 for FY20 to maintain infrastructure and reduce the amount of vacant properties in town. Council member Purnell also expressed Snow Hill's continued request to receive a portion of the Local Impact Grant funds generated by the Casino at Ocean Downs. Mayor Mathews expressed excitement for the proposed butterfly house and hoped the Commissioners would support their effort.

The Commissioners met with Berlin Mayor Wm. Gee Williams, III and Town Administrator Laura Allen. Mayor Williams thanked the Commissioners for their prior support and explained that they were proposing to raise all town taxes and fees to meet their obligations due to recent growth. He asked the Commissioners for a modest increase in grant funding to include a \$500,000 unrestricted grant and other grants in line with the prior year. Along with ambulance and fire department funding and other shared revenues and State aid pass throughs, the grand total request for Berlin is \$2,086,602.

The Commissioners met with Ocean Pines Association (OPA) President Doug Parks to discuss their FY20 grant requests from the County. Their letter of request stated that Ocean Pines contains 8,452 properties with approximately 12,000 year-round residents, and OPA services and amenities benefit the community and all Worcester County residents. These services include tourism, recreation and parks, and public safety. Mr. Parks asked the Commissioners to provide funding for four distinct needs as follows: a public safety grant of \$525,000 for police services; passthrough of Highway User Revenues (HUR) as well as additional County funding of \$100,000 for the restoration of roads and bridges, a grant of \$25,000 for tourism to partially offset the cost of executing high-quality events, such as the 4th of July fireworks; and \$40,000 for Recreation and Parks programs. In total, including fire and ambulance funding, the OPA requests \$1,569,185 in funding from the County in FY20.

The Commissioners thanked officials from the towns and OPA for taking time to meet with the Commissioners to review their FY20 grant requests.

The Commissioners met with Art League of Ocean City Board President John Sisson, Executive Director Rina Thaler, and William (BL) Strang-Moya, Stephen Decatur High School (SDHS) graduate and creative director of the film festival, to discuss the Ocean City Film Festival, which will take place at eight venues in Ocean City from March 8-10, 2019. Ms. Thaler reviewed the itinerary, which includes the Delmarva premier of "the Biggest little Farm," which was directed and produced by two SDHS graduates, Emmy Award winner John Chester and Criminal Minds Producer Erica Cramer Messer. Ms. Thaler advised that the film festival is an economic driver that draws increased attention to the area, and she welcomed the Commissioners' participation in the events, providing each of them with a complimentary all-access pass. She also invited the Commissioners and all in attendance to take part in the \$5 film

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nights that take place on the third Saturday each month at the art center. Mr. Strang-Moya discussed what it means to the area to be able to host the film festival, which is now in its third season, and Mr. Sisson stated that the film festival, which began with a very small following the first year, is now drawing national attention.

Following some discussion, Commissioner Mitrecic thanked Ms. Thaler, Mr. Sisson, and Mr. Strang-Moya for informing them about the film festival and providing them with passes.

Pursuant to the recommendation of Public Works Director John Tustin and upon a motion by Commissioner Bunting, the Commissioners unanimously approved bid specifications for sewer line cleaning and inspection services in the WOC Sanitary Service Areas (SSA). Mr. Tustin advised that funding of \$50,000 is available within the FY19 budget for this project.

Pursuant to the request of Mr. Tustin and upon a motion by Commissioner Bunting, the Commissioners unanimously agreed to waive the standard bid process and approved the proposal from Sherwood-Logan & Associates of Annapolis, Maryland for the provision of two replacement Flygt NT3153.185-MT Submersible Pumps at West Ocean City (WOC) pump station number 4 at a total delivered cost of \$37,625.

Pursuant to the request of Mr. Tustin and upon a motion by Commissioner Bunting, the Commissioners unanimously accepted the proposal from EA Engineering, Science, and Technology, Inc., PBC of Hunt Valley, Maryland for Groundwater Monitoring and Analytical Services at the Central Landfill in Newark for calendar years 2019-2020 at a total cost of \$145,621.38.

In response to a question by Commissioner Bertino regarding a 17% increase in costs for these services, Mr. Tustin advised that the volume of samples EA Engineering collects has remained steady; however, the cost EA Engineering must pay to have these samples processed by the lab increased from \$175 to \$295 per sample, despite their best efforts to control those costs by soliciting multiple proposals from local labs for those services.

The Commissioners met with Mr. Tustin to review staff's recommendation regarding a request from Sally A. Molnar, chair of the Board of Trustees for Bowen United Methodist Church in Newark, for the County to install a street lamp on Mill Street to provide additional lighting to the back parking lot of the church, as some feel it is too dark and dangerous when exiting after a night meeting. Mr. Tustin stated that there is one street light at the intersection of Mill Street and Newark Road. He suggested that the Commissioners deny the request and instead suggest church officials either install a light on the private pole in the back parking area on the church property, or they could request Delmarva Power and Light (DP&L) to install a street light on a pole on Mill Street at a cost of about \$20 per month, but cautioned that option may adversely impact the neighbor on the other side of Mill Street. Commissioner Bertino expressed concern that the Commissioners would be setting a precedent if they approved the request. Commissioner Mitrecic agreed that installing a light on the proposed Mill Street pole would impact the neighbor across the street in this residential community.

Following some discussion, a motion by Commissioner Elder for the County to install a street light on their pole on Mill Street at a cost of about \$20 per month failed 3-3, with

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Commissioners Church, Elder, and Nordstrom voting in favor and Commissioners Bertino, Bunting, and Mitrecic voting in opposition.

Pursuant to the request of Mr. Tustin and upon a motion by Commissioner Bunting, the Commissioners unanimously agreed to retain a 1997 dump truck and a 1989 grader with v-plow, which were approved for replacement within the FY19 budget, for use as training vehicles. In response to a question by Commissioner Bertino, Mr. Tustin stated that Public Works staff must be trained to operate these types of vehicles to qualify for promotions, and the vehicles will be inactive most of the time and thus require minimal maintenance.

Pursuant to the recommendation of Mr. Tustin and upon a motion by Commissioner Bertino, the Commissioners unanimously declared the proposed list of County vehicles, equipment, and miscellaneous items to be surplus property and agreed to notify the public of their intent to dispose of the surplus property by auction on GovDeals.com, with the public to have an opportunity to object to any items on the list either in advance or during the Commissioners' meeting on April 2, 2019 before these items are auctioned. In response to a question by Commissioner Bertino, Mr. Tustin confirmed that the County has implemented a rating system for County-owned vehicles to determine if older, high-mileage vehicles should remain in service and maintained or declared surplus property and replaced. He explained that the vehicles on the list were rated last year and replaced in the FY19 budget.

Pursuant to the recommendation of Mr. Tustin and upon a motion by Commissioner Bunting, the Commissioners unanimously awarded the low bid to Allen Myers MD, Inc. of Fallston, Maryland for the blacktop resurfacing of approximately 13.59 miles of County roadways at a fixed price of \$71.90 per ton for roads listed under Part A-1 and A-2, a fixed price of \$4.55 per square yard of fabric for 12,220 square yards of roadways under Part B, and a fixed price of \$69.00 per ton for blacktop surfacing of 1.9 miles of road under Part C of the bid specifications for an estimated total cost of \$1,237,201.40. Mr. Tustin stated that the bids came in higher than estimated, so County staff will monitor the paving schedule and make any necessary adjustments to delay paving of certain roads that cannot be completed this spring with budgeted funds and instead add those roads to the fall paving schedule.

Pursuant to the recommendation of Mr. Tustin and upon a motion by Commissioner Elder, the Commissioners unanimously awarded the low bid to Asphalt Paving Systems, Inc. of Hammonton, NJ for slurry seal surfacing of approximately 12.73 miles of County roadways at a cost of \$2.49 per square yard for an estimated total cost of \$464,798.34.

The Commissioners reviewed and discussed various board appointments.

Upon a nomination by Commissioner Bertino, the Commissioners unanimously agreed to reappoint James Rosenberg to the Solid Waste Advisory Committee for an additional four-year term expiring December 31, 2022, and to appoint Vicki O'Mara to the Library Board of Trustees for the remainder of a five-year term expiring December 31, 2022, to replace Rosemary Keech who resigned.

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The Commissioners met with Assistant Chief Administrative Officer Kelly Shannahan to review a request from Wor-Wic Community College (WWCC) President Dr. Ray Hoy for support to correct a calculation error made by the State that resulted in a shortage of about \$322,400 in FY20 funding from the State to WWCC. Upon a motion by Commissioner Bertino, the Commissioners unanimously agreed to send a letter to Governor Larry Hogan to request a supplemental budget appropriation to correct this error.

The Commissioners met with Mr. Shannahan to review a request from Ocean City Chamber of Commerce Executive Director Melanie Pursel to join area business owners to oppose House Bill 166/Senate Bill 280 Labor and Employment - Payment of Wages - Minimum Wage (Fight for Fifteen), which would increase Maryland's minimum wage by \$1 per hour over the next five years to \$15 per hour by July 1, 2023. Mr. Shannahan stated that HB 166 passed the House with amendments, but has been advised that a regional/geographical carve-out bill for the rural counties, which includes Worcester County, is being drafted and will be offered in the Senate Finance Committee to amend SB 280, which has not yet been voted out of committee; however, that amendment would still raise the minimum wage to \$13.85 per hour in Worcester County by July 1, 2023.

Commissioner Nordstrom opposed taking a stand for or against the bill, since the Commissioners represent both the business owners and those who make minimum wage. Commissioner Nordstrom stated that the County should not get involved until the matter comes before the County Commissioners. In response to Commissioner Nordstrom, Mr. Shannahan stated that, if the State passes SB 280, all businesses in Worcester County will be required to meet the new minimum wage requirements with no further input by the County, and the chamber has provided significant testimony in Annapolis that this bill will hurt Worcester County businesses.

In recognizing the value of entry-level wages, Commissioner Elder stated that he has both received minimum wage and paid minimum wage, and the former gave him an opportunity to show what he could do. He expressed concern that a number of businesses have already automated their services and installed self-service aisles, and if the minimum wage is increased to \$15 per hour, more businesses are likely to follow, which would put a lot of people out of work.

Commissioner Church stated that if SB 280 is passed it will place an enormous burden on the businesses in the County, especially in Ocean City. Commissioner Mitrecic concurred and stated that, if passed, this bill would even effect the County Government workforce and payroll, which would present an additional challenge to the Commissioners in balancing the annual budget.

Following some discussion and upon a motion by Commissioner Church, the Commissioners voted 5-1, with Commissioner Nordstrom voting in opposition, to send a letter opposing SB 280, as well as the proposed amendment to the bill, which would increase the minimum wage in rural counties, including Worcester County, to \$13.85 per hour.

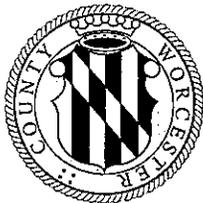
The Commissioners reviewed an announcement from the Ocean City Chamber of Commerce regarding the Informational Town Hall meeting on Offshore Drilling at the Dunes Manor Hotel in Ocean City on March 6, 2019 at 4:00 p.m. The town hall will be focused on how

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Maryland's business community can comment on the new federal offshore drilling plans that will impact the region's tourism-based economy. Mr. Shannahan reminded those in attendance that on March 5, 2019 the Commissioners sent a letter opposing offshore drilling and seismic airgun blasting in the waters off the Delmarva Coast and, specifically, in the vicinity of Ocean City and Assateague Island State and National Parks.

Commissioner Nordstrom commended Chief Administrative Officer Harold Higgins, Assistant Chief Administrative Officer Kelly Shannahan, Budget Officer Kathy Whited, and Finance Officer Phil Thompson for the excellent presentation they prepared and delivered for the Commissioners' visit to the bond rating agencies in New York from February 24-26, 2019.

The Commissioners answered questions from the press, after which they adjourned to meet again on March 19, 2019.



1

HAROLD L. HIGGINS, CPA
CHIEF ADMINISTRATIVE OFFICER
MAUREEN F.L. HOWARTH
COUNTY ATTORNEY

COMMISSIONERS
DIANA PURNELL, PRESIDENT
JOSEPH M. MITRECIC, VICE PRESIDENT
ANTHONY W. BERTINO, JR.
MADISON J. BUNTING, JR.
JAMES C. CHURCH
THEODORE J. ELDER
JOSHUA C. NORDSTROM

OFFICE OF THE
COUNTY COMMISSIONERS

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET • ROOM 1103
SNOW HILL, MARYLAND
21863-1195

PROCLAMATION

WHEREAS, the Worcester County Health Department (WCHD) is participating in National Public Health Week 2019. The goal is to create the healthiest nation in one generation and to champion the role of a strong public health system, and

WHEREAS, in recognition of Public Health Week, the WCHD will host the 10th annual Public Health Week Conference, *Creating the Healthiest Community*, in Ocean City on April 3 and will host the 22nd annual Tortoise and Hare Dare 5k walk/run in Pocomoke on April 6.

NOW, THEREFORE, we, the County Commissioners of Worcester County, Maryland, do hereby proclaim the week of April 1 - 7, 2019 as **Public Health Week** and commend all public health workers, students and volunteers for their dedication to meeting the health needs of area residents.

Executed under the Seal of the County of Worcester, State of Maryland, this 19th day of March, in the Year of Our Lord Two Thousand and Nineteen.



Diana Purnell, President

Joseph M. Mitrecic, Vice President

Anthony W. Bertino, Jr.

Madison J. Bunting, Jr.

James C. Church

Theodore J. Elder

Joshua C. Nordstrom

Citizens and Government Working Together



Worcester County

HEALTH DEPARTMENT

P.O. Box 249 • Snow Hill, Maryland 21863-0249
www.worcesterhealth.org

Snow Hill (Main Office)
410-632-1100
Fax 410-632-0906

Rebecca L. Jones, RN, BSN, MSN
Health Officer

MEMORANDUM

To: Harold Higgins, Chief Administrative Officer
Kelly Shannahan, Assistant Chief Administrative Officer
Kim Moses, Public Information Officer

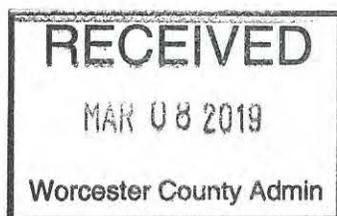
From: Rebecca Jones, Health Officer 

Date: March 6, 2019

Re: Commissioner's Agenda March 19th - Proclamation for Public Health Week

I would like to be placed on the Commissioner's agenda on March 19, 2019 to present the Public Health Week Proclamation we have drafted for your review and approval.

Thank you for your consideration.



TEL: 410-632-1194
FAX: 410-632-3131
E-MAIL: admin@co.worcester.md.us
WEB: www.co.worcester.md.us



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HAROLD L. HIGGINS, CPA
CHIEF ADMINISTRATIVE OFFICER
MAUREEN F.L. HOWARTH
COUNTY ATTORNEY

COMMISSIONERS
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OFFICE OF THE
COUNTY COMMISSIONERS

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET • ROOM 1103

SNOW HILL, MARYLAND

21863-1195

March 13, 2019

TO: Harold L. Higgins, Chief Administrative Officer
FROM: Kelly Shannahan, Assistant Chief Administrative Officer *KS*
SUBJECT: Proposed Listing of Liquor Control Warehouse in Snow Hill

As you are aware, at their meeting of February 19, 2019, the County Commissioners reviewed bids submitted by the February 11, 2019 deadline for purchase of the former Department of Liquor Control (DLC) warehouse in Snow Hill. Given that the bids received were far below the asking price of \$990,000 and not even sufficient to cover the remaining mortgage balance of \$444,000 on this property, the Commissioners agreed to list the property for sale with a commercial real estate agent. Since that time, we have met with John McClellan, Senior Advisor with SVN Miller Commercial Real Estate, who has significant experience with the sale of industrial and warehouse properties in our area which are similar to ours. We have invited John to attend the Commissioners meeting on March 19 to present his comprehensive analysis of the property value as well as recommendations for marketing strategies, and to present a listing proposal from SVN with a commission of 6% for their services, for the Commissioners consideration.

If you should have any questions or concerns with regard to this matter, please feel free to contact me.

The Commissioners met with Assistant Chief Administrative Officer Kelly Shannahan to review staff's recommendation to reject the two bids submitted to purchase the former Department of Liquor Control (DLC) warehouse in Snow Hill and to discuss other options to dispose of this property. Mr. Shannahan advised that the property was advertised for sale "as is and with all faults" at an asking price of \$990,000, in accordance with the recent appraisal. He advised that the County still owes a mortgage on this property of approximately \$444,000, and the two bids received were for \$9,000 to \$12,000 per acre from A-1 Mini Storage to purchase the vacant land only and for \$75,000 from ZST Rentals, Inc. both of which are substantially less than the asking price and will not even cover what the County owes on the property.

Upon a motion by Commissioner Mitrecic, the Commissioners unanimously rejected both bids and agreed to list the property for sale with a commercial real estate agent. In response to a question by Commissioner Bertino, Commissioner Church stated that the property is unique, but he believes it will eventually sell.

Kelly Shannahan

From: John McClellan [mailto:john.mcclellan@svn.com]
Sent: Thursday, March 14, 2019 10:32 AM
To: Kelly Shannahan
Cc: Maureen L. Howarth; Kathryn Gordon
Subject: Tour of Liquor Warehouse Today - Post-Tour Questions

Kelly

Thanks again for taking the time to meet with me and tour the former Liquor Control Board Facility.

As we discussed, I am working on a comprehensive analysis of the property value as well as our recommendations for marketing strategies. The biggest advantage SVN can bring to clients in marketing commercial real estate is the introduction of competition. Our wide network reaches the entire brokerage community, targeted users and investors, and other centers of influence who many times can connect us with a buyer who may consider this property.

I welcome the opportunity to present my report and recommendations at Tuesday's meeting of the County Commissioners. Please confirm the time for this meeting. I will bring copies of my materials for all County Commissioners and other key attendees. Please advise how many copies are needed.

I look forward to hearing from you and further discussing this on Tuesday.

John

--

John McClellan, SIOR, CCIM | Senior Advisor
SVN | Miller Commercial Real Estate
206 East Main Street, Salisbury, MD 21801
Phone 410.543.2440 | Fax 410.543.1439
Direct Line 410.543.2428
john.mcclellan@svn.com | www.SVNmiller.com



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Kelly Shannahan

From: Sarah Rayne <sarah@coastalrealtors.org>
Sent: Friday, March 8, 2019 1:32 PM
To: Kelly Shannahan
Cc: Diana Purnell; Harold Higgins; Phil Thompson; Kathy Whited
Subject: RE: Market Presentation - Coastal Association of Realtors
Attachments: 2019 Worcester Commissioners PP.pptx

3

Good Afternoon Mr. Shannahan,

Please find attached the Power Point presentation to be considered for inclusion on the March 19 meeting agenda.

One of the slides has some mortgage rate numbers on it that may need to be adjusted prior to the meeting, as they change often.

Please let me know if we are good to go for March 19!

Thanks,

Sarah Rayne
Government and Public Affairs Director
Coastal Association of REALTORS® of MD, Inc.
314 Franklin Avenue, Suite 106
Berlin, Maryland 21811
410-641-4409 (o)
443-944-7046 (c)
410-641-2995 (f)
sarah@coastalrealtors.org
www.CoastalRealtors.org
<http://coastalmdhomes.com>



LOCAL
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From: Kelly Shannahan <kellys@co.worcester.md.us>
Sent: Wednesday, February 27, 2019 11:33 AM
To: Sarah Rayne <sarah@coastalrealtors.org>
Cc: Diana Purnell <dpurnell@co.worcester.md.us>; Harold Higgins <hhiggins@co.worcester.md.us>; Phil Thompson <pthompson@co.worcester.md.us>; Kathy Whited <kwhited@co.worcester.md.us>
Subject: RE: Market Presentation - Coastal Association of Realtors

Ms. Rayne,

We should be able to accommodate your request again this year. As you did last year, please provide me with a copy of the materials that you would like to present at the Commissioners meeting (ie. PowerPoint presentation, executive summary, backup materials, etc.) and I will see when we may be able to schedule such a presentation. The deadline for submission of meeting package materials is about a week before each meeting in order to allow sufficient time for

processing and inclusion in the advanced package we prepare for the Commissioners. While we are already past the deadline for their March 5 meeting, the deadline for their next meeting thereafter is 9:00 am on Wednesday, March 13 to be considered for their March 19 meeting. Beyond that date, the next deadline is March 27 at 9:00 am for their April 2 meeting, or April 10 at 9 am for their April 16 meeting.

I look forward to receiving your reply and meeting materials so we can schedule your presentation.

Thanks,

Kelly Shannahan

Assistant Chief Administrative Officer

Worcester County Administration

Room 1103 Government Center

One West Market Street

Snow Hill, MD 21863-1195

410-632-1194

410-632-3131 (fax)

From: Sarah Rayne [<mailto:sarah@coastalrealtors.org>]

Sent: Tuesday, February 26, 2019 11:08 AM

To: Kelly Shannahan <kellys@co.worcester.md.us>

Cc: Diana Purnell <dpurnell@co.worcester.md.us>; Harold Higgins <hhiggins@co.worcester.md.us>; Phil Thompson <pthompson@co.worcester.md.us>; Kathy Whited <kwhited@co.worcester.md.us>

Subject: RE: Market Presentation - Coastal Association of Realtors

Good Morning Mr. Shannahan,

Coastal would like to provide the Commissioners with another market presentation at an upcoming meeting, if you will have us again. Please let me know if we can get on an upcoming agenda, and I will provide the materials soon.

Thanks,

Sarah Rayne

Government and Public Affairs Director

Coastal Association of REALTORS® of MD, Inc.

314 Franklin Avenue, Suite 106

Berlin, Maryland 21811

410-641-4409 (o)

443-944-7046 (c)

410-641-2995 (f)

sarah@coastalrealtors.org

www.CoastalRealtors.org

<http://coastalmdhomes.com>



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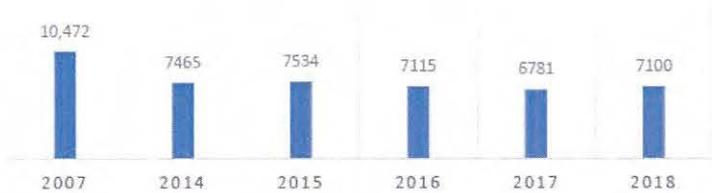
Worcester County's Real Estate Market
Worcester County Commissioners
March 19, 2019

Tri-County - Somerset, Wicomico, Worcester, MD
STATE OF THE REAL ESTATE MARKET



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ACTIVE LISTINGS



NEW LISTINGS

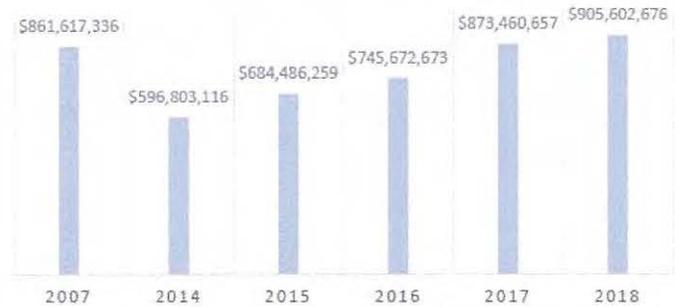


HOMES SOLD

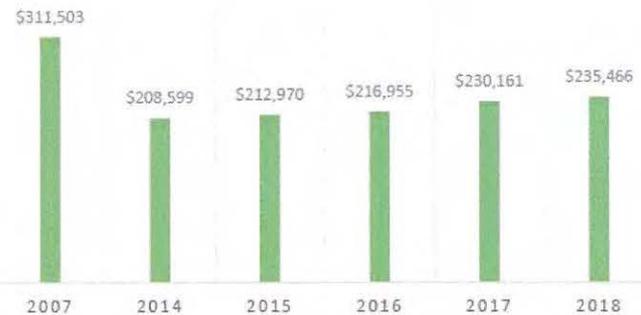


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VOLUME SOLD



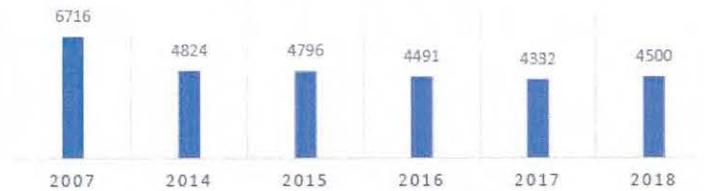
AVERAGE SALE PRICES



WORCESTER COUNTY, MARYLAND STATE OF THE REAL ESTATE MARKET



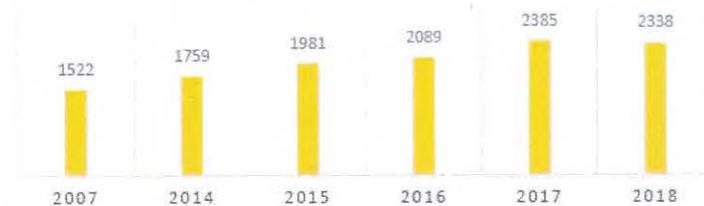
ACTIVE LISTINGS



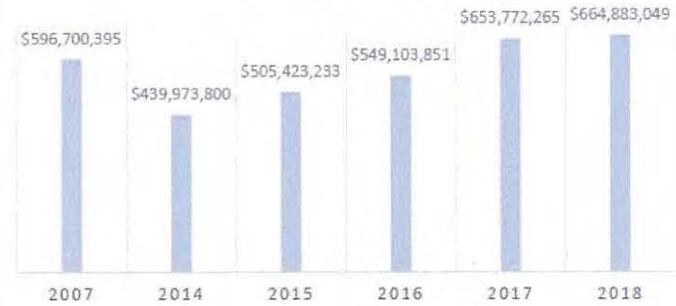
NEW LISTINGS



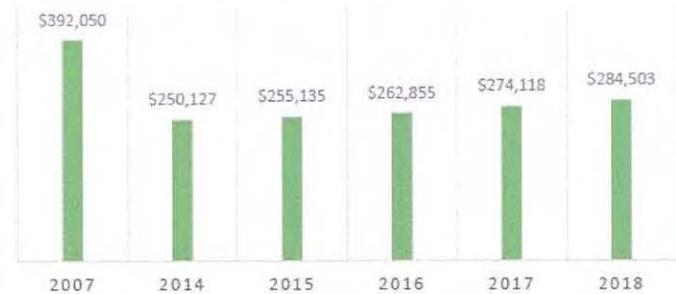
HOMES SOLD



VOLUME SOLD



AVERAGE SALE PRICES

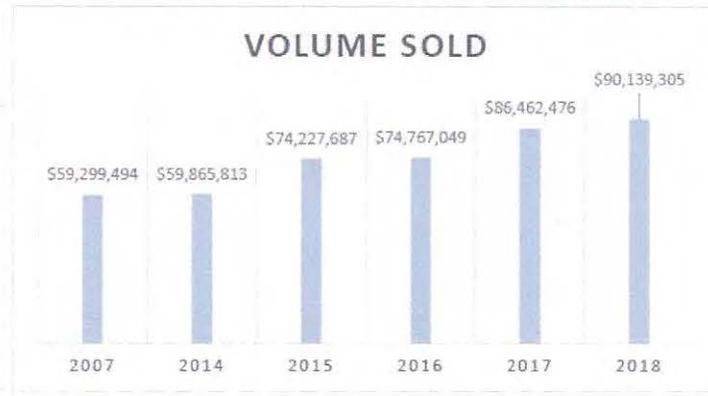


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BERLIN, MARYLAND
STATE OF THE REAL ESTATE MARKET



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OCEAN CITY, MARYLAND STATE OF THE REAL ESTATE MARKET



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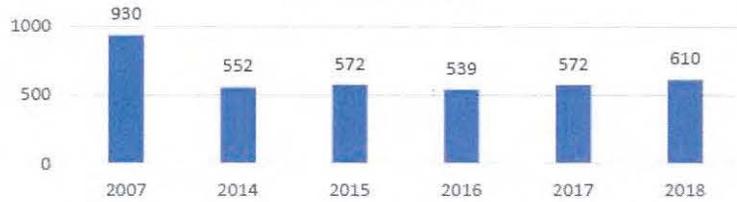


OCEAN PINES, MARYLAND STATE OF THE REAL ESTATE MARKET



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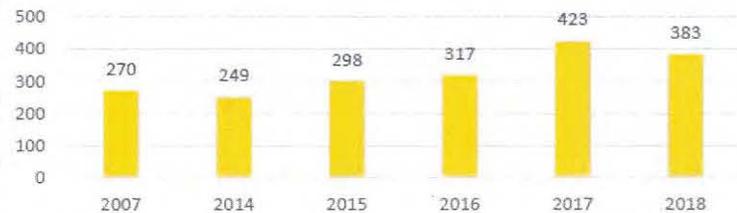
Active Listings



New Listings

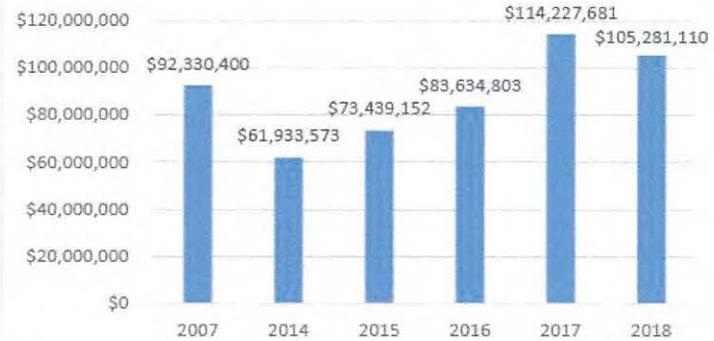


Homes Sold

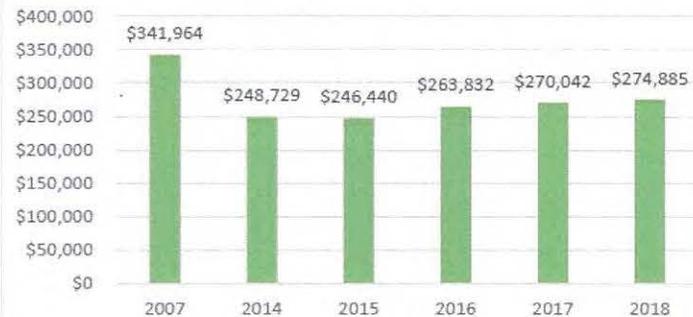


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Volume Sold



Average Sale Prices



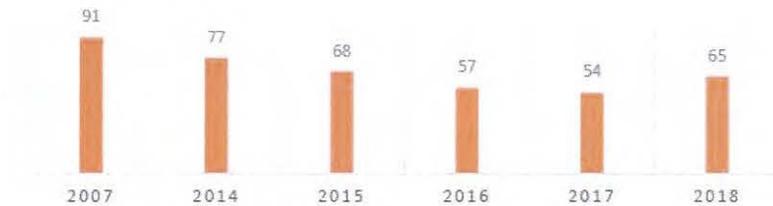
SNOW HILL, MARYLAND STATE OF THE REAL ESTATE MARKET



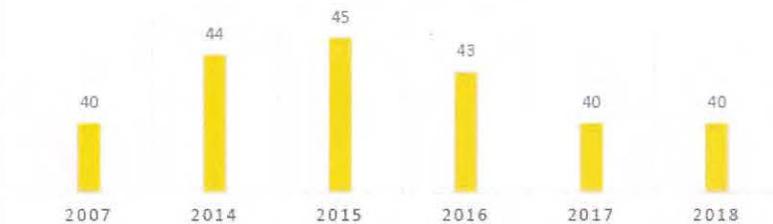
ACTIVE LISTINGS



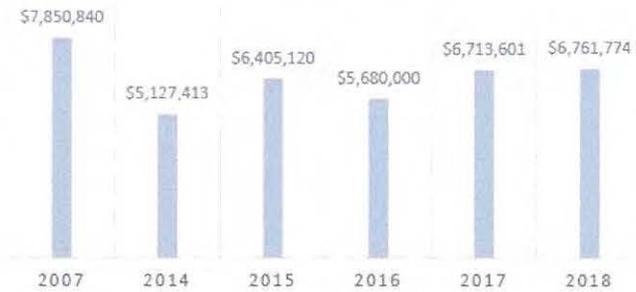
NEW LISTINGS



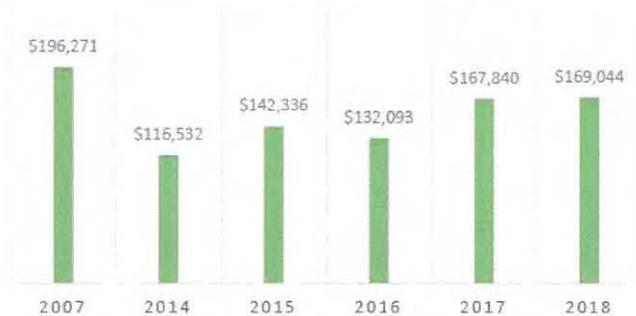
HOMES SOLD



VOLUME SOLD



AVERAGE SALE PRICES



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POCOMOKE CITY, MARYLAND
STATE OF THE REAL ESTATE MARKET

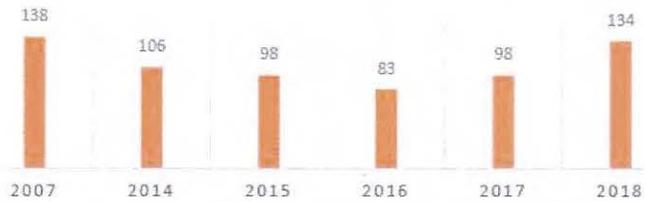


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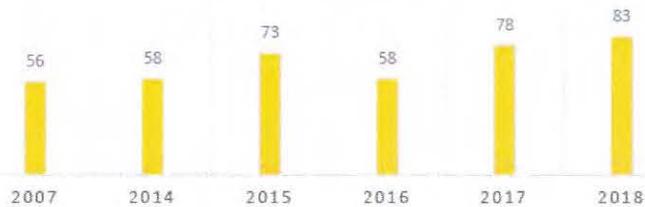
ACTIVE LISTINGS



NEW LISTINGS

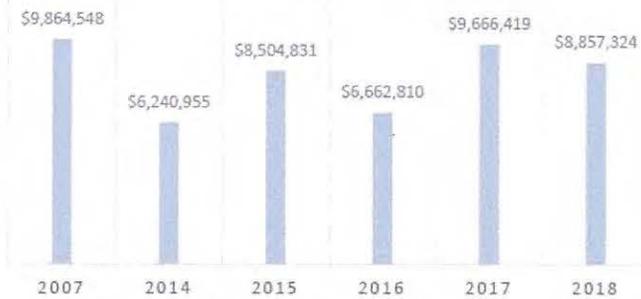


HOMES SOLD



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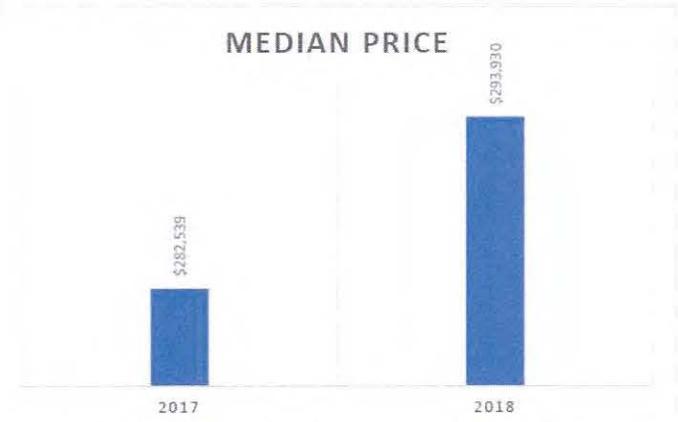
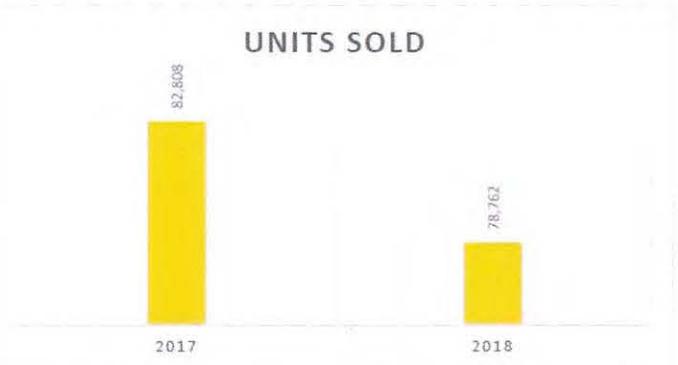
VOLUME SOLD



AVERAGE SALE PRICES



MARYLAND
STATE OF THE REAL ESTATE MARKET



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What can we expect in 2019?

- Continued growth (hopefully)
- Current 30-year mortgage rate: 4.31% (As of March 14)
 - Lowest rate since February of last year.
- Freddie Mac predicts a 30-year mortgage rate of 4.6% in 2019 and 4.9% in 2020.
- Unemployment decrease = Consumer confidence = More home sales
- Cautious optimism in Maryland – higher prices, higher mortgage rates, scant inventory
- Economic uncertainty – combo of strong economic growth, expanding human capital shortfalls, ongoing trade disputes

Revised Page 12

Add to
3

Questions



TOWN OF OCEAN CITY

The White Marlin Capital of the World

MAYOR
RICHARD W. MEEHAN

CITY COUNCIL

LLOYD MARTIN
President

MARY P. KNIGHT
Secretary

DENNIS W. DARE
ANTHONY J. DELUCA
JOHN F. GEHRIG, JR.
MATTHEW M. JAMES
MARK L. PADDACK

CITY MANAGER
DOUGLAS R. MILLER

CITY CLERK
DIANA L. CHAVIS, CMC

February 28, 2019

Mrs. Diana Purnell
President
Worcester County Commissioners
Government Center
One West Market Street - Room 1103
Snow Hill, MD 21863-1195

Dear Honorable President Purnell and Distinguished Worcester County Commissioners:

The Mayor and Council look forward to meeting with the County Commissioners on March 20, 2019 to discuss grants for FY20. In order to allow you time to prepare for our meeting, please find the summation of our requests.

We would first like to thank you for the 2.5% increase we received last year in our Undesignated Grants. This Undesignated Grant goes toward offsetting the cost of services that Ocean City provides in lieu of the County providing these services. We would like to request that this grant be increased again by 2.5% in FY20. We further request that the grants for Recreation, the Convention Bureau and the Park and Ride be continued to be funded as they were in FY19.

For FY20 we request that you increase the grant for Tourism by \$200,000 to be used for destination marketing. The number of hotel rooms in West Ocean City has increased dramatically, now approaching 700 rooms, and this has not only increased the amount of room tax received by the county but also increased the need for additional marketing to fill these rooms. The onus of advertising the resort destination and the 21842 area falls on the Advertising Budget of Ocean City. Increasing the occupancy of all hotel rooms benefits the entire County.

We would also like to address the administrative fees the Town pays Worcester County to collect the room tax and the food tax. The County, by law, can charge up to 1% of the total room tax collected and 5% of the total food tax collected to administer these collections. This formula results in the county collecting 1% or \$157,285 from the room tax collections and 5% or \$75,054 from the food tax collections in FY19. This total of \$232,339 exceeds the cost to the county to provide this service. We would propose that the room tax percentage be reduced to ½% and the food tax percentage be reduced to 2.5%. This would result, based on last year's numbers, of a total payment to the County of \$116,170 to provide this service.

www.oceancitymd.gov

P.O. BOX 158 • OCEAN CITY, MARYLAND • 21843-0158



2001

City Hall - (410) 289-8221 • FAX - (410) 289-8703

Page Two

In a recent meeting with the County Administrator Harold Higgins we discussed the program the County uses to keep track of the room tax and food tax collections and discovered that the program currently in place to track this information, and to provide for a method to collect past due accounts, is outdated and inadequate. In fact there is no program in place to follow up on past due accounts or nonpayment of either tax. We would suggest that this program be replaced, or as an alternative, the County authorize the Town to collect the room tax and food tax in Ocean City and be responsible for all collections including past due accounts. This would alleviate the responsibility and expense on the County side, and would provide Ocean City with the means to administer its second biggest revenue source.

The Town of Ocean City, and the other Municipalities in Worcester County, continue to be faced with increased costs to provide fire and ambulance service to our residents and visitors. In Ocean City the costs within city limits have increased and the call volume and service to West Ocean City continues to increase dramatically as well. We request that the County Commissioners adopt the funding recommendations made at the Worcester County Commissioners 2019 Funding meeting held on 2/5/19 and attended by the Fire Chiefs and Ambulance Captains of Worcester County. This would increase the grant funding to Ocean City by \$370,000 and allow us to hire additional personnel. I have asked Ocean City Fire Chief Chris Larmore to be available to discuss this in detail and answer any questions the Commissioners may have on this request. Public safety is our #1 Priority and this funding is essential for us to continue to provide the service our residents expect and deserve.

Our last request would be that the Commissioners fund the purchase of pagers for our Ocean City Fire Company. The town is transferring from its current pager system for emergency responders to a digital paging system that will interface with the new radio system. Within 2 years the Town will discontinue the current pager system and must convert all current pagers to the digital format. We are requesting funding for 100 digital pagers, 28 for Career Personnel and 52 for Volunteer Personnel, at a cost of \$80,000.

Page Three

The issue of tax differential remains very important to Ocean City taxpayers and remains to be resolved. In the interim the above grants provided in lieu of tax differential will be applied to the Town's FY20 budget to provide relief for Ocean City taxpayers.

We believe the above requests are reasonable and important and we look forward to meeting with you to discuss these vital issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard W. Meehan". The signature is written in a cursive, somewhat stylized font.

Richard W. Meehan
Mayor

GRANTS TO TOWNS - FY2020
Request - Feb 2019

Revised 3/12/19

	Ocean City FY19 Approved	Ocean City FY20 Request
COUNTY GRANTS TO TOWNS		
Convention Bureau	50,000	50,000
Recreation Grant	100,000	100,000
Ocean City Unrestricted Grant	2,490,000	2,552,250
Tourism Marketing	300,000	500,000
Other Grants - Park & Ride	80,000	80,000
100 Digital Pagers - Ocean City Fire Co. @ \$800	-	80,000
Fire & Ambulance Service increased rates	-	370,000
Downtown Redevelopment	100,000	100,000
Restricted Fire Grant	123,000	144,000
	3,243,000	3,976,250
Ocean City MOU Additional Request	-	-
Sub-Total	3,243,000	3,976,250
Ambulance Grant ***Included in 1105 budget	1,266,499	1,221,438
* Cnty Grant Vol. Fire Dept-General Fund Bgt	206,214	212,159
(1) Supplemental Cnty Grant Vol. Fire Dept	43,786	37,841
Ambulance Grant- Vol Fire Co	n/a	n/a
DEBT SERVICE FOR BENEFIT OF OCEAN CITY		
Beach Maintenance-DNR Fund	450,000	460,000
	1,966,499	1,931,438
Sub-Total County Grants & Debt	5,209,499	5,907,688
Tourism Marketing On-Behalf	270,000	270,000
SHARED REVENUES		
* Income Tax	1,208,000	1,208,000
* Bingo License Receipts	3,100	3,100
* Liquor License Distribution	299,813	310,000
	1,510,913	1,521,100
STATE AID PASS THRU		
* Fire Co. Aid-State Pass Thru Vol Fire-est	31,895	33,219
* Fire Co. Aid-State Pass Thru Towns-est	47,198	31,394
TOTAL	\$ 7,069,505	\$ 7,763,401

* Mandated by State or County Code

(1) Supplement approved from General Fund FY14-FY19 and FY20 Request

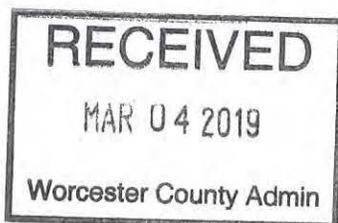


TOWN OF OCEAN CITY

The White Marlin Capital of the World

5

March 1, 2019



MAYOR
RICHARD W. MEEHAN

CITY COUNCIL

LLOYD MARTIN
President

MARY P. KNIGHT
Secretary

DENNIS W. DARE
ANTHONY J. DELUCA
JOHN F. GEHRIG, JR.
MATTHEW M. JAMES
MARK L. PADDACK

CITY MANAGER
DOUGLAS R. MILLER

CITY CLERK
DIANA L. CHAVIS, CMC

Diana Purnell, President
Worcester County Commissioners
One W. Market Street, Room 1103
Snow Hill, MD 21863-1195

Copy: Phil Thompson ✓
Kathy Whitel ✓
Maureen Howarth ✓

Dear President Purnell:

The costs to promote and operate Ocean City as a world class family resort continue to increase. Unfortunately, our revenue sources to fund these needs are limited. At the January 29, 2019 meeting of the Mayor and City Council, we discussed increasing the room tax rate from 4.5% to 5.0%.

It is the desire of the Mayor and City Council that the County Commissioners create the necessary legislation to allow for this needed increase in room tax. We trust that you can assist us in this matter. Please contact my office if you have any questions.

Sincerely,


Richard W. Meehan, Mayor

cc: City Council
City Manager

See p. 7

See p. 14

Requires!
- County Code amendment to Section TR 1-601(a)
- Resolution with unanimous consent of County Commissioners



taxes; that responsibility is given to the Tax Court not only by Md. Code Ann., Tax - Gen. § 3-103(a), but also by Md. Local Government Code Ann. § 20-117 with respect to appeals of refund claims relating to local government taxes. *Brutus 630, LLC v. Town of Bel Air*, 448 Md. 355, 139 A.3d 957 (2016).

Maryland Tax Court has jurisdiction under Md. Local Government Code Ann. § 20-117 of an administrative appeal of a denial of a refund claim involving a payment to a municipality. *Brutus 630, LLC v. Town of Bel Air*, 448 Md. 355, 139 A.3d 957 (2016).

§ 20-114. Form of claim.

Cited in *Brutus 630, LLC v. Town of Bel Air*, 448 Md. 355, 139 A.3d 957 (2016).

§ 20-115. Time for filing.

Cited in *Brutus 630, LLC v. Town of Bel Air*, 448 Md. 355, 139 A.3d 957 (2016).

§ 20-116. Determination of claim.

Sewer connection fee refund. — Person who has paid a sewer connection fee imposed by a municipality and alleges that the fee is illegal or miscalculated may seek a refund from the municipality under Md. Local Government

Code Ann. § 20-113 et seq., and the voluntary payment doctrine did not bar such a refund claim. *Brutus 630, LLC v. Town of Bel Air*, 448 Md. 355, 139 A.3d 957 (2016).

§ 20-117. Appeal.

Sewer connection fee refund. — Person who has paid a sewer connection fee imposed by a municipality and alleges that the fee is illegal or miscalculated may seek a refund from the municipality under Md. Local Government Code Ann. § 20-113 et seq., and the voluntary payment doctrine did not bar such a refund claim. *Brutus 630, LLC v. Town of Bel Air*, 448 Md. 355, 139 A.3d 957 (2016).

Court not only by Md. Code Ann., Tax - Gen. § 3-103(a), but also by Md. Local Government Code Ann. § 20-117 with respect to appeals of refund claims relating to local government taxes. *Brutus 630, LLC v. Town of Bel Air*, 448 Md. 355, 139 A.3d 957 (2016).

Jurisdiction over refund claim. — No question exists that the Maryland Tax Court has jurisdiction of refund claims relating to taxes; that responsibility is given to the Tax

Maryland Tax Court has jurisdiction under Md. Local Government Code Ann. § 20-117 of an administrative appeal of a denial of a refund claim involving a payment to a municipality. *Brutus 630, LLC v. Town of Bel Air*, 448 Md. 355, 139 A.3d 957 (2016).

Subtitle 4. Hotel Rental Taxes.

Part I. County Hotel Rental Taxes.

§ 20-401. Definitions.

(a) *In general.* — In this part the following words have the meanings indicated.

(b) *Hotel.* — (1) "Hotel" means an establishment that offers sleeping accommodations for compensation.

(2) "Hotel" includes:

- (i) an apartment;
- (ii) a cottage;
- (iii) a hostelry;
- (iv) an inn;

- (v) a motel;
- (vi) a rooming house; or
- (vii) a tourist home.

(c) *Hotel rental tax.* — “Hotel rental tax” means the tax on a transient charge.

(d) *Transient charge.* — (1) (i) Except as provided in subparagraphs (ii), (iii), and (iv) of this paragraph, “transient charge” means a hotel charge for sleeping accommodations for a period not exceeding 4 consecutive months.

(ii) In Carroll County, “transient charge” means a hotel charge for sleeping accommodations for a period not exceeding 25 days.

(iii) In Frederick County, “transient charge” means a hotel charge for sleeping accommodations for a period not exceeding 90 days.

(iv) In Garrett County and Washington County, “transient charge” means a hotel charge for sleeping accommodations for a period not exceeding 30 days.

(2) “Transient charge” does not include any hotel charge for:

- (i) services; or
- (ii) accommodations other than sleeping accommodations.

(e) *Western Maryland code county.* — “Western Maryland code county” means a code county in the Western Maryland class as established under § 9-302 of this article. (An. Code 1957, art. 24, § 9-301(a), (d)-(f); 2013, ch. 119, § 2; 2014, chs. 311, 312.)

Effect of amendments. — Chapters 311 and 312, Acts 2014, effective July 1, 2014, made identical changes. Each substituted “subparagraphs (ii), (iii), and (iv)” for “subparagraphs (ii

and (iii)” in (d)(1)(i); added (d)(1)(iii) and redesignated accordingly; in (d)(1)(iv) deleted “Frederick County” before “Garrett County”; and made a stylistic change.

§ 20-402. Scope of part.

(a) *In general.* — This part applies only to:

- (1) subject to subsection (b) of this section, a charter county;
- (2) a code county;
- (3) Calvert County;
- (4) Carroll County;
- (5) Cecil County;
- (6) Garrett County;
- (7) St. Mary’s County;
- (8) Somerset County; and
- (9) Washington County.

(b) *Conflicts with other laws.* — To the extent this part conflicts with another law that applies to a charter county, the other law shall prevail over this part. (An. Code 1957, art. 24, § 9-301(b); 2013, ch. 119, § 2; 2014, ch. 464, § 1.)

Effect of amendments. — Section 1, ch. 464, Acts 2014, effective June 1, 2014, rewrote the section.

Bill review letter. — Chapter 464, Acts 2014, (Senate Bill 172) was approved for constitutionality and legal sufficiency, although it

contains problematic yet severable provisions that violate the single-subject rule under the Maryland Constitution. These provisions include extension of discounted vehicle certificate fee for rental vehicles, a Park Service funding mandate, a mandate that speed camera revenue be spent on vehicle purchases, stormwater remediation fees, and a hotel rental tax. (Letter of the Attorney General dated May 14, 2014.)

§ 20-403. Imposition of tax.

(a) *Authorization.* — Except as provided in § 20-404 of this subtitle, a county may impose, by resolution, a hotel rental tax.

(b) *Hearing requirement.* — (1) This subsection applies only to Calvert County, Charles County, and St. Mary's County.

(2) The governing body of a county shall hold a public hearing before imposing a hotel rental tax.

(3) The hearing:

(i) shall be advertised twice in a newspaper of general circulation in the county at least 10 days before the hearing; and

(ii) may not be part of the annual budget hearing. (An. Code 1957, art. 24, §§ 9-302, 9-303(a), (b); 2013, ch. 119, § 2.)

REVISOR'S NOTE

This section is new language derived without substantive change from former Art. 24, §§ 9-302 and 9-303(a) and (b).

In subsection (a) of this section and throughout this subtitle, the former references to an "authorized" county are deleted as unnecessary in light of the scope provision in § 20-402 of this subtitle.

In subsection (a) of this section, the former reference to a tax "paid to a hotel located in that county" is deleted as implicit.

In subsection (b)(3)(i) of this section, the former reference to advertising "by publication" in a newspaper is deleted as surplusage.

Defined terms:

"Governing body"	§ 1-101
"Hotel rental tax"	§ 20-401

§ 20-404. Limitations and exemptions.

(a) *Exemption for lodging at corporate training center.* — The hotel rental tax does not apply to the sale of a right to occupy a room or lodgings as a transient guest at a dormitory or other lodging facility that:

(1) is operated solely in support of the headquarters, a training facility, a conference facility, an awards facility, or the campus of a corporation or other organization;

(2) provides lodging solely for employees, contractors, vendors, and other invitees of the corporation that owns the dormitory or lodging facility; and

(3) does not offer lodging services to the general public.

(b) *Calvert and St. Mary's counties.* — By resolution, Calvert County and St. Mary's County may provide a tax exemption for classes of hotels.

(c) *Carroll County.* — In Carroll County, the hotel rental tax does not apply to a hotel with 10 or fewer sleeping rooms.

(d) *Cecil County.* — Cecil County may impose the hotel rental tax only on a transient charge paid to a hotel located in any part of Cecil County that:

(1) is specified by the governing body of Cecil County as a population center;

(2) is not larger than 10 square miles in geographic area; and

(3) has a population of at least 6,000 residents.

(e) *Frederick County.* — In Frederick County, the hotel rental tax does not apply to a hotel with:

(1) 10 or fewer sleeping rooms in its main building; and

(2) not more than 20 additional sleeping rooms in auxiliary structures on the hotel's property.

(f) *Washington County*. — In Washington County, the hotel rental tax does not apply to a transient charge paid to a hotel by:

- (1) the federal government;
- (2) a state; or

(3) a unit or instrumentality of a state or the federal government. (An. Code 1957, art. 24, §§ 9-303(c), 9-305; 2013, ch. 119, § 2; ch. 510.)

SPECIAL REVISOR'S NOTE

As enacted by Ch. 119, Acts of 2013, this section was new language derived without substantive change from former Art. 24, §§ 9-305 and 9-303(c). However, Ch. 510, Acts of 2013, added a new subsection (a) to this section and renumbered subsections (a) through (e) to be subsections (b) through (f).

In subsection (c) [now (d)] of this section, the former definition of "population center" was revised by Ch. 119 as part of the substantive

provision because that definition appeared only once in the former law.

Defined terms:

"Governing body"	§ 1-101
"Hotel"	§ 20-401
"Hotel rental tax"	§ 20-401
"State"	§ 1-101
"Transient charge"	§ 20-401

Effect of amendments. — Chapter 510, Acts 2013, effective June 1, 2013 [October 1, 2013], added (a) and redesignated accordingly.

§ 20-405. Tax rates.

(a) *In general*. — Subject to this section, the hotel rental tax rate is the rate that the county sets by resolution.

(b) *Limitations*. — The hotel rental tax rate may not exceed:

- (1) except as otherwise provided in this section, 3% in a code county;
- (2) 3% in Cecil County;
- (3) 4% in Talbot County;

(4) 5% in Calvert County, Carroll County, Charles County, Dorchester County, Frederick County, St. Mary's County, and Somerset County; and

(5) 6% in Garrett County and Wicomico County.

(c) *Code counties*. — With the unanimous consent of the county commissioners:

(1) a code county other than a Western Maryland code county may set a hotel rental tax rate up to 5%; and

(2) a Western Maryland code county may set a hotel rental tax rate up to 8%.

(d) *Washington County*. — The hotel rental tax rate in Washington County is 6%. (An. Code 1957, art. 24, § 9-304; 2013, ch. 119, § 2.)

REVISOR'S NOTE

This section is new language derived without substantive change from former Art. 24, § 9-304.

In subsection (a) of this section, the reference to "this section" is substituted for the former reference to "the limitations in subsections (b)

and (c) of this section" for accuracy.

In subsection (c) of this section, the former references to a hotel rental tax rate "that is greater than 3%" are deleted as implicit because the rates that are authorized in subsection (c) are an exception to the limitation of 3% imposed in subsection (b)(1) of this section.

Defined terms:

- "Code county" § 1-101
- "Hotel rental tax" § 20-401
- "Western Maryland code county" § 20-401

Rate increase by Worcester County commissioners. — Worcester County could not exercise its code home rule powers to amend the local law that authorized the county to levy a hotel tax of up to 3%. However, under the

prior, similar section, a general law for all code counties, the Commissioners could, by unanimous consent, increase the rate of the hotel tax from 3% to 5%. 77 Op. Att'y Gen. 37 (August 21, 1992).

§ 20-406. Duty to collect tax.

(a) *In general.* — A hotel shall:

- (1) give a person who is required to pay a transient charge a bill that identifies the transient charge as an item separate from any other charge; and
- (2) collect the hotel rental tax from the person who pays the transient charge.

(b) *Tax held in trust.* — A hotel shall hold any hotel rental tax collected in trust for the county that imposes the tax until the hotel pays the tax to that county as required under this part. (An. Code 1957, art. 24, § 9-309; 2013, ch. 119, § 2.)

REVISOR'S NOTE

This section is new language derived without substantive change from former Art. 24, § 9-309.

In subsection (b) of this section, the reference to the hotel "shall hold any" hotel rental tax is substituted for the former reference to the hotel "holds" the hotel rental tax for clarity and accuracy because the language imposes a mandatory requirement.

Defined terms:

- "Hotel" § 20-401
- "Hotel rental tax" § 20-401
- "Person" § 1-101
- "Transient charge" § 20-401

§ 20-407. Duty to pay tax.

A person shall pay the hotel rental tax to the hotel when the person pays the transient charge. (An. Code 1957, art. 24, § 9-308; 2013, ch. 119, § 2.)

REVISOR'S NOTE

This section formerly was Art. 24, § 9-308. No changes are made.

Defined terms:

- "Hotel" § 20-401

- "Hotel rental tax" § 20-401
- "Person" § 1-101
- "Transient charge" § 20-401

§ 20-408. Tax return required.

A hotel shall complete, sign, and file a hotel rental tax return with:

SUBTITLE VI
Hotel Rental Tax

§ TR 1-601. General provisions.

- (a) Imposition and rate. The Board of County Commissioners of Worcester County may impose a tax within every resort area within the County on the amount paid for room or building rental by or for any transient at any hotel, motel, apartment, cottage or other similar place providing sleeping accommodations. This tax, if imposed, shall be at the rate as a per centum of the room or building rental as the Board may, by resolution after public notice and hearing, determine, but not to be imposed at a rate in excess of four and one-half percent. Any resolution establishing a rate in excess of three percent shall require the unanimous consent of all of the County Commissioners. The notice of public hearing shall be advertised at least twice in at least one newspaper of general circulation in the County, with the first such notice appearing not less than ten days prior to the date of such hearing and shall state the possible rates that may be set and the date, time and place of the hearing. [Amended 6-6-2000 by Bill No. 00-5; 10-16-2007 by Bill No. 07-2]
- (b) Definitions. In this section, the following words and phrases have the meanings indicated, unless the context clearly indicates a different meaning:

HOTEL, MOTEL, APARTMENT, COTTAGE OR OTHER SIMILAR PLACE — Any public or private hotel, inn, hostelry, tourist home or house, motel, rooming house, apartment house, cottage or other similar lodging place offering sleeping accommodations or space for one or more persons at any time, and the owner and operator thereof, which for compensation holds out to furnish or furnishes sleeping accommodations or space to any transient.

PERSON — Any individual, corporation, company, association, firm, copartnership or any group of individuals acting as a unit and includes any trustee, receiver, assignee or personal representative thereof.

RESORT AREA — Any portion or portions of the County, as specified by the Board of County Commissioners from time to time, which, by reason of natural, scenic or man-made attractions or development, has or have an unusual influx of visitors, sojourners and temporary residents and which, by reason of the influx, requires municipal services in unusual number or magnitude. The term specifically includes but is not necessarily limited to the tenth election district of the County, as it existed on January 1, 1971.

ROOM OR BUILDING RENTAL — The total charge made by any hotel, motel, apartment, cottage or other similar place for sleeping accommodations or space furnished the transient. If the charge includes any amount for services or accommodations in addition to that of the use of sleeping space, the portion of the total charge which represents only "room or building rental" shall be distinctly set out and billed to the transient as a separate item.

TRANSIENT — Any person who, for any period of not more than four consecutive months, obtains sleeping accommodations or space, either at his own expense or at the

expense of another, in any hotel, motel, apartment, cottage or other similar place for which there is a room or building rental.

- (c) Collection. Every person receiving any payment for room or building rental on which a tax is levied under this section shall collect the amount of tax imposed from the transient or person on whom it is levied or from the person paying for the room or building rental at the time payment is made. The taxes required to be collected hereunder shall be deemed held in trust by the person required to collect them until remitted as hereinafter required.
- (d) Reports and remittances. The person collecting the tax shall make out a report, upon forms and setting forth information the County Commissioners prescribe and require, showing the amount of room or building rental charges that have been collected and the tax required to be collected; and he shall sign and deliver the report to the Board of County Commissioners, with a remittance of the tax required hereunder. The reports and remittances shall be made on or before the 21st day of each month, covering the sales and the amount of tax collected during the preceding calendar month. If the reports and remittances are mailed to the Board of County Commissioners, a postmark on the 18th day of the month is deemed to be evidence of timely payment.
- (e) Failure to report and remit. If any person fails or refuses to remit to the Board of County Commissioners the tax required to be collected and paid under this section within the time and in the amount specified in this section, there shall be added to the tax by the Board of County Commissioners interest at the rate of one-half percent per month on the unpaid tax for each month or portion thereof from the date upon which the tax is due, as provided in this section; and if the tax remains delinquent and unpaid for a period of one month from the date it is due and payable, there shall be added thereto by the Board of County Commissioners a penalty of ten percent of the unpaid tax. The Board of County Commissioners may proceed to collect delinquent and unpaid taxes by suit or distraint.
- (f) Distribution of proceeds.
- (1) From the total proceeds collected from the tax by the Board of County Commissioners from time to time from the hotels, motels, apartments, cottages or other similar places:
 - A. The Board shall deduct a reasonable sum or percentage for the cost of imposing and collecting the tax and credit this deduction to the general funds of the County.
 - B. That portion of the remainder of the total proceeds which came from payments made by a hotel, motel, apartment, cottage or other similar place located in whole or in part within the corporate limits of a municipal corporation in a resort area in the County shall be paid over, without qualification or condition, to the Mayor and City Council, by whatever name known, of the municipal corporation.
 - C. The remaining portion of the total proceeds shall be credited to the general funds of the County.

- (2) Distribution of these several payments shall be made periodically by the Board of County Commissioners, not less than fifteen days nor more than thirty days following the last day of each month during the year.
- (g) State administrative fee. The Retail Sales Tax Division of the Comptroller's office shall supply to the Board of County Commissioners information in aid of verification of liability for the tax. The Retail Sales Tax Division may make a reasonable charge for this assistance, which shall be paid by the Board of County Commissioners and treated as a part of the reasonable costs of collecting the tax.
- (h) Amendments to laws and procedures. The Board of County Commissioners may promulgate and from time to time change or repeal rules and regulations not inconsistent with this section and deemed necessary to provide for an orderly, systematic and thorough collection and distribution of the tax imposed in this section. If and as applicable, the laws and the regulations in effect as to the sales and use tax in Maryland shall be adopted and followed by the Board of County Commissioners in promulgating or changing a rule or regulation.
- (i) Surety bond of Treasurer. The surety bond of the Treasurer of the County may be increased by the Board of County Commissioners in relation to the moneys collected and distributed under this section. The premium for any increase in the surety bond shall be deemed part of the cost of imposing and collecting the tax imposed in this section.
- (j) Processing fee retained by remitter. The person collecting the tax may apply and credit against the amount of tax payable by him an amount equal to one and five-tenths percent of the gross tax to be remitted by him to the Board of County Commissioners, to cover his expense in the collection and remittance of the tax. However, nothing in this subsection applies to any person who fails or refuses to file his return with the Board of County Commissioners within the time prescribed within this section.
- (k) Bond.
- (1) The Board of County Commissioners, in order to protect the revenues to be obtained under this section, may require any person collecting the tax to file with the Board a surety bond issued by a surety company authorized to do business in this state and approved by the State Insurance Commissioner as to solvency and responsibility, in such amount or amounts from time to time as the Board of County Commissioners may fix, to secure the payment of the tax due or which may become due from the person collecting the tax. If the Board determines that the person is to file such a bond, the Board shall give notice to the person to that effect, specifying the amount of bond required. The person collecting the tax shall file the bond within five days after receiving the notice unless, within that period, the person requests, in writing, a hearing before the Board, at which hearing the necessity, propriety and amount of the bond shall be determined by the Board of County Commissioners. This determination is final and shall be complied with within fifteen days after the person collecting the tax receives notice thereof.
- (2) In lieu of the bond required by Subsection (k)(1), securities approved by the Board of County Commissioners or cash in such amount as the Board prescribes may be deposited, which shall be kept in the custody of the Board. The Board, at any time,

without notice to the depositor of the securities or cash, may apply them to any tax due, and for that purpose the securities may be sold by the Board at public or private sale without notice to the depositor of the securities.

- (l) Applicability. The procedures under Title 9, Subtitle 7, of Article 24 of the Annotated Code of Maryland apply to this section.

RESOLUTION

WHEREAS, pursuant to Article 81, Section 411B of the Annotated Code of Maryland, the Board of County Commissioners of Worcester County is authorized to impose a three per cent (3%) tax on the amount paid for room or building rentals by or for any transient at any hotel, motel, apartment, cottage or other similar place providing sleeping accommodations; therefore be it

RESOLVED that the County Commissioners of Worcester County, Maryland, in regular meeting assembled on the 4th day of May, 1971, pursuant to the authority granted in said Article 81, Section 411B, hereby levies a tax at the rate of three per cent (3%) on the amount paid for room or building rentals within the ~~Corporation~~ ^{City} ~~Limits of the Town of Ocean~~, Maryland, said tax to be levied on the amount paid for room or building rentals by or for any transient at any hotel, motel, apartment, cottage or other similar place providing sleeping accommodations within said ~~Corporation~~ ^{limits} and said tax shall be collected by the County Commissioners of Worcester County to be paid over to the Mayor and City Council of Ocean City, Maryland; pursuant to said Article 81, Section 411B (f); and ..

BE IT FURTHER RESOLVED that the effective date of the afore-said tax is June 1, 1971.

THE BOARD OF COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

Ray Redden
Ray F. Redden, President
Mark O. Pilchard
Mark O. Pilchard
Louis J. Hickman
Louis J. Hickman
Willie W. Hudson
Willie W. Hudson
N. Paul Joyner
N. Paul Joyner

ATTEST:
Elizabeth M. Warner
Elizabeth M. Warner,
Secretary

RESOLUTION REGARDING
APPLICABILITY OF WORCESTER
COUNTY ROOM TAX

WHEREAS, Article 81, Section 411D of the Annotated Code of Maryland authorizes the Board of County Commissioners to impose a tax within every resort area within the County on the amount paid for room or building rental by or for any transient at any hotel, motel, apartment, cottage or other similar place providing sleeping accommodations, and

WHEREAS, the Board of County Commissioners, on May 4, 1971, passed a resolution imposing such a tax at the rate of 3% on the amount paid for room or building rentals within the corporate limits of Ocean City, and

WHEREAS, Article 81, Section 411D of the Annotated Code of Maryland provides that the tax may be levied in any resort area in the County as specified by the Board of County Commissioners, which by reason of natural, scenic, or manmade attractions or development, has an unusual influx of visitors, sojourners, and temporary residents, and which by reason of the influx requires services in unusual number or magnitude, and

WHEREAS, due to its proximity to the Atlantic Ocean and the presence of many waterways, parks, forest lands, and historic sites within the County, the whole of Worcester County is characterized by natural, scenic, or manmade attractions or developments and produces an unusual influx of visitors, sojourners, and temporary residents requiring additional services, now

THEREFORE BE IT RESOLVED by the Board of County Commissioners of Worcester County that the whole of Worcester County is determined to be a resort area for the purposes of Article 81, Section 411D, and

BE IT FURTHER RESOLVED that effective July 1, 1981, and pursuant to the authorities established in Article 81, Section 411D, a tax of 3% on the amount paid for any room or building rental is hereby levied throughout Worcester County, and

BE IT FURTHER RESOLVED that any tax so collected from rooms or buildings located within any municipality, less any deductions for the cost of imposing or collecting said tax, shall be paid over to that municipality and all other such taxes collected shall be deposited to the general fund of the County.

Passed and adopted this 30 day of December, 1980.

ATTEST:

John A. Yankus
Administrative Director

THE BOARD OF COUNTY COMMISSIONERS FOR
WORCESTER COUNTY

Roland E. Powell
Roland E. Powell, President

Willis V. Hudson
Willis V. Hudson

N. Paul Joyner
N. Paul Joyner

Carlton E. Massey
Carlton E. Massey

K. Bennett Bozmar
K. Bennett Bozmar

1980 Dec 30 The foregoing Resolution
of the County Commissioners of Worcester County
Maryland filed for record and is accordingly
recorded in Resolution No. 1 Polios 441

Frank W. Hale CLERK, CT. CL.

RESOLUTION NO. 00 - 18

RESOLUTION AMENDING THE HOTEL RENTAL TAX RATE
IN WORCESTER COUNTY, MARYLAND

WHEREAS, the County Commissioners of Worcester County adopted, on December 30, 1980, a Resolution regarding the applicability (countywide) and rate (3%) of the hotel rental tax imposed in Worcester County on the amount paid for room or building rental by or for any transient at any hotel, motel, apartment, cottage or other similar place providing sleeping accommodations; and

WHEREAS, the Mayor and Council of the Town of Ocean City, Maryland have requested that the County Commissioners increase the rate of the hotel rental tax from 3% to 4% effective January 1, 2001; and

WHEREAS, as authorized by Article 24, Section 9-304(c) of the Annotated Code of Maryland, the County Commissioners adopted Emergency Bill 00-5 on June 6, 2000 repealing and reenacting Section TR 1-601(a) of the Taxation and Revenue Article of the Code of Public Local Laws of Worcester County, Maryland enabling the County Commissioners to establish a hotel rental tax rate in excess of 3%, by resolution after public notice and hearing, and upon the unanimous consent of all of the County Commissioners; and

WHEREAS, the County Commissioners held a duly advertised public hearing on the proposed increase of the hotel rental tax rate from 3% to 4% at their meeting of June 20, 2000; and

WHEREAS, the County Commissioners have determined to increase the hotel rental tax rate as proposed.

NOW, THEREFORE, BE IT RESOLVED by the County Commissioners of Worcester County, Maryland that effective January 1, 2001, and pursuant to the authorities established in Article 24, Section 9-304(c) of the Annotated Code of Maryland and Section TR 1-601(a) of the Taxation and Revenue Article of the Code of Public Local Laws of Worcester County, Maryland, a tax of 4% on the amount paid for room or building rental by or for any transient at any hotel, motel, apartment, cottage or other similar place providing sleeping accommodations is hereby levied throughout Worcester County; and

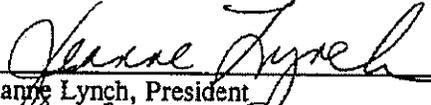
BE IT FURTHER RESOLVED that any tax so collected from rooms or buildings located within any municipality, less any deductions for the cost of imposing or collecting said tax, shall be paid over to that municipality and all other such taxes collected shall be deposited to the general fund of the County.

PASSED AND ADOPTED this 20th day of June, 2000.

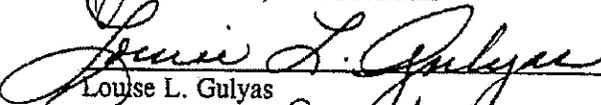
ATTEST:

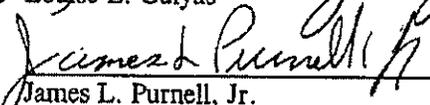

Gerald T. Mason
Chief Administrative Officer

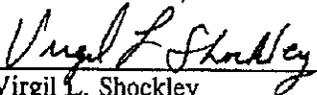
WORCESTER COUNTY COMMISSIONERS


Jeanne Lynch, President


John E. Bloxom, Vice President


Louise L. Gulyas


James L. Purnell, Jr.


Virgil L. Shockley

RESOLUTION NO. 07 - 30

RESOLUTION AMENDING THE HOTEL RENTAL TAX RATE
IN WORCESTER COUNTY, MARYLAND

WHEREAS, the County Commissioners of Worcester County, Maryland (Commissioners) adopted, on December 30, 1980, a Resolution regarding the applicability (countywide) and rate (3%) of the hotel rental tax imposed in Worcester County on the amount paid for room or building rental by or for any transient at any hotel, motel, apartment, cottage or other similar place providing sleeping accommodations; and

WHEREAS, at the request of the Mayor and Council of the Town of Ocean City, Maryland and following a duly advertised public hearing on the matter, the Commissioners amended the rate of the hotel rental tax from 3% to 4% by Resolution No. 00-18 adopted on June 20, 2000 which became effective on January 1, 2001; and

WHEREAS, the Mayor and Council of the Town of Ocean City, Maryland have requested that the County Commissioners increase the rate of the hotel rental tax from 4% to 4.5% effective January 1, 2008; and

WHEREAS, as authorized by Article 24, Section 9-304(c) of the Annotated Code of Maryland, the County Commissioners adopted Emergency Bill 07-2 on October 16, 2007 repealing and reenacting Section TR 1-601(a) of the Taxation and Revenue Article of the Code of Public Local Laws of Worcester County, Maryland enabling the County Commissioners to establish a hotel rental tax rate in excess of 3% but not in excess of 4.5%, by resolution after public notice and hearing, and upon the unanimous consent of all of the County Commissioners; and

WHEREAS, the County Commissioners held a duly advertised public hearing on the proposed increase of the hotel rental tax rate from 4% to 4.5% at their meeting of November 6, 2007; and

WHEREAS, the County Commissioners have determined to increase the hotel rental tax rate as proposed.

NOW, THEREFORE, BE IT RESOLVED by the County Commissioners of Worcester County, Maryland that effective January 1, 2008, and pursuant to the authorities established in Article 24, Section 9-304(c) of the Annotated Code of Maryland and Section TR 1-601(a) of the Taxation and Revenue Article of the Code of Public Local Laws of Worcester County, Maryland, a tax of 4.5% on the amount paid for room or building rental by or for any transient at any hotel, motel, apartment, cottage or other similar place providing sleeping accommodations is hereby levied throughout Worcester County; and

BE IT FURTHER RESOLVED that any tax so collected from rooms or buildings located within any municipality, less any deductions for the cost of imposing or collecting said tax, shall be paid over to that municipality and all other such taxes collected shall be deposited to the general fund of the County.

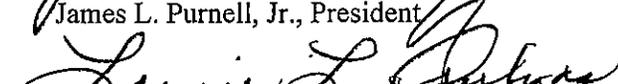
PASSED AND ADOPTED this 6th day of November, 2007.

ATTEST:

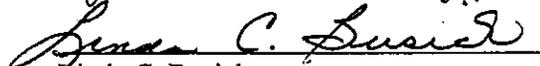
WORCESTER COUNTY COMMISSIONERS

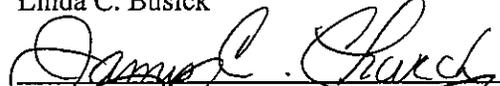

Gerald T. Mason
Chief Administrative Officer


James L. Purnell, Jr., President

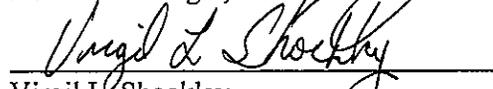

Louise L. Gulyas, Vice President


Judith O. Boggs


Linda C. Busick


James C. Church


Robert L. Cowger, Jr.


Virgil L. Shockley



OFFICE OF THE TREASURER

Worcester County

GOVERNMENT CENTER

ONE WEST MARKET STREET, ROOM 1105

P.O. Box 248

SNOW HILL, MARYLAND

21863

PHILLIP G. THOMPSON, CPA
FINANCE OFFICER

JENNIFER C. SWANTON, CPA
ASSISTANT FINANCE OFFICER

TEL: 410-632-0686
FAX: 410-632-3003

TO: Harold L. Higgins, Chief Administrative Officer
FROM: Phillip G. Thompson, Finance Officer
DATE: March 12, 2019
SUBJECT: Bond Counsel – Engagement Letter

As you are aware, Miles and Stockbridge P.C. has served as Bond Counsel for Worcester County for more than 20 years. I have had the pleasure of working directly with their Senior Counsel, Mr. Bob Doory on many different bond issuances during this time and can attest to his professionalism, timeliness and attention to detail on these transactions. The issuance of tax exempt bonds is a specialized field that is constantly changing and I feel strongly that we need to maintain a relationship with a firm that specializes in this activity. In an effort to formalize our relationship with Miles and Stockbridge I have attached an engagement letter which details their role in the County's debt issuance and management.

Should you have any questions, or require additional data, please do not hesitate to contact me.



March 5, 2019

County Commissioners of
Worcester County, Maryland
One West Market Street
Snow Hill, Maryland 21863

Re: Engagement as Bond Counsel for the County's Consolidated Public Improvement Bonds,
2019 Series

Ladies and Gentlemen:

We are pleased that the County Commissioners of Worcester County, Maryland (the "County") has requested Miles & Stockbridge P.C. (the "Firm") to provide legal services to it as Bond Counsel as more fully described in paragraph 1 below. It is our normal practice to set forth the terms of our engagements in letters such as this. We ask that you carefully consider these terms and, if they are acceptable to you, that you sign a copy of this letter where indicated below and return it to me.

1. **Scope of Representation.** The Firm will act as Bond Counsel to the County in connection with the issuance of the County's Consolidated Public Improvement Bonds, 2019 Series (the "2019 Bonds"). As Bond Counsel the Firm will provide all representation and services customarily performed by bond counsel in publically-offered, competitive general obligation bond transactions, including, without limitation, (1) assisting with the structuring of the transaction, (2) analyzing the legal requirements for the issuance of the 2019 Bonds under state law and federal tax and securities laws, (3) assisting the County in the preparation of the necessary public local laws, (4) drafting a bond resolution and a supplemental resolution, (5) drafting the notice of sale and coordinating its publication, (6) review of the preliminary official statement and the official statement for the 2019 Bonds, (7) drafting a continuing disclosure agreement and assisting the County in compliance with continuing disclosure requirements, (8) drafting and/or review of all other documents and certificates required in connection with the issuance of the 2019 Bonds, and (9) delivery of all opinions required in connection with the issuance of the 2019 Bonds.

2. **Fees and Expenses.** As you are aware, the fees and costs relating to matters like the issuance of general obligation bonds are often unpredictable. Accordingly, we have made no commitment to you concerning the likely or maximum fees and costs that will be necessary to complete the issuance of the 2019 Bonds.

The Firm's fees will be based on the hourly rates we have established for the various professionals performing services in this engagement that are in effect at the time those legal

4823-2846-4521|S82-052

100 LIGHT STREET | BALTIMORE, MD 21202-1153 | 410.727.6464 | milesstockbridge.com

EASTON, MD • FREDERICK, MD • ROCKVILLE, MD • TOWSON, MD • TYSONS CORNER, VA • WASHINGTON, D.C.

County Commissioner's for Worcester County, Maryland
March 5, 2019
Page 2

services are rendered. These hourly rates are reevaluated periodically, usually no less often than once per year. Currently, the hourly rates of the lawyers and legal assistants whom we anticipate will perform work on the 2019 Bonds are as follows:

<u>Attorney/Legal Assistant</u>	<u>Hourly Rate</u>
Robert L. Doory, Jr.	\$555
Fabian D. Walters, Jr.	400
Luisella P. McBride	400
Francina J. Brinker	440
Ann Washington (Legal Assistant)	185

It is the Firm's goal to manage the delivery of legal services as efficiently and professionally as possible. This will often entail having those with the most expertise in a subject matter performing, or at least reviewing, the work being performed, and in some cases, it may entail having professionals or paraprofessionals at lower hourly rates performing services that can be efficiently performed by them, including persons who may not be employees of the Firm. The hourly rates of lawyers and other employees of the Firm are subject to change from time to time as the Firm updates the rates charged for the services described herein, and we do not necessarily separately communicate our changes in rates other than as reflected on our statements.

You will be responsible for the payment of charges and expenses incurred by the Firm in providing legal representation. These will include, among other things, messenger and delivery service, travel (but not for more than one attorney attending a meeting, unless otherwise approved by you), search and filing fees and staff overtime charged according to our standard practice. The Firm's current schedule of rates for charges and expenses is attached to this letter. Fees and expenses of others (such as newspaper advertising charges) generally will not be paid by us, but will be billed directly to you, and if they are paid by us you nonetheless are responsible to reimburse us for such advances of expenses.

3. **Payment of Fees and Expenses.** We anticipate that our fees and expenses for the 2019 Bonds will be paid promptly after closing from proceeds received by the County. If the sale of the 2019 Bonds is cancelled or significantly delayed by the County, we reserve the right to send you an invoice for the matter but we agree that we will negotiate with you to assure that the amount of the invoice is fair and reasonable under the circumstances. If you request us to do other work relating to the 2019 Bonds after their issuance and delivery, invoices normally will be rendered monthly for work performed and expenses recorded on our books during the previous month. Payment is due promptly upon receipt of our statement. If any invoice remains unpaid for more than 30 days, we may suspend performing services for you until arrangements satisfactory to the Firm have been made for payment of outstanding invoices and the payment of future fees and expenses. If such satisfactory arrangements are not made,

County Commissioner's for Worcester County, Maryland
March 5, 2019
Page 2

we may terminate and withdraw from our representation of you, in accordance with the Termination of Engagement provision below.

The Firm reserves the right to charge, and you agree to pay, interest on any amount not paid within 30 days of the date of the applicable billing statement at the rate of 12% per annum. Accrued interest, if any, will be reflected on subsequent billing statements. Amounts received in payment of any unpaid and outstanding balance will be applied first to interest and then to expenses and then to fees for services rendered.

4. **Termination of Engagement.** Our obligation to provide legal services of any sort to you for the 2019 Bonds will terminate upon our sending you our final statement for services rendered in the 2019 Bonds, even if we have not sent you a letter formally terminating this engagement, except for normal and customary follow-up matters and any obligation undertaken pursuant to a separate written engagement agreement between us. Additionally, either you or we may terminate this engagement at any time for any reason by written notice, subject on our part to the applicable Rules of Professional Conduct. In the event that we terminate this engagement, we will take such steps as are reasonably practicable to protect your interests in all matters pertaining to the 2019 Bonds and, if you so request, we will suggest to you possible successor counsel and provide it with whatever papers you have provided to us. If permission for withdrawal is required by a court, we will promptly apply for such permission, and you agree to engage successor counsel to represent you. Following such termination, any otherwise nonpublic information you have supplied to us which is retained by us will be kept confidential in accordance with the applicable Rules of Professional Conduct.

5. **Client and Firm Documents.** You agree and understand that any documents maintained or generated by the Firm in connection with this engagement may be maintained exclusively, or primarily, in an electronic format. This means that the Firm may generate documents exclusively in an electronic format and may convert paper documents generated or received by it during the course of this engagement into an electronic format, and, except as described herein, may destroy or otherwise dispose of the originals.

Unless you expressly instruct us otherwise, we will return to you at the termination of this engagement (unless returned earlier) any original wills, deeds, contracts, promissory notes or other similar documents, and any documents we know, or reasonably believe, you will need to retain to enforce your rights or to bring or defend claims. Any other materials, including paper files as well as information in other mediums of storage, and including non-documentary physical objects or exhibits, which are in our possession after this engagement terminates may be retained or destroyed at our discretion except for such items, other than our own Firm files, which you request in writing, prior to termination, to be delivered to you. You will be responsible for the cost of generating copies of and/or delivery of any materials requested by you. We will maintain the confidentiality of materials throughout this process as required by the applicable Rules of Professional Conduct.

County Commissioner's for Worcester County, Maryland
March 5, 2019
Page 2

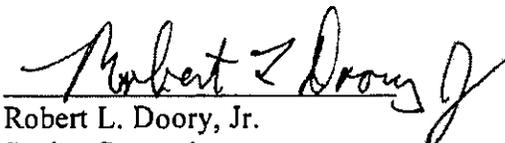
Our own files pertaining to this engagement either will be retained by the Firm (as opposed to being sent to you) or destroyed, at our discretion. These Firm files include, for example, Firm administrative records, time and expense reports, personnel and staffing materials, and credit and account records and internal lawyers' work product such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers, and any other materials that furnish no useful purpose in serving your present needs for legal advice or are intended for the Firm's internal review and use.

6. **Client Responsibilities.** You agree that you have the responsibility to cooperate fully with us and to provide promptly all information known or available to you pertinent to our representation and to pay our statements for services and expenses in accordance with the terms of this engagement letter, and otherwise to fulfill the other obligations described herein. You agree that your failure to fulfill these responsibilities constitutes valid grounds to terminate this engagement and for our withdrawing as your counsel in any proceeding before a tribunal.

If these terms meet with your approval, please sign and date this letter and return it to me. We are pleased to have this opportunity to work with you again. Please call me if you have any questions or comments now or during the course of our representation.

Very truly yours,

Miles & Stockbridge P.C.

By: 
Robert L. Doory, Jr.
Senior Counsel

AGREED AS SET FORTH ABOVE:

County Commissioners of Worcester County, Maryland

By: _____ Date: _____
Name:
Title:

Kelly Shannahan

From: Doory, Robert <rdoory@MilesStockbridge.com>
Sent: Tuesday, March 12, 2019 2:50 PM
To: Kelly Shannahan
Cc: McBride, Luisella P.; Fabian Walters; Phil Thompson; Mason, Joe; Diercksen, Jennifer; LeClair, Gary; Maureen L. Howarth; Moran, Linda; Ostazeski, Susan
Subject: Worcester 2019 Bonds -- Bond Resolution (Resolution No. 19-7)
Attachments: Bond Resolution (2019).docx

Kelly, attached is the Bond Resolution to be introduced and voted upon at the Commissioners' meeting next Tuesday (April 19th). To the best of my knowledge it is in final form but if I find anything that needs changing, before next Tuesday, we will coordinate with you on any revisions.

As we agreed yesterday, I have made the Resolution No. 19-7 so that the POS and the Notice of Sale could have the final designation of the Bond Resolution.

Any questions, please call or email.

Robert Doory

100 Light Street | Baltimore, MD 21202
D: 410.385.3487 | O: 410.727.6464 | F: 410.773.9126



bio | vCard | rdoory@milesstockbridge.com

   We Go the Extra Mile

Confidentiality Notice:

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Any federal tax advice provided in this communication is not intended or written by the author to be used, and cannot be used by the recipient, for the purpose of avoiding penalties which may be imposed on the recipient by the IRS. Please contact the author if you would like to receive written advice in a format which complies with IRS rules and may be relied upon to avoid penalties.

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RESOLUTION NO. 19-7

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY (THE "BOARD") PROVIDING FOR THE ISSUANCE AND SALE BY COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND (THE "COUNTY") OF ITS GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$45,975,000, OR IN SUCH LESSER AMOUNT AS THE BOARD MAY SPECIFY BY A RESOLUTION SUPPLEMENTAL HERETO, TO BE KNOWN AS "COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES" (THE "BONDS") AND TO BE ISSUED PURSUANT TO THE AUTHORITY OF SECTIONS 11-401 AND 19-501 TO 19-510, INCLUSIVE, OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, SECTIONS 9-601 TO 9-699, INCLUSIVE, OF THE ENVIRONMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AND THE CODE OF PUBLIC LOCAL LAWS OF WORCESTER COUNTY, MARYLAND, SECTION PW5-204 AND APPENDICES NN (BILL NO. 18-8), OO (BILL NO. 18-9) AND PP (BILL NO. 18-10), AND TO BE CONSOLIDATED PURSUANT TO SECTION 19-101 OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND; PRESCRIBING THE FORM OF THE BONDS AND OTHER DETAILS INCIDENT TO THE SALE THEREOF; PROVIDING THAT THE BONDS SHALL BE ISSUED AND SOLD UPON THE FULL FAITH AND CREDIT OF THE COUNTY; PROVIDING FOR THE DISBURSEMENT OF THE PROCEEDS OF THE SALE OF THE BONDS BY THE COUNTY FOR THE PURPOSE OF (1) FINANCING ALL OR A PORTION OF THE COSTS OF (A) CONSTRUCTION AND EQUIPPING OF A NEW SHOWELL ELEMENTARY SCHOOL, (B) INSTALLATION OF A NEW TURF ATHLETIC FIELD AND TRACK AT STEPHEN DECATUR HIGH SCHOOL, (C) COMPLETION OF CONSTRUCTION OF CELL NO. 5 AT THE CENTRAL LANDFILL SITE, AND (D) WATER AND WASTEWATER IMPROVEMENTS IN THE OCEAN PINES SANITARY SERVICE AREA AND IN THE RIDDLE FARM SANITARY SERVICE AREA, (2) PAYING CAPITALIZED INTEREST ON THE BONDS, AND (3) PAYING COSTS, FEES AND EXPENSES INCURRED BY THE COUNTY IN CONNECTION WITH THE ISSUANCE AND SALE OF THE BONDS AND OTHER RELATED COSTS; PROVIDING FOR A CONTINUING DISCLOSURE AGREEMENT RELATING TO THE BONDS; AUTHORIZING THE PRESIDENT OF THE BOARD TO SPECIFY, PRESCRIBE, DETERMINE, PROVIDE FOR OR APPROVE CERTAIN MATTERS, DETAILS, FORMS, DOCUMENTS OR PROCEDURES APPROPRIATE TO THE AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY, OR PAYMENT OF OR FOR THE BONDS; AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER OF THE COUNTY TO CHANGE THE DATE OR TIME OF SALE OF THE BONDS; PROVIDING THAT CERTAIN OTHER MATTERS IN CONNECTION WITH THE BONDS AND THE ISSUANCE AND SALE THEREOF BE

APPROVED BY THE BOARD PURSUANT TO A RESOLUTION OR RESOLUTIONS SUPPLEMENTAL TO THIS RESOLUTION, INCLUDING, WITHOUT LIMITATION, THE AMOUNT OF THE BONDS TO BE SOLD (SO LONG AS THE PRINCIPAL AMOUNT DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT OF THE BONDS PERMITTED UNDER THIS RESOLUTION), THE AMOUNT OF THE BONDS MATURING IN EACH YEAR AND THE RATE OR RATES OF INTEREST ON THE BONDS; PROVIDING FOR THE ASSESSMENT AND LEVY IN EACH YEAR, SO LONG AS ANY OF THE BONDS ARE OUTSTANDING AND UNPAID, OF (1) ASSESSMENTS, CHARGES AND, IF NECESSARY, AD VALOREM TAXES ON ALL ASSESSABLE PROPERTY IN THE OCEAN PINES SANITARY SERVICE AREA TO PAY THE DEBT SERVICE ON THE PORTION OF THE BONDS ISSUED FOR THE OCEAN PINES WATER AND WASTERWATER IMPROVEMENTS PROJECT, (2) ASSESSMENTS, CHARGES AND, IF NECESSARY, AD VALOREM TAXES ON ALL ASSESSABLE PROPERTY IN THE RIDDLE FARM SANITARY SERVICE AREA TO PAY THE DEBT SERVICE ON THE PORTION OF THE BONDS ISSUED FOR THE RIDDLE FARM WATER AND WASTERWATER IMPROVEMENTS PROJECT, AND (3) AN AD VALOREM TAX ON ALL PROPERTY SUBJECT TO TAXATION WITHIN WORCESTER COUNTY, SUFFICIENT, TOGETHER WITH OTHER AVAILABLE FUNDS, TO PROVIDE FUNDS FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THEY SHALL RESPECTIVELY BECOME DUE AND PAYABLE; AND GENERALLY PROVIDING FOR AND DETERMINING VARIOUS MATTERS IN CONNECTION THEREWITH.

RECITALS

County Commissioners of Worcester County, Maryland (the “County”), is a body politic and corporate and a political subdivision duly formed and existing under the Constitution and the Laws of the State of Maryland.

Pursuant to Sections 19-501 to 19-510, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the “Act”), the County is authorized to borrow money for any proper public purpose and to evidence the borrowing by the issuance and sale of its general obligation bonds in the manner prescribed in the Act.

Pursuant to the Code of Public Local Laws of Worcester County, Maryland (the “Code of Public Local Laws”), Appendix NN (Bill No. 18-8), enacted by the Board of County Commissioners of Worcester County (the “Board”) on January 22, 2019 (the “Showell Elementary School Bond Bill”), the County has determined that (a) a public need exists in Worcester County for construction and equipping of a new Showell Elementary School (the “Showell Elementary School Project”), and (b) the financing of the costs thereof is a proper public purpose which may be financed by the issuance of the County’s general obligation bonds pursuant to the Act.

Pursuant to the Code of Public Local Laws, Appendix OO (Bill No. 18-9), enacted by the Board on January 22, 2019 (the “Stephen Decatur High School Bond Bill”), the County has determined that (a) a public need exists in Worcester County for installation of a new turf athletic field and track at Stephen Decatur High School (the “Stephen Decatur High School Project”), and (b) the financing of the costs thereof is a proper public purpose which may be financed by the issuance of the County’s general obligation bonds pursuant to the Act.

Pursuant to the Code of Public Local Laws, Appendix PP (Bill No. 18-10), enacted by the Board on January 22, 2019 (the “Central Landfill Site Cell No. 5 Construction Bond Bill”), the County has determined that (a) a public need exists in Worcester County for completion of construction of Cell No. 5 at the Central Landfill Site (the “Central Landfill Site Cell No. 5 Construction Project”), and (b) the financing of the costs thereof is a proper public purpose which may be financed by the issuance of the County’s general obligation bonds pursuant to the Act.

The Showell Elementary School Bond Bill, the Stephen Decatur High School Bond Bill and the Central Landfill Site Cell No. 5 Construction Bond Bill are hereinafter referred to collectively as the “Bond Bills”; and

The Showell Elementary School Project, the Stephen Decatur High School Project and the Central Landfill Site Cell No. 5 Construction Project are hereinafter referred to collectively as the “County Capital Projects”.

Pursuant to the authority granted to it under the Act and the Bond Bills, the County desires (a) to pledge its full faith and credit and taxing power in the issuance and sale of its bonds in an aggregate principal amount of up to \$42,725,000 for the purpose of (i) financing all or a portion of the costs of the County Capital Projects, (ii) paying capitalized interest on such bonds, and (iii) paying costs, fees and expenses incurred by the County in connection with the issuance and sale of

such bonds and other related costs, and (b) to assess and levy, in each year, so long as any of such bonds are outstanding and unpaid, an ad valorem tax on all property subject to taxation within Worcester County sufficient in rate and amount, together with other moneys available therefor, to pay the interest payable in that year on all outstanding bonds for such purposes and the principal of all bonds maturing in that year.

The County has determined that the funds required for the County Capital Projects can be provided at the lowest annual interest rate and cost of issuance to the County by the issuance of general obligation bonds by the County.

Pursuant to Section 9-601 to 9-699, inclusive, of the Environment Article of the Annotated Code of Maryland, as amended (the "Sanitary District Act"), the County is authorized to pledge the full faith and credit of the County and issue its general obligation bonds in the manner prescribed in the Sanitary District Act to pay all or a portion of the costs of a project (as defined in the Sanitary District Act); and pursuant to Section PW5-204 of Subtitle II of Title 5 of the Public Works Article of the Code of Public Local Laws ("Section PW5-204") and Section 11-401 of the Local Government Article of the Annotated Code of Maryland ("Section 11-401"), the County is authorized, among other things, (a) to exercise all the powers of a water or sewer authority or sanitary district or commission, and (b) to acquire, construct, operate and maintain water and sewerage systems as the Board considers to be in the public interest and necessary to protect the general health and welfare. The County has determined that (a) a public need exists in Worcester County to finance a portion of the costs of water and wastewater improvements in the Ocean Pines Sanitary Service Area (the "Ocean Pines Water and Wastewater Improvements Project") and in the Riddle Farm Service Area (the "Riddle Farm Water and Wastewater Improvements Project") and (b) the financing of the costs of the Ocean Pines Water and Wastewater Improvements Project and the financing of the costs of the Riddle Farm Water and Wastewater Improvements Project are each a proper public purpose which may be financed by the issuance of the County's general obligation bonds pursuant to the Sanitary District Act.

Pursuant to the authority granted to it under the Act, the Sanitary District Act, Section 11-401 and Section PW5-204, the County desires (a) to pledge its full faith and credit and taxing power in the issuance and sale of its bonds in the aggregate principal amount of up to \$3,000,000 for the purpose of (i) financing all or a portion of the costs of the Ocean Pines Water and Wastewater Improvements Project, (ii) paying capitalized interest on such bonds and (iii) paying costs, fees and expenses incurred by the County in connection with the issuance and sale of such bonds and other related costs, and (b) to assess and levy, in each year, so long as any of such bonds are outstanding and unpaid, assessments on an equivalent dwelling unit ("EDU") basis on all properties in the Ocean Pines Sanitary Service Area and, if necessary, an ad valorem tax on all property subject to taxation within Worcester County sufficient in rate and amount, together with other moneys available therefor, to pay the interest payable in that year on all outstanding bonds and the principal of all such bonds maturing in that year.

Pursuant to the authority granted to it under the Act, the Sanitary District Act, Section 11-401 and Section PW5-204, the County also desires (a) to pledge its full faith and credit and taxing power in the issuance and sale of its bonds in the aggregate principal amount of up to \$250,000 for the purpose of (i) financing all or a portion of the costs of the Riddle Farm Water and Wastewater

Improvements Project, (ii) paying capitalized interest on such bonds and (iii) paying costs, fees and expenses incurred by the County in connection with the issuance and sale of such bonds and other related costs, and (b) to assess and levy, in each year, so long as any of such bonds are outstanding and unpaid, assessments on an EDU basis on all properties in the Riddle Farm Sanitary Service Area and, if necessary, an ad valorem tax on all property subject to taxation within Worcester County sufficient in rate and amount, together with other moneys available therefor, to pay the interest payable in that year on all outstanding bonds and the principal of all such bonds maturing in that year.

Pursuant to Section 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Consolidating Act"), the issues of bond so authorized, or portions thereof, may be consolidated with one another, and the County has determined that it is in the best interest of the County to consolidate the issues of bonds authorized by the Act, the Bond Bills and the Sanitary District Act.

Pursuant to the Sanitary District Act, the Act, Section 11-401, Section PW5-204 and the Bond Bills, the Board desires (a) to provide by resolution for the issuance of the bonds hereinabove described, (b) to provide for other matters in reference thereto, (c) to prescribe the manner of the sale of such bonds and the terms and conditions under which they shall be offered for sale, (d) to prescribe the form of such bonds, (e) to provide for the use of the proceeds of the sale of such bonds, (f) to provide for the payment of the principal of and interest on such bonds as such bonds shall respectively mature, by levying taxes to pay for the same, and (g) to provide for and determine various matters in connection therewith.

The Board has determined that it is in the best interest of the County to authorize the Chief Administrative Officer of the County (the "Chief Administrative Officer") to change the date and/or time of sale of such bonds.

The Board desires that certain additional matters concerning such bonds, including, without limitation, (a) providing for a lesser aggregate principal amount of such bonds, if the Board deems such lesser amount to be in the best interest of the citizens of Worcester County, (b) providing for a change in the amount(s) of such bonds maturing in each year, (c) providing for the acceptance by the County of one of the bids received for the purchase of such bonds, (d) fixing the interest rate or rates payable on such bonds, (e) providing for changes to the form of such bonds and the Continuing Disclosure Agreement (hereinafter defined) approved pursuant to this Resolution, (f) ratifying the Preliminary Official Statement of the County to be prepared and distributed in connection with the issuance and sale of such bonds, (g) approving the Official Statement of the County to be prepared in connection with the issuance and sale of such bonds, and (h) authorizing the execution, issuance and distribution of such Official Statement, be provided by and through one or more resolutions administrative in nature and supplemental hereto (each, a "Supplemental Resolution").

NOW, THEREFORE, in accordance with the Act, Section 11-401, Section PW5-204, the Bond Bills, the Sanitary District Act and the Consolidating Act (collectively, the "Enabling Legislation"):

Section 1. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That all terms used herein which are defined in the Recitals hereof or the Exhibits hereto shall have the meanings given such terms therein.

Section 2. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, (a) That the County shall borrow upon the full faith and credit of the County and issue and sell upon the full faith and credit of the County, at any time after the adoption of this Resolution, its general obligation bonds in fully-registered form in an aggregate principal amount of Forty-Five Million Nine Hundred Seventy-Five Thousand Dollars (\$45,975,000), or in such lesser amount as the Board may specify by the adoption of a Supplemental Resolution, such bonds to be known as the “County Commissioners of Worcester County, Maryland Consolidated Public Improvement Bonds, 2019 Series” (the “Bonds”) or such other name as the Board may specify in a Supplemental Resolution.

(b) The Bonds shall be dated the date of their delivery; provided that such date of issue may be changed by a Supplemental Resolution. The Bonds shall be dated as of such date of issue, shall be issued in book-entry form by issuing a single bond for each maturity registered in the name of Cede & Co., as nominee for The Depository Trust Company or its successor (“DTC”) (provided that if DTC so requests or if DTC is replaced as the depository for the Bonds, replacement Bonds shall be issued in denominations of \$5,000 each or any integral multiple thereof), and shall be consecutively numbered in such manner as shall be determined by the Bond Registrar (as defined in Section 11 hereof).

(c) That the Bonds shall be payable in 15 consecutive annual installments, the first such maturity to be on August 1, 2020, and the last such maturity to be on August 1, 2034. The schedule of proposed maturities for the Bonds, and the schedules of proposed maturities for the portion of the Bonds issued to finance costs of the County Capital Projects (the “County Capital Projects Portion”) and the portions of the Bonds issued to finance costs of the Ocean Pines Water and Wastewater Improvements Project (the “Ocean Pines Water and Wastewater Improvements Project Portion”) and costs of the Riddle Farm Water and Wastewater Improvements Project (the “Riddle Farm Water and Wastewater Improvements Project Portion”) are set forth in Exhibit A hereto; provided that such schedule is anticipated to be modified in the Supplemental Resolution.

(d) Certain of the Bonds shall be subject to redemption prior to maturity, as provided in Section 3(a) of this Resolution.

(e) That the Bonds shall be sold by the solicitation of competitive bids at public sale after publication of the notice of such sale (the “Notice of Sale”), the form of which is set forth in Exhibit C of this Resolution, and shall bear interest at the rate or rates named by the successful bidder under the terms of the Notice of Sale, which interest shall be paid as provided in the form of Bond set forth in Exhibit B of this Resolution, and such interest shall be payable on semiannually on the first day of February and the first day of August in each year, commencing February 1, 2020, until and including the date of maturity or earlier redemption.

(f) Each Bond shall bear interest from the interest payment date next preceding the date of registration and authentication of such Bond, unless such Bond is registered and

authenticated on an interest payment date, in which case it shall bear interest from such interest payment date, or, unless authenticated prior to the first interest payment date, in which case it shall bear interest from the date of issue of the Bonds, or unless, as shown by the records of the Bond Registrar, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond.

(g) The Bonds shall be issued without coupons, in substantially the form attached hereto as Exhibit B and made part hereof, and shall be completed in accordance with the provisions of this Resolution. Such form with such changes therein as may be specified in a Supplemental Resolution or as the President of the Board shall approve (such approval to be conclusively evidenced by the execution and delivery of the Bonds by the President of the Board), together with all of the covenants and conditions therein contained, is hereby adopted by the County as and for the form and tenor of obligation to be incurred by the County, and such covenants and conditions are hereby made binding upon the County, including the promise to pay therein contained.

Section 3. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That certain of the Bonds shall be subject to redemption prior to maturity as follows:

(a) The Bonds maturing on and after August 1, 2030, shall each be subject to redemption prior to their respective maturities, at the option of the County, on or after August 1, 2029, as a whole or in part at any time, but only upon payment of a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed.

(b) The Bonds shall be redeemed only in integral multiples of \$5,000. If less than all of the outstanding Bonds shall be called for redemption, such redemption shall be in the order of maturity as is specified at that time by the Chief Administrative Officer, and, if less than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds or portions of Bonds of such maturity to be redeemed shall be chosen by lot by the Bond Registrar (hereinafter defined) in such manner as, in its discretion, it shall determine, except that so long as 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.

(c) Unless notice of redemption shall be waived in writing by the registered owners of the Bonds to be redeemed, a notice calling for redemption of the Bonds to be redeemed shall be mailed by the Bond Registrar, postage prepaid, at least 30 days prior to the date fixed for redemption (the "Redemption Date"), to all registered owners of the Bonds to be redeemed, at their last addresses appearing on the registration books kept by the Bond Registrar, but failure to mail any such notice or any defect in the notice so mailed, or in the mailing thereof, shall not affect the sufficiency of the redemption of any other Bond. Notwithstanding the foregoing, so long as DTC or its nominee is the sole registered owner of the Bonds, such notice shall be given only to DTC and shall be given 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. Such notice shall specify the issue, numbers and maturities of the Bonds to be redeemed, which statement of numbers may be from one number to another, inclusive, the Redemption Date and the redemption price, and shall further state that on such date the Bonds called for redemption will be due and become payable at the office of the Bond Registrar and that, from and after such date, interest thereon shall cease to accrue.

(d) On the Redemption Date, notice having been published or waived, and moneys for the payment of the redemption price plus accrued interest being held by the Bond Registrar, the Bonds so called for redemption shall become due and payable at the redemption price provided for redemption of such Bonds on such date, interest on such Bonds so called for redemption shall cease to accrue, and the registered owners of such Bonds so called for redemption shall have no rights in respect thereto except to receive payment of the redemption price thereof, plus accrued interest thereon to the Redemption Date from such moneys held by the Bond Registrar.

(e) If it is determined that a portion, but not all of the principal amount represented by any Bond is to be called for redemption, then upon notice of intention to redeem such portion, the registered owner of such Bond shall forthwith surrender such Bond to the Bond Registrar (i) for payment of the redemption price (including interest to the Redemption Date) of the portion of the principal amount thereof called for redemption, and (ii) in exchange for a new Bond of the unredeemed balance of the principal amount of such Bond, and having the same form and tenor as such Bond; provided, however, that, so long as Cede & Co. is the registered owner of all of the Bonds, DTC may make an appropriate notation on the applicable Bonds indicating the date and amounts of such reduction in principal and notify the County in writing of such action. If the Bonds are required to be surrendered to the Bond Registrar, new Bonds representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered owner thereof without charge therefor. If the registered owner of any such Bond shall fail to present such Bond to the Bond Registrar for payment and exchange as aforesaid, such Bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the portion of the principal amount called for redemption (and to that extent only). Interest shall cease to accrue on the portion of the principal amount of such Bond called for redemption on and after the Redemption Date and no new Bonds shall be thereafter issued corresponding to such portion.

Section 4. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the Bonds shall be executed on behalf of the County by the President of the Board by her manual or facsimile signature, and shall bear a facsimile of the corporate seal of the County attested by the manual or facsimile signature of the Chief Administrative Officer. In the event that any official whose signature shall appear on the Bonds shall cease to be such official prior to the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery.

Section 5. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, (a) That the proceeds of the purchase price of the Bonds shall be paid to the County and shall be applied by the County as follows:

(i) Up to \$3,000,000 of the proceeds of the Bonds shall be applied to the payment of costs of the Ocean Pines Water and Wastewater Improvements Project, and payment of a pro-rata portion of capitalized interest on the Bonds, costs, fees and expenses, including advertising, printing, financial advisory and legal fees incurred in connection with the issuance and sale of the Bonds and other related costs; and

(ii) Up to \$250,000 of the proceeds of the Bonds shall be applied to the payment of costs of the Riddle Farm Water System Interconnections Project, and payment of a pro-rata portion of capitalized interest on the Bonds, costs, fees and expenses, including advertising, printing, financial advisory and legal fees incurred in connection with the issuance and sale of the Bonds and other related costs; and

(iii) The remaining proceeds of the Bonds shall be applied by the County to payment of the costs of the County Capital Projects, payment of capitalized interest on the Bonds, costs, fees and expenses, including advertising, printing, financial advisory and legal fees incurred in connection with the issuance and sale of the Bonds and other related costs;

(b) Any proceeds of the Bonds remaining unused or reserved for the purposes described in subsection (a) above shall, in the discretion of the Board, be applied to such other purpose pertaining to the County Capital Projects, the Ocean Pines Water and Wastewater Improvements Project and the Riddle Farm Water and Wastewater Improvements Project (each, a "Project" and collectively, the "Projects") or the Bonds as may be approved by the Board after receipt of an approving opinion of independent bond counsel whose opinions are generally accepted in the field of municipal finance. In addition, the Board expressly reserves the right to amend the Bond Bills, this Resolution, any Supplemental Resolution, or any of them, after the date of issuance and delivery of the Bonds, to authorize use of any such proceeds for such other public purpose or purposes as the Board may approve by enactment of an amendment to the Bond Bills, this Resolution, any Supplemental Resolution, or any of them, in accordance with, and pursuant to, the Act.

Section 6. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, that the payment of interest on the Bonds when due and the principal of the Bonds at maturity or upon redemption shall be backed by the full faith and credit of the County. However, it is intended that the debt service on the Ocean Pines Water and Wastewater Improvements Project Portion of the Bonds shall be paid from the sources described in subsection (b) of Section 12 of this Resolution, and that the debt service on the Riddle Farm Water and Wastewater Improvements Project Portion of the Bonds shall be paid from the sources described in subsection (c) of Section 12 of this Resolution.

Section 7. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, (a) that the Chief Administrative Officer is hereby authorized to make such modifications to the form of the Bonds as may be appropriate to conform to any standard specifications for registered municipal securities which may be promulgated by any body generally recognized in the municipal securities industry (including, without limitation, the American National Standards Institute) in order to facilitate computer or other mechanical processing methods for registration of municipal bonds.

(b) The Chief Administrative Officer shall also initiate a system for registration of the Bonds in book-entry form and is hereby authorized to enter into such agreements and to make such modifications to the form of the Bonds (as set forth in Exhibit B and the form of the Notice of Sale (as set forth in Exhibit C hereto) as may be necessary to provide for registration of the Bonds in book-entry form, with DTC, by issuance of not less than one bond of each maturity.

(c) The Chief Administrative Officer may replace any depository for the Bonds pursuant to a book-entry registration system established in accordance with this Section if the County Executive determines that such depository is incapable of discharging its duties with respect to the Bonds, or that the interest of the beneficial owners of the Bonds might be adversely affected by the continuation of such book-entry system. Notice of such determination shall be given to such depository not less than 30 days prior to any such determination.

Thereafter, the Chief Administrative Officer may issue replacement Bonds to a substitute securities depository, to participants of a securities depository to be replaced or to beneficial owners of the Bonds properly identified by such participants.

(d) When the Chief Administrative Officer initiates a book entry registration system to be maintained by DTC or replaces DTC with another municipal securities depository (either a "Depository"), the Chief Administrative Officer shall execute and deliver to the Depository any representation letters as shall be deemed necessary or appropriate by the Chief Administrative Officer or other agreements then required by the Depository in order to qualify the Bonds for registration in book-entry form by the Depository. The Chief Administrative Officer is hereby authorized to agree to any different manner for the payment of interest or principal or any different procedures for the redemption of bonds which is determined in accordance with any representation letters entered into with any Depository. Transfer or crediting of the appropriate principal and interest to the participants in the Depository will be the responsibility of the Depository, and transfer and crediting of principal and interest payments to the beneficial owners of the Bonds or their nominees will be the responsibility of the participants in the Depository. Transfers of beneficial ownership of the Bonds will be effected on the records of the Depository (and its participants) pursuant to rules and procedures established by the Depository.

(e) Any securities depository selected in accordance with this Resolution and each of its participants and the beneficial owners of the Bonds, by their acceptance of the Bonds shall agree that the County and the Chief Administrative Officer shall have no liability for the failure of any such securities depository which may be selected as herein provided to perform its obligations to the participants and the beneficial owners of the Bonds, nor shall either the County or the Chief Administrative Officer be liable for the failure of any participant or other nominee of the beneficial owners to perform any obligation the participant may incur to a beneficial owner of the Bonds.

Section 8. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the Bonds shall be authenticated and shall be subject to registration, exchange and transfer as follows:

(a) No Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication substantially in the form set forth in Exhibit B hereof shall have been duly executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered pursuant to this Resolution. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

(b) Upon presentation of any Bond for such purpose at the principal office of the Bond Registrar, the Bond Registrar shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as the County or the Bond Registrar may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain outstanding, the County shall cooperate in making all necessary provisions to permit the exchange of Bonds at the principal office of the Bond Registrar.

Each Bond shall be transferable only upon the books of the County maintained by the Bond Registrar, at the written request of the registered owner thereof or his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his attorney duly authorized in writing. Upon the surrender for transfer of any Bond, the County shall issue, and the Bond Registrar shall authenticate, in the name of the transferee, in authorized denominations, a new Bond or Bonds of the same aggregate principal amount as the surrendered Bond.

The County and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered upon the books of the County as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and premium, if any, and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

Bonds, upon surrender thereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorized attorney, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of any other authorized denominations.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the County shall execute and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Bonds, the County or the Bond Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Bond Registrar shall not be obligated to make any such exchange or transfer of Bonds after the fifteenth day of the month next preceding an interest

payment date on the Bonds, or in case of any proposed redemption of the Bonds, during the 15 days next preceding the date of the mailing of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption.

(c) In the event that any Bond is mutilated, lost, stolen or destroyed, the County may execute and the Bond Registrar may authenticate a new Bond of like date, maturity, interest rate and denomination as that of the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bonds, such mutilated Bonds shall first be surrendered to the Bond Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the County and the Bond Registrar evidence of such loss, theft or destruction satisfactory to the County and the Bond Registrar, together with indemnity satisfactory to them. In the event any such Bond shall be about to mature or have matured or been called for redemption, instead of issuing a duplicate Bond, the Bond Registrar may pay the same without surrender thereof. The County and the Bond Registrar may charge the registered owner of such Bond their expenses and reasonable fees, if any, in this connection.

Section 9. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the Bonds shall be sold at public sale upon submission of electronic bids using the *PARITY* bidding system (“*PARITY*”) to the bidder therefor whose bid provides the lowest true interest cost to the County, for cash at not less than par and accrued interest, after advertisement by Notice of Sale published at least twice in one or more daily or weekly newspapers having a general circulation in Worcester County, Maryland, provided that the sale shall be held not sooner than 10 days following the first insertion of the Notice of Sale. The sale of the Bonds shall be held at 10:00 a.m., on Tuesday, April 2, 2019; provided, however, that the Chief Administrative Officer may change the date or time of such sale. The Bonds shall be sold upon the terms and conditions set forth in the published Notice of Sale, which shall be substantially in the form attached hereto as Exhibit C, with such changes therein as the President of the Board shall approve.

Section 10. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That promptly after the sale of the Bonds to the successful bidder therefor, the interest rate or rates payable thereon shall be fixed according to the terms and conditions of the sale by a Supplemental Resolution adopted by the Board, and the Bonds shall thereupon be suitably printed and delivered to the Bond Registrar for completion, authentication and delivery to DTC for the account of the successful bidder therefor as provided in the published Notice of Sale. Any such Supplemental Resolution shall be adopted by the Board and shall be effective upon the date of the award of the Bonds to the successful bidder therefor. Such Supplemental Resolution shall further provide for the following: (a) the revision or confirmation of (i) the dates of maturity of the Bonds, (ii) the aggregate principal amount of the Bonds being issued and (iii) the principal amount of the Bonds maturing in each year and acceptance by the County of a bid or bids received for the purchase of the Bonds pursuant to the terms and conditions of the Notice of Sale, (b) authorization of the execution, issuance and distribution of the Official Statement (c) ratification of the Preliminary Official Statement of the County prepared and distributed in connection with the issuance and sale of the Bonds, (d) provision for changes, if necessary, to the form of the Bonds and the Continuing Disclosure Agreement, (e) approval of the Official Statement of the County prepared in connection with the issuance and sale of the Bonds, and (f) such other

matters as the Board shall deem necessary or advisable to consummate the transactions contemplated by this Resolution. The proceeds of the sale of the Bonds shall be paid to the Finance Officer of the County and disbursed by the Finance Officer as provided in this Resolution.

Section 11. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That Manufacturers and Traders Trust Company is hereby designated and appointed as the Bond Registrar for the Bonds (the "Bond Registrar"). The Bond Registrar shall maintain books of the County for the registration and transfer of the Bonds. The County may from time to time, either prior to or following the issuance of the Bonds, designate and appoint one or more alternate or substitute bond registrars, paying agents, co-paying agents or authenticating agents for the Bonds, and any such alternate or substitute shall be deemed to be the Bond Registrar or an alternate Bond Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any such designation and appointment shall be made by the Board by resolution; and the exercise of such power or appointment, no matter how often, shall not be an exhaustion thereof.

Section 12. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, (a) That for the purpose of paying interest on the Bonds and also for the purpose of paying the principal of the Bonds as and when they respectively mature and are payable, there is hereby assessed and levied, and there shall hereafter be assessed and levied and collected in each year, so long as any of the Bonds are outstanding and unpaid, an ad valorem tax on all property subject to taxation within Worcester County sufficient in rate and amount, together with other available funds (including without limitation, those described in subsection (b) and (c) below) to pay the interest on all of the Bonds then issued and outstanding as the same becomes due and payable and to pay and redeem the principal of the Bonds as the same shall respectively mature, and the full faith and credit and the unlimited taxing power of the County are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as and when the same respectively mature. If the Bonds are issued in any year after the making by the County of the regular levy for that year, then the County shall pay any and all interest becoming due before the next levy out of any other funds at its disposal, and the County shall levy at the next succeeding levy an amount sufficient to reimburse such other funds.

(b) For the purpose of paying interest on the Ocean Pines Water and Wastewater Improvements Project Portion of the Bonds and also for the purpose of paying the principal of such portion of the Bonds as and when they respectively mature and are payable, there is hereby assessed and levied, and there shall hereafter be assessed and levied and collected in each year, so long as any of such portion of the Bonds are outstanding and unpaid, (i) assessments on an EDU basis on all properties in the of the Ocean Pines Sanitary Service Area and (ii) if necessary, an ad valorem tax on all property subject to taxation within the Ocean Pines Sanitary Service Area in rate and amount sufficient to pay the interest on such portion of the Bonds then outstanding as the same becomes due and payable to pay and redeem the principal of such portion of the Bonds as the same shall respectively mature.

(c) For the purpose of paying interest on the Riddle Farm Water and Wastewater Improvements Project Portion of the Bonds and also for the purpose of paying the principal of such portion of the Bonds as and when they respectively mature and are payable, there is hereby assessed

and levied, and there shall hereafter be assessed and levied and collected in each year, so long as any of such portion of the Bonds are outstanding and unpaid, (i) assessments on an EDU basis on all properties in the of the Riddle Farm Sanitary Service Area and (ii) if necessary, an ad valorem tax on all property subject to taxation within the Riddle Farm Sanitary Service Area in rate and amount sufficient to pay the interest on such portion of the Bonds then outstanding as the same becomes due and payable to pay and redeem the principal of such portion of the Bonds as the same shall respectively mature.

(d) Notwithstanding the foregoing provisions of this Section 12, the County may apply to the payment of the principal of and interest on the Bonds as and when the same respectively are due and/or mature, funds received by the County from the State of Maryland, the United States of America, any agency or instrumentality of either or from any other source.

Section 13. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That any moneys held by the County and designated for payment of costs of the development, design and equipping of the respective Projects and not required for immediate disbursement and withdrawal, shall be invested or reinvested in accordance with Section 17-101 of the Local Government Article, as amended, pursuant to the Code of Public Local Laws of Worcester County, Maryland, County Government Article, Section 4-203(b) (Bill No. 77-19, Section 2) and a resolution entitled "Resolution Authorizing Investments by Finance Officer" adopted by the County on August 22, 1995, as supplemented. Such investments shall be made in the discretion of the Finance Officer of the County (provided, however, that the Board may by written direction direct the investments).

Section 14. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the County covenants and agrees with the registered owners from time to time of the Bonds, as follows:

(a) The County covenants that it will not make any use of any portion of the proceeds of any of the Bonds or any moneys, securities or other obligations on deposit to the credit of the County and designated for application to (i) the costs of the development, design and equipping of the respective Projects, or portions thereof, or (ii) the County or otherwise, which may be deemed by the Internal Revenue Service to be proceeds of any of the Bonds pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and Income Tax Regulations issued thereunder (collectively, the "Code"), which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) The County further covenants that it will comply with those provisions of Section 148 of the Code which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds. To the extent that provisions of Section 148 of the Code apply to only a portion of the Bonds, proceeds of the Bonds or other moneys, securities or other obligations deemed to be proceeds, it is intended that the covenants of the County contained in this Section be construed so as to require the County to comply with Section 148 of the Code only to the extent of such applicability.

(c) The County further covenants that it will not (i) take any action, (ii) fail to take any action, or (iii) make any use of the proceeds of any of the Bonds, which would cause the interest on any of the Bonds to be or become includible in gross income of the registered owners of any of the Bonds for purposes of federal income taxes.

Section 15. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That subsequent to the issuance, sale and delivery of the Bonds, regardless of the date on which the Bonds are issued, the President of the Board, on behalf of the County, or the Vice President of the Board, on behalf of the County and only in the absence and unavailability of the President of the Board, by approval order or otherwise, may take such actions and execute and approve on behalf of the County any documents or certificates or amendments thereto in connection with, and in order to effectuate, the issuance, sale and delivery of the Bonds, pursuant to the provisions of such documents, subject to any approval by the Board as may be required pursuant to federal tax law.

Section 16. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That in order to enable the bidders for the Bonds to comply with the requirements of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12, the County shall execute and deliver, on or before the date of issuance and delivery of the Bonds, a Continuing Disclosure Agreement in substantially the form attached hereto as Exhibit D, with such changes therein as the President of the Board may approve, and the terms and conditions of such Continuing Disclosure Agreement are incorporated by reference herein and made a part hereof. Certain of the events listed in Section 4(a) of the Continuing Disclosure Agreement have been included for compliance with Rule 15c2-12 but are not relevant for the Bonds, specifically those events relating to debt service reserves, credit enhancements and liquidity providers, and property or other collateral.

Section 17. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the Board hereby finds that (a) each of the Projects constitutes a “proper public purpose” within the meaning of Section 19-503 of the Local Government Article of the Annotated Code of Maryland, and (b) the completion of each of the Projects is in the public interest of the citizens of Worcester County and necessary to protect the general health and welfare of the residents of Worcester County.

Section 18. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held to be illegal, invalid, or unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this Resolution or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Resolution would have been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not been included herein, and if the person or circumstances to which this Resolution or any part hereof are inapplicable had been specifically exempted therefrom.

Section 19. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the provisions of this Resolution shall constitute a contract between the County and the purchasers of the Bonds so long as the Bonds or any portion thereof hereby authorized remains unpaid.

[SEAL]

Passed and adopted this 19th day of March, 2019.

ATTEST:

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

Harold L. Higgins,
Chief Administrative Officer

Diana Purnell, President

Joseph M. Mitrecic, Vice President

Anthony W, Bertino, Jr., Commissioner

Madison J. Bunting, Jr., Commissioner

James C. Church, Commissioner

Theodore J. Elder, Commissioner

Joshua C. Nordstrom, Commissioner

SCHEDULE OF PRINCIPAL AMOUNTS
FOR THE BONDS
AND
EACH PORTION OF THE BONDS

Maturity Date	Bonds	County Capital Portion	Ocean Pines Water and Wastewater Improvements Portion	Riddle Farm Water and Wastewater Improvements Portion
August 1, 2020	\$ 2,190,000	\$2,035,000	\$145,000	\$10,000
August 1, 2021	2,255,000	2,095,000	145,000	15,000
August 1, 2022	2,345,000	2,175,000	155,000	15,000
August 1, 2023	2,465,000	2,290,000	160,000	15,000
August 1, 2024	2,595,000	2,410,000	170,000	15,000
August 1, 2025	2,725,000	2,530,000	180,000	15,000
August 1, 2026	2,865,000	2,665,000	185,000	15,000
August 1, 2027	3,015,000	2,805,000	195,000	15,000
August 1, 2028	3,165,000	2,945,000	205,000	15,000
August 1, 2029	3,330,000	3,095,000	215,000	20,000
August 1, 2030	3,500,000	3,250,000	230,000	20,000
August 1, 2031	3,680,000	3,420,000	240,000	20,000
August 1, 2032	3,830,000	3,560,000	250,000	20,000
August 1, 2033	3,945,000	3,665,000	260,000	20,000
August 1, 2034	4,070,000	3,785,000	265,000	20,000
TOTAL	\$ 45,975,000	\$42,725,000	\$3,000,000	\$250,000

UNITED STATES OF AMERICA
 STATE OF MARYLAND
 COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
 CONSOLIDATED PUBLIC IMPROVEMENT BOND
 2019 SERIES

No. R- _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Issue</u>	<u>CUSIP</u>
_____	August 1, _____	_____	_____

Registered
Owner:

Principal
Amount:

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland (the "County"), for value received, hereby promises to pay to the Registered Owner of this bond as set forth above, or registered assigns, the Principal Amount shown hereon on the Maturity Date shown hereon (or earlier as provided herein) and to pay interest thereon from the Interest Payment Date (hereinafter defined) next preceding the date of registration and authentication of this bond, unless this bond is registered and authenticated as of an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this bond is registered and authenticated prior to February 1, 2020, in which event this bond shall bear interest from the Date of Issue shown hereon (the "Date of Issue"), or unless, as shown by the records of the Bond Registrar (hereinafter defined), interest on the hereinafter referred to Bonds shall be in default, in which event this bond shall bear interest from the date on which interest was last paid on this bond, at the Interest Rate per annum shown hereon, payable semiannually on each February 1 and August 1, commencing February 1, 2020 (each, an "Interest Payment Date") , until maturity or earlier redemption.

Both the principal of and interest on this bond are payable in lawful money of the United States of America, at the time of payment. Payment of the principal of this bond shall be made upon presentation and surrender hereof at the designated corporate trust office of Manufacturers and Traders Trust Company, initially, Buffalo, New York, or its successor as bond registrar (the "Bond Registrar"). Payment of interest on this bond shall be made by the Bond Registrar on each Interest Payment Date to the person appearing on the registration books of the County maintained by the Bond Registrar as the registered owner hereof as of the 15th day of the month next preceding each such Interest Payment Date, by check or draft mailed to such registered owner at his, her or its address as it appears on such registration books.

This bond is one of an issue of bonds of the County in the aggregate principal amount of \$ _____, all dated the Date of Issue, and known as “County Commissioners of Worcester County, Maryland Consolidated Public Improvement Bonds, 2019 Series” (the “Bonds”).

The Bonds are issued pursuant to the authority of Sections 11-401 and 19-501 to 19-510, inclusive, of the Local Government Article of the Annotated Code of Maryland, Sections 9-601 to 9-699, inclusive, of the Environment Article of the Annotated Code of Maryland, and the Code of Public Local Laws of Worcester County, Maryland, Section PW5-204 and Appendices NN (Bill No. 18-8), OO (Bill No. 18-9) and PP (Bill No. 18-10) (collectively, the “Enabling Legislation”) and pursuant to Resolution No. 19-7, adopted by the Board of County Commissioners of Worcester County (the “Board”) and effective on March 19, 2019, as supplemented by Resolution No. 19-__ adopted by the Board and effective on _____, 2019 (collectively, the “Resolution”). The Bonds have been consolidated for issuance pursuant to Section 19-101 of the Local Government Article of the Annotated Code of Maryland.

The Bonds shall be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiples thereof and shall mature in consecutive annual installments as provided in the Resolution.

This bond shall be registered on the books of the County to be kept for that purpose by the Bond Registrar at its principal office. This bond shall be transferable only upon such books at such office by the registered owner or by his, her or its duly authorized officer or attorney, but this bond will not be transferred unless The Depository Trust Company (“DTC”) determines to discontinue providing its services as a securities depository or directs that the Bonds be reregistered in a different name, or unless DTC is removed as the depository for the Bonds. This bond, upon surrender hereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner hereof or his, her or its duly authorized attorney, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of authorized denominations and of the same form and tenor of this bond. For every such exchange or transfer of Bonds, the County or the Bond Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the registered owner requesting such exchange or transfer as a condition precedent to the exercise of such privilege. The Bond Registrar shall not be obligated to make any such exchange or transfer of Bonds after the fifteenth day of the month next preceding an interest payment date on the Bonds, or in case of any proposed redemption of Bonds, during the 15 days next preceding the date of the publication of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption.

The County and the Bond Registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof for all purposes; and neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

Certain of the Bonds are subject to redemption prior to maturity as follows:

The Bonds maturing on or after August 1, 2030, shall be subject to redemption prior to their respective maturities, at the option of the County, on or after August 1, 2029, as a whole or in part at any time, but only upon payment of a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed.

If less than all of the outstanding Bonds shall be called for redemption, such redemption shall be in the order of maturity as is specified at that time by the Chief Administrative Officer of the County, and if less than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds or portions of Bonds of such maturity to be redeemed shall be chosen by lot by the Bond Registrar in such manner as, in its discretion, it shall determine, except that so long as DTC or its nominee is the sole registered owner of the Bonds, the particular Bonds or portions to be redeemed shall be selected 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.

Notice of such redemption, either in whole or in part, shall be given by the County at least 30 days prior to the date fixed for redemption (the "Redemption Date") as provided in the Resolution, unless such notice shall be waived in writing by the registered owners of the Bonds so called for redemption, and such redemption shall be made in all respects in the manner and upon the terms and conditions provided in the Resolution. Notwithstanding the foregoing, so long as DTC or its nominee is the sole registered owner of the Bonds, any redemption notice shall be given only to DTC. On the date designated for redemption, notice having been published or waived, and moneys for the payment of the principal amount of the Bonds plus accrued interest being held by the Bond Registrar, the Bonds so called for redemption shall become due and payable at the redemption price provided for redemption of such Bonds on such date, interest on such Bonds so called for redemption shall cease to accrue, and the registered owners of such Bonds so called for redemption shall have no rights in respect thereto except to receive payment from such moneys held by the Bond Registrar of the redemption price thereof, plus accrued interest thereon to the Redemption Date. If a portion of any bond shall be called for redemption, a new bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

The County hereby covenants to assess, levy and collect in each year, so long as any of the Bonds are outstanding and unpaid, an ad valorem tax on all property subject to taxation within Worcester County, Maryland, sufficient in rate and amount, together with other moneys available therefor, to pay the principal of and the interest on this bond; and the full faith and credit of the County are hereby irrevocably pledged to the prompt payment of the principal of and interest on this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed, precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland, the Enabling Legislation and the Resolution, and that the issue of bonds, of which this is one, together with all other

indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland.

This bond shall not be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar, or its successor as Bond Registrar, of the Certificate of Authentication inscribed hereon.

No covenant or agreement contained in this bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the County in his or her individual capacity, and neither the members of the Board nor any official executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, County Commissioners of Worcester County, Maryland, has caused this bond to be signed by its President of the Board by her manual or facsimile signature and has caused a facsimile of the corporate seal of the County to be imprinted hereon and attested by the Chief Administrative Officer of the County by his manual or facsimile signature, all as of the Date of Issue set forth above.

[SEAL]

ATTEST:

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

[Manual or Facsimile Signature]
Harold L. Higgins,
Chief Administrative Officer

By: [Manual or Facsimile Signature]
Diana Purnell,
President of the Board of
County Commissioners of
Worcester County

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of an issue described in the Resolution referred to herein.

Date of Registration
and Authentication:

Manufacturers and Traders Trust Company,
as Bond Registrar

_____, ____

By: _____
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(please insert name and address of, and social security number or other identifying number of, the assignee)

the within bond, and hereby irrevocably constitutes and appoints

or its successor as Bond Registrar as its attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP or MSP signature guaranty medallion program.

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

NOTICE OF SALE

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
 \$45,975,000*
 CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES

Electronic bids via *PARITY* will be received for the above-captioned issue of general obligation bonds (the “Bonds”) of the County Commissioners of Worcester County, Maryland (the “County”) by the Finance Officer of Worcester County at the offices of the Finance Officer, Worcester County Government Building, Room 1103, One West Market Street, Snow Hill, Maryland, 21863, until 10:00 a.m. (E.D.T.) on Tuesday,

April 2, 2019.

Dated Date and Interest Payment Dates. The Bonds will be dated as of the date of delivery of the Bonds (the “Dated Date”). Interest on the Bonds will be payable on February 1, 2020 and semiannually thereafter on August 1 and February 1 until maturity or earlier redemption.

Principal Amounts and Principal Payment Dates. The Bonds will be issued in serial form, as described below. The Bonds will be issued in the aggregate principal amount of \$45,975,000* and will mature on August 1 in the following years and in the following amounts:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>
2020	\$2,190,000	2028.....	\$3,165,000
2021	2,255,000	2029.....	3,330,000
2022	2,345,000	2030.....	3,500,000
2023	2,465,000	2031.....	3,680,000
2024	2,595,000	2032.....	3,830,000
2025	2,725,000	2033.....	3,945,000
2026	2,865,000	2034.....	4,070,000
2027	3,015,000		

General Obligations. The Bonds will be the unconditional general obligation of the County and will be issued upon its full faith and credit, which will be irrevocably pledged to the prompt payment of the principal of and interest on all of the Bonds as the same become due.

Book Entry Form; Payment. The Bonds will be issued in book-entry form by issuing a single bond for each maturity registered in the name of Cede & Co. as nominee for The Depository Trust Company or its successor (“DTC”) and immobilized in its custody under DTC’s “FAST” system (provided that if DTC so requests or if DTC is replaced as the depository for the Bonds, replacement bonds will be issued in the denominations of \$5,000 or any integral multiples thereof). Principal of the Bonds will be payable at maturity 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, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

*Preliminary, subject to change.

The principal of the Bonds will be payable at the designated corporate trust office of Manufacturers and Traders Trust Company (the "Bond Registrar"), initially in Buffalo, New York, upon presentation and surrender of the Bonds. Payment of interest on the Bonds, at the rates specified by the successful bidder in its bid via *PARITY*, shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of the County maintained by the Bond Registrar as the registered owner thereof, by check or draft mailed to each such registered owner at his, her or its address as it appears on such registration books on the record date for the Bonds, which shall be the fifteenth day of the month next preceding each interest payment date. Notwithstanding the foregoing, while the Bonds are registered under DTC's book-entry only system, payment of the principal of and interest on the Bonds shall be made by the Bond Registrar to DTC or its nominee in accordance with the procedures of DTC.

Authorization and Use of Proceeds. The Bonds are being issued pursuant to the authority of Sections 11-401 and 19-501 to 19-510, inclusive, of the Local Government Article of the Annotated Code of Maryland, Sections 9-601 to 9-699, inclusive, of the Environment Article of the Annotated Code of Maryland, PW-5-204 of the Code of Public Local Laws of Worcester County, Maryland (the "Code of Public Local Laws" and "Code of Public Local Laws"), Appendices NN (Bill No. 18-8), OO (Bill No. 18-9) and PP (Bill No. 18-10) of the Code of Public Local Laws, and pursuant to Resolution No. 19-7, adopted by the Board of County Commissioners of Worcester County, Maryland (the "Board") on April 2, 2019 (the "Resolution"). The proceeds of the sale of the Bonds are being used to finance (a) the construction, installation and equipping of (i) a new Showell Elementary School facility, (ii) a new turf athletic field and track at Stephen Decatur High School, and (iii) the Central Landfill Site Cell No. 5 construction project, and (iv) various water and wastewater infrastructure projects in the Ocean Pines and Riddle Farm Service Areas, and costs of issuance and other related costs of the Bonds.

Redemption. The Bonds maturing on or after August 1, 2030 shall each be subject to redemption prior to their respective maturities, at the option of the County, on or after August 1, 2029, as a whole or in part at any time, but only upon payment of a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed.

Notice of and Procedure for Redemption. The procedures for redemption of the Bonds, including the requirements for giving notice of such redemption, are described in the Preliminary Official Statement (hereinafter defined) and are incorporated herein by reference.

Adjustments. The aggregate principal amount of the Bonds and the principal amount of each maturity 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 through TM3 News Service not later than 9:30 a.m. (E.D.T.) on the date of sale (or as soon thereafter as is reasonably practicable) 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 5:00 p.m. (E.D.T.) on the date of the sale, and will not reduce the aggregate principal amount of the Bonds by more than the premium amount of the bid. In addition, the final maturity schedule for the Bonds will be communicated to the successful bidder by 5:00 p.m. (E.D.T.) on the date of the sale. The dollar amount bid for principal and any amount bid for premium by the successful bidder will be adjusted proportionately to reflect any reduction or increase in the aggregate principal amount of the Bonds, but the interest 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.

TERMS OF SALE

Electronic Bids. Electronic bids will be received via *PARITY* pursuant to this Notice of Sale until 10:00 a.m. (E.D.T.), but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY* conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about *PARITY*, potential bidders may contact *PARITY* (212) 849-5021. Bidders may only submit bids electronically via *PARITY*.

Each prospective bidder shall be solely responsible to submit its bids via *PARITY* as described above. Each prospective bidder shall be solely responsible to make necessary arrangements to access *PARITY* for the purpose of

submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor *PARITY* shall have any duty or obligation to provide or assure access to *PARITY* to any prospective bidder, and neither the County nor *PARITY* shall be responsible for proper operation of, or have any liability for delays or interruptions of, or any damages caused by, *PARITY*. The County is using *PARITY* as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. The County is not bound by any advice and determination of *PARITY* to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid parameters set forth herein. All costs and expenses incurred by prospective bidders in connection with their submissions 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 of the Bonds, it should telephone *PARITY* (212) 849-5021 and notify the County's Financial Advisor, Davenport & Company LLC by facsimile at (410) 296-8517 and by telephone at (410) 296-9426.

Electronic bids must be submitted for the purchase of the Bonds (all or none) via *PARITY*. Bids will be communicated electronically to the County at 10:00 a.m. (E.D.T.), on April 2, 2019. 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.*

Bidding Constraints. Each bidder shall submit one bid via *PARITY* at a price of not less than par, based on the aggregate principal amount of the Bonds, on an "all-or-none" basis. Each bid must specify the rate or rates of interest to be paid on the Bonds, in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%). Bidders may specify more than one rate of interest to be borne by the Bonds; but all Bonds maturing on the same date must bear interest at the same rate. . Bidders may not specify (1) any interest rate for any Bonds which exceeds the interest rate stated in such bid for any other Bonds by more than 3.00%, (2) any interest rate that exceeds 5.00%, or (3) a zero rate of interest. Bidders are requested to specify the true interest cost (computed in accordance with the terms of this Notice of Sale) in their bid for the Bonds. A bid for the purchase of the Bonds at a price of less than 100% of par, or a bid for the Bonds that specifies split or supplemental interest rates, will not be considered. The County will also not consider and will reject any bid for the purchase of less than all of the Bonds. All bids must be unconditional. By submitting a bid for the Bonds, the bidder agrees, if it is the successful bidder for the Bonds, to (1) provide full and complete pricing information with respect to the Bonds to the County in a timely manner so that the County may fulfill its obligation relating to the delivery of the Official Statement to the purchaser of the Bonds within seven business days following the award, including, without limitation, the offering price(s), interest rate(s), selling compensation, delivery dates and other similar information; (2) comply with the requirements of SEC Rule 15c2-12 (the "Rule"), applicable federal and state securities laws and the applicable rules of the Municipal Securities Rulemaking Board (the "MSRB") in connection with the offer and sale of the Bonds; (3) furnish to the County before the delivery of the Bonds such information as shall be necessary to enable the County to determine the "issue price" of the Bonds in accordance with the Internal Revenue Code of 1986, as amended; and (4) within three business days after the final Official Statement becomes available, cause copies thereof to be filed with the MSRB.

Good Faith Deposit. A good faith deposit (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit shall be provided in the form of (i) a federal funds wire transfer in the amount of \$459,750 to be submitted to the County by the successful bidder not later than 4:00 p.m. (E.D.T.) (the "Deposit Deadline") on the date of sale as described in more detail below. 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 thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages.

The County shall distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the County in its discretion without any financial liability of the County to the successful bidder or any limitations whatsoever on the

County's right to sell the Bonds to a different purchaser upon such terms and conditions as the County shall deem appropriate.

Award of Bonds. The County will not consider and will reject any bid for the purchase of less than all of the Bonds. THE RIGHT IS RESERVED TO REJECT ANY AND ALL BIDS AND TO WAIVE ANY IRREGULARITY OR NON-CONFORMITY IN ANY BID. Bids will be opened promptly after 10:00 a.m. (E.D.T.) (as determined in accordance with the time as maintained on *PARITY*) on April 2, 2019. The award, if made, will be made as promptly as possible after the bids are opened to the bidder offering the lowest interest rate to the County. The lowest interest rate shall be determined in accordance with the true interest cost ("TIC") method 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 price bid, excluding interest accrued to the date of delivery. If two or more bidders have made bids, each of which represents the lowest true interest cost to the County, then the Bonds shall be awarded to the bidder offering the highest premium and, if the highest premium is offered by two or more such bidders or if no premium is bid by any such bidders, then the Bonds may be awarded, with their consent, in a ratable portion among such bidders, or the County, in its discretion, may award all of the Bonds to one bidder. The judgment of the County shall be final and binding upon all bidders with respect to the form and adequacy of any bid received and as to its conformity to the terms of this Notice of Sale. THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED UNDER "DELIVERY OF BONDS" BELOW.

Change of Date or Time of Sale; Change in Bidding Constraints. The County reserves the right to change, from time to time, the date or time established for the receipt of the bids. Any such change will be announced by TM3 News Service by notice given at or before the time for submission of the bids. If any date fixed for the receipt of bids and the sale of the Bonds is postponed, any alternative sale date will be announced via TM3 News Service at least 48 hours prior to such alternative sale date. In addition, the County reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent alternative sale date. On any such alternative sale date, any bidder may submit a sealed bid or electronic bid via *PARITY* for the purchase of the Bonds in conformity in all respects with the provisions of this Notice of Sale except for the date of sale and except for the changes announced by TM3 News Service at the time the sale date and time are announced.

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.

Legal Opinion. The issuance of the Bonds will be subject to delivery of the approving opinion of Miles & Stockbridge P.C., Baltimore, Maryland, and copies of their opinion shall be substantially in the form set forth as an exhibit to the Preliminary Official Statement referred to below. The opinion will be delivered upon request, without charge, to the successful bidder for the Bonds.

Delivery of Bonds. The Bonds will be delivered on April 16, 2019, or as soon as practicable thereafter, at the expense of the County, for the account of the successful bidder, through the facilities of DTC in New York, New York, upon payment of the amount of the successful bid (including any premium), less the deposit theretofore made. Payment for the Bonds shall be made in federal funds. The Bonds will be issued by means of book-entry system with no physical distribution of bond certificates made to the public. The successful bidder for the Bonds, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., its partnership nominee.

Certification as to Issue Price. The successful bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County on or before the Dated Date, as applicable, 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 as described herein. All communications under this Official Notice of Sale relating to issue price of the Bonds may be taken on behalf of the

County by the County's municipal advisor identified herein and any notice or report to be provided to the County relating to issue price may be provided to the County's municipal advisor.

The County intends and expects that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because: (i) the County shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (ii) all bidders shall 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 who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Official Notice of Sale (a "Qualified Competitive Bid"). If a bid qualifies as a Qualified Competitive Bid, the successful bidder shall be required to provide to the County a certificate acceptable to Bond Counsel, on or before the Dated Date of the Bonds, substantially in the form [attached hereto as Exhibit I], [attached as Exhibit I to the Notice of Sale included as Appendix C to the Preliminary Official Statement (hereinafter defined), and incorporated herein by reference], with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the County and Bond Counsel.

In the event that a bid fails to satisfy the requirements of a Qualified Competitive Bid (an "Alternate Competitive Bid"), the County shall so advise the successful bidder. 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 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). 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 10% test and/or the hold-the-offering-price rule in order to establish the issue price of the Bonds. Bidders should note that an Alternative Competitive Bid may require the successful bidder and, if applicable, other underwriters of the Bonds to hold the initial offering prices for certain maturities of the Bonds for up to 5 business days after the sale date of the Bonds. If a bid is an Alternate Competitive Bid, the successful bidder shall be required to provide to the County a certificate acceptable to Bond Counsel, substantially in the form [attached hereto as Exhibit II] [attached as Exhibit II to the Notice of Sale included as Appendix C to the Preliminary Official Statement and incorporated herein by reference], with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the County and Bond Counsel.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. All bids shall include a representation that the underwriters have established industry reputations for underwriting new issuances of municipal securities.

Closing Documents. The Bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending against the County affecting the validity of the Bonds, and a Tax Certificate and Compliance Agreement signed by the Finance Officer of the County. It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, such successful bidder shall be furnished a certificate or certificates of the President of the Board and the Chief Administrative Officer of the County to the effect that, to the best of their knowledge and belief, the Official Statement (hereinafter defined) (and any amendment or supplement thereto) (except for the any information furnished by the successful bidder, 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 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).

Preliminary Official Statement. The Preliminary Official Statement of the County concerning the Bonds (the "Preliminary Official Statement") is in a form "deemed final" by the County for purposes of SEC Rule 15c2-12(b)(1) (the "Rule") but is subject to revision, amendment and completion in the final Official Statement.

Official Statement. As soon as practicable after the award of the Bonds to the successful bidder therefor on the day of sale, the County will authorize the final Official Statement for the Bonds (the "Official Statement"). By submitting its bid for the Bonds, the successful bidder agrees to provide the County with pricing information and such other information as the County may require in order that the County may provide the successful bidder with a final Official Statement in compliance with the Rule. Whether or not any such information is included in the Official Statement (and any amendment or supplement thereto), such successful bidder shall be responsible to the County and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any re-offering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. Within seven (7) business days after the award of the Bonds to the successful bidder, the County will deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement. The successful bidder will also be furnished, without cost, with up to 100 copies of the Official Statement and any amendments or supplements thereto. The successful bidder may obtain additional copies at such successful bidder's own expense.

The County will undertake to provide the successful bidder with further additional information to be included in the Official Statement, when in the opinion of the County or of Bond Counsel, such additional information constitutes a material change to the Official Statement. The County will take such steps as are necessary to arrange for amending and supplementing the Official Statement in connection with the disclosure of such additional information; provided, however, that the County shall have no obligation to provide such additional information after the date which is 25 days after the "end of the underwriting period", as such term is defined in the Rule.

Continuing Disclosure Agreement. In order to assist bidders in complying with the SEC Rule 15c2-12(b)(5), the County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which the County will undertake to provide certain information annually and notices of certain events. A description of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Additional Information. The Preliminary Official Statement of County Commissioners of Worcester County, Maryland, concerning the Bonds, and copies of this Notice of Sale may be obtained from Mr. Phillip G. Thompson, Finance Officer, Worcester County Government Building, Room 1103, Snow Hill, Maryland, 21863, or from the County's Financial Advisor, Davenport & Company LLC, The Oxford Building 8600 LaSalle Road, Suite 618, Towson, Baltimore, Maryland, 21286 (410-296-9426).

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND
By: Diana Purnell
President of the Board
of County Commissioners

FORM ISSUE PRICE CERTIFICATE
FOR QUALIFIED COMPETITIVE BID

WORCESTER COUNTY, MARYLAND
General Obligation Bonds

\$ _____
COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds") issued by the County Commissioners of Worcester County, Maryland (the "County").

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 Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

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

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

(d) The Underwriter has an established industry reputation for underwriting new issuances of municipal bonds.

2. Defined Terms.

(a) 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.

(b) 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% common ownership, directly or indirectly.

(c) 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 [DATE].

(d) Underwriter means (i) 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 (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 representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Certificate and Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miles & Stockbridge P.C., as Bond Counsel to the County, 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 County from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Title: _____

Dated: [ISSUE DATE]

SCHEDULE A

EXPECTED OFFERING PRICES
(To be attached.)

COPY OF UNDERWRITER'S BID
(To be attached.)

WORCESTER COUNTY, MARYLAND
General Obligation Bonds
§ _____
COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES

CERTIFICATE OF MUNICIPAL ADVISOR

The undersigned, on behalf of Davenport & Company LLC (the "Municipal Advisor"), as the municipal advisor to the County Commissioners of Worcester County, Maryland (the "County") in connection with the issuance of the above-captioned obligations (the "Bonds"), has assisted the County in soliciting and receiving bids from potential underwriters in connection with the sale of the Bonds in a competitive bidding process in which bids were requested for the purchase of the Bonds at specified written terms, and hereby certifies as set forth below with respect to the bidding process and award of the Bonds.

1. The Bonds were offered for sale at specified written terms more particularly described in the Notice of Sale, which was distributed to potential bidders, a copy of which is attached to this certificate as Attachment 1.

2. The Notice of Sale was disseminated electronically through _____. The method of distribution of the Notice of Sale is regularly used for purposes of disseminating notices of sale of new issuances of municipal bonds, and notices disseminated in such manner are widely available to potential bidders.

3. To the knowledge of the Municipal Advisor, all bidders were offered an equal opportunity to bid to purchase the Bonds so that, for example, if the bidding process afforded any opportunity for bidders to review other bids before providing a bid, no bidder was given an opportunity to review other bids that was not equally given to all other bidders (that is, no exclusive "last-look").

4. The County received bids from at least three bidders who represented that they have established industry reputations for underwriting new issuances of municipal bonds. Copies of the bids received are attached to this certificate as Attachment 2.

5. The winning bidder was [NAME OF UNDERWRITER] (the "Underwriter"), whose bid was determined to be the best conforming bid in accordance with the terms set forth in the Notice of Sale, as shown in the bid comparison attached as Attachment 3 to this certificate. The County awarded the Bonds to the Underwriter.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Municipal Advisor's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Certificate and Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miles & Stockbridge P.C., as Bond Counsel to the County, 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 County from time to time relating to the Bonds. No other persons may rely on the representations set forth in this certificate without the prior written consent of the Municipal Advisor.

[Signature Page Follows]

Davenport & Company LLC

By: _____

Name: _____

Dated: [ISSUE DATE]

ATTACHMENT 1

NOTICE OF SALE
(To be attached.)

ATTACHMENT 2

BIDS RECEIVED
(To be attached.)

BID COMPARISON
(To be attached.)

FORM ISSUE PRICE CERTIFICATE
FOR ALTERNATIVE COMPETITIVE BID

WORCESTER COUNTY, MARYLAND
General Obligation Bonds

§ _____
COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (the "Underwriter"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") issued by the County Commissioners of Worcester County, Maryland (the "County").

1. *Sale of the General Rule Maturities.* As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

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

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Bond Sale and Official Bid Form, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-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-offering-price rule. Pursuant to such selling group agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(c) The Underwriter has an established industry reputation for underwriting new issuances of municipal bonds.

3. *Defined Terms.*

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price 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 ([DATE]), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *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.

(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% 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 [DATE].

(g) *Underwriter* means (i) 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 (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 representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Certificate and Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miles & Stockbridge P.C., as Bond Counsel to the County, 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 County from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(To be attached.)**

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION
(To be attached.)

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (the “Disclosure Agreement”), is executed and delivered by County Commissioners of Worcester County, Maryland (the “County”) in connection with the issuance of its \$ _____ County Commissioners of Worcester County, Maryland Consolidated Public Improvement Bonds, 2019 Series (the “Bonds”). The County, intending to be legally bound hereby and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement.

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

Section 2. Definitions.

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

“**EMMA**” means the Electronic Municipal Market Access System (<http://emma.msrb.org>), the reporting established by the MSRB, and its successors and assigns.

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

“**MSRB**” means the Municipal Securities Rulemaking Board, its successors and assigns.

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

“**Rule**” shall mean Rule 15c2-12(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 County shall provide to EMMA, annual financial information and operating data as set forth in Schedule A to this Continuing Disclosure Agreement, such information and data

to be updated as of the end of the preceding fiscal year and made available within 275 days after the end of the fiscal year, commencing with the fiscal year ending June 30, 2019.

(b) The County shall provide to EMMA annual audited financial statements for the County, such information to be made available within 275 days after the end of the County's fiscal year, commencing with the fiscal year ending June 30, 2019, unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 275 days after the end of the County's fiscal year (commencing with the fiscal year ending June 30, 2019), the County will provide unaudited financial statements within said time period.

(c) The presentation of the financial information referred to in paragraph (a) and in paragraph (b) shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the final official statement for the Bonds.

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

Section 4. Reporting of Significant Events.

The County also agrees to provide to the MSRB, or cause to be provided to the MSRB, notice of the occurrence of any of the following events with respect to any of the Bonds (each, a "Listed Event"), in a timely manner, not in excess of ten (10) business days after the occurrence of such Listed Event:

- (a) principal and interest payment delinquencies,
- (b) non-payment related defaults, if material,
- (c) unscheduled draws on debt service reserves reflecting financial difficulties,
- (d) unscheduled draws on credit enhancements, if any, reflecting financial difficulties,
- (e) substitution of credit or liquidity providers, if any, or their failure to perform,
- (f) 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,

- (g) modifications to rights of Bondholders, if material,
- (h) bond calls, if material, and tender offers,
- (i) defeasances,
- (j) release, substitution, or sale of property securing repayment of any of the Bonds, if material,
- (k) rating changes,
- (l) bankruptcy, insolvency, receivership or similar event of the obligated person,
- (m) consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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,
- (n) appointment of a successor or additional trustee, or the change of name of a trustee, if material.
- (o) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material, or
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

The events described in subparagraphs (c), (d), (e) and (j) above may not be applicable because: (i) no debt service reserve, credit facility or liquidity facility has been established with respect to the Bonds and (ii) there is no property securing the repayment of the Bonds.

Section 5. Termination of Reporting Obligations.

The County's obligations under this Disclosure Agreement shall terminate upon the payment in full of all of the Bonds at their maturity. In addition, the County may terminate its obligations under this Disclosure Agreement if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

Section 6. Amendment.

The County may provide further or additional assurances that will become part of the County's obligations under this Disclosure Agreement. In addition, this Disclosure Agreement may be amended by the County in its discretion provided that (i) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County as the obligated person with respect to the Bonds, or type of business conducted; (ii) the Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment does not materially impair the interests of holders of the Bonds, as determined by counsel selected by the County that is expert in federal securities law matters, or by an approving vote of the holders of 25% of the outstanding aggregate principal amount of the Bonds. The reasons for the County agreeing to provide any further or additional assurances or for any amendment and the impact of the change in the type of operating data or financial information being provided will be explained in information provided with the annual financial information containing the additional or amended operating data or financial information.

Section 7. Additional Information.

Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any disclosure made pursuant to Section 4(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any disclosure made pursuant to Section 4(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 4(a) or (b) hereof or notice of occurrence of a Listed Event.

Section 8. Law of Maryland.

This Disclosure Agreement, and any claim made with respect to the performance by the County of its obligations hereunder, shall be governed by, subject to, and construed according to the laws of the State of Maryland or the federal law.

Section 9. Limitation of Forum.

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

Section 10. Limitation on Remedies.

The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under the Disclosure Agreement, and the County shall be given 45 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to the Chief Administrative Officer of the County, Room 1103, One West Market Street, Snow Hill, Maryland, 21863, or at such other alternate address as shall be specified by the County with disclosures made pursuant to Section 4(a) or (b) hereof or a notice of occurrence of a Listed Event.

Section 11. Relationship to Bonds.

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

Section 12. Beneficiaries.

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

IN WITNESS WHEREOF, this Continuing Disclosure Agreement is being executed by County Commissioners of Worcester County, Maryland as of this ___ day of _____, 2019.

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

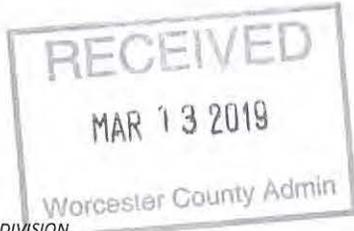
[SEAL]

By: _____
Diana Purnell,
President of the Board of
County Commissioners

ATTEST:

Harold L. Higgins,
Chief Administrative Officer

- (1) Summary of County Revenues and Expenditures
- (2) Summary of Outstanding Bonded Indebtedness of the County, its Incorporated Municipalities and the Worcester County Sanitary District
- (3) Assessed values, tax rates, tax levies and collections
- (4) Budget for Current Fiscal Year
- (5) Description of material litigation, if any, based on the accountant's report contained in the County's audited financial statements



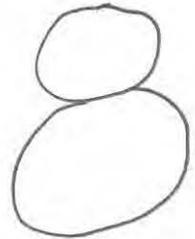
ZONING DIVISION
BUILDING DIVISION
ADMINISTRATIVE DIVISION



DEPARTMENT OF
DEVELOPMENT REVIEW AND PERMITTING

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET, ROOM 1201
SNOW HILL, MARYLAND 21863
TEL: 410.632.1200 / FAX: 410.632.3008
www.co.worcester.md.us/drp/drpindex.htm



DATA RESEARCH DIVISION
CUSTOMER SERVICE DIVISION
TECHNICAL SERVICES DIVISION

Memorandum

To: Worcester County Commissioners

CC: File

From: Jo Ellen Bynum 

Date: 3/13/2019

Re: Request for Public Hearing for FY2020 Housing Rehabilitation Grant Application & Progress
Report for Housing Rehabilitation Grant MD-18-CD-21

Proposed Public Hearing
on April 16
- Progress Hearing on Existing
Grant and proposed new Grant

Worcester County currently has one open housing rehabilitation grant through the State CDBG Program. This grant was received in 2018 in the amount of \$300,000 for the rehabilitation of 18 owner-occupied homes. The current grant term will end on August 31, 2019, at which point all funds shall be expended and 18 rehabilitations shall be completed as required. At this time, I am proposing that the Commissioners schedule a public hearing as the first step toward enabling me to submit a grant application on behalf of Worcester County in the amount of \$300,000 for the rehabilitation of an additional 18 owner-occupied homes County-wide. Attached please find a general program description and evaluation of need for the proposed project.

The requested funds would cover the construction costs, relocation costs and lead testing and clearance costs associated with the continuance of the Worcester County Housing Rehabilitation Program. 100% of the requested \$300,000 in grant funding will be utilized to meet the national objective of benefit to low and moderate income persons. The \$75,000 of required County matching funds will be met through in-kind expenditures associated with the administration of the program over the two year period. Qualifying expenditures include the Program Administrator and Inspector's fees, flood determination reports, credit reports, appraisals, advertising expenses, mailings and office supplies.

Upon Commissioners' approval, please authorize publication of the attached Notice of Public Hearing per CDBG Program requirements. This Notice must be published a minimum of 5 days prior to the date of the public hearing.

DRAFT

**NOTICE OF PUBLIC HEARING
COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION
WORCESTER COUNTY, MARYLAND**

The Worcester County Commissioners will conduct a public hearing to obtain the views of citizens on community, economic development and housing needs to be considered for submission of an application to the Maryland Community Development Block Grant Program (CDBG). Citizens will have the opportunity to discuss proposed projects and to provide input on other needs to be considered. A draft of the application to be submitted will be available for the public to review beginning on May 13, 2019 to May 20, 2019 at the County Commissioners Office at One West Market Street, Snow Hill. Additionally, the progress of the County's current CDBG Housing Rehabilitation grant will be reviewed at this hearing. The hearing will be held on:

**TUESDAY, , 2019
AT A.M. in the
COUNTY COMMISSIONERS MEETING ROOM
Room 1101- Government Center
One West Market Street, Snow Hill, MD 21863**

Citizens will be furnished with information including but not limited to:

- The amount of CDBG funds available for State Fiscal Year 2020;
- The range of activities that may be undertaken with CDBG funds; and
- The proposed projects under consideration by Worcester County

The Maryland Community Development Block Grant (CDBG) Program is a federally funded program designed to assist governments with activities directed toward neighborhood and housing revitalization, economic development, and improved community facilities and services. It is administered by the Department of Housing and Community Development.

The Maryland CDBG Program reflects the State's economic and community development priorities and provides public funds for activities which meet one of the following national objectives, in accordance with the Housing Community Development Act of 1974, as amended, that:

1. benefit low and moderate income persons and households;
2. aid in the prevention or elimination of slums or blight;
3. meet other community development needs of an urgent nature, or that are an immediate threat to community health and welfare.

Efforts will be made to accommodate the disabled and non-English speaking residents with 5 days' advance notice to Kelly Shannahan at 410-632-1194.

Chief Executive Officer of Worcester County

PART B

PROJECT NEED/IMPACT: Describe the need for the proposed project. Include statistics and other documentation supporting the described need. How will the project make an impact on the described need?

The 2014 A.L.I.C.E. study conducted in Maryland by the United Way offers a snapshot of the economic conditions in Worcester County, which in turn speaks to the need for the housing rehabilitation services that our Program provides. The study documents that, in general, one of the consequences of living below the A.L.I.C.E. threshold is that families in this category are forced to live in substandard housing.¹ To further define the need, the study found that 10% of the households in Worcester County are below poverty level and 21% are below the A.L.I.C.E. income threshold. This translates to 31% total or 6,352 households in Worcester County that have insufficient disposable income after meeting their basic survival needs to budget for items such as home repairs.²

Past studies of the housing conditions in Worcester County corroborate the parallel the A.L.I.C.E. study draws between income level and housing conditions. A study of substandard housing in Worcester County conducted by Dr. Marvin Tossey of the Center for Family and Community Life, identified a total of 278 houses classified as substandard. 63 of these dwellings were found to be occupied; the balance were assumed to be vacant or abandoned.³ An additional 65 to 70 housing units were judged to be marginal in relationship to the standards of this survey as they "fell just below the cutoff score for inclusion."⁴

Dr. Tossey's team was able to gain access to 38 of the 63 identified substandard houses to conduct in-depth interviews to obtain socio-economic data for inclusion in the study. The results of these interviews clearly show that the occupants themselves have insufficient incomes to fund the needed repairs to their homes. The findings revealed that 52.6% of the households were categorized as extremely low income, 31.6% were low income, and the balance of 15.8% households were of moderate income.⁵ This information may be extrapolated to infer that all of the 133 identified substandard and marginal units fall within the low to moderate income parameters of the CDBG program, thus all would be eligible to receive grant funding.

Another indicator of the need for outside funding is the estimated present value of

¹ See attached p. 3, United Way ALICE Report-Maryland

² See attached p. 166, United Way ALICE Report-Maryland

³ See attached Table 9, Page 19 Worcester County Substandard Housing Study 2004, Dr. Marvin Tossey

⁴ See attached Pages 19-21 Worcester County Substandard Housing Study 2004, Dr. Marvin Tossey

⁵ See attached Table 27, page 33 Worcester County Substandard Housing Study 2004, Dr. Marvin Tossey

the substandard homes. The surveyor determined that 33.0% of the units were valued below \$30,000 and 46.4% were valued between \$30,000 and \$75,000.⁶ These values indicate that even if the households had available discretionary income to make home equity loan payments, the value of the homes would in most cases be insufficient for a private lender to consider financing rehabilitation.

Additionally, since the judgment for classification as substandard was made in regard to the outside appearance of the homes, three areas of need for rehabilitation were not encompassed within the study: well replacement, septic system replacement, and lead abatement. As all three situations present health hazards, they are of priority consideration for funding under our Program guidelines. The Worcester County Department of Environmental Programs issues permits for an average of 54 replacements of failed septic systems per year and 91 replacement wells per year. As we remain largely a rural county, there will be an ongoing need for well and septic system funding in the interest of the welfare of each individual family and the community in general.

The 2017 American Community Survey identified 2,725 of the owner-occupied housing units in Worcester County to be of pre-1980 construction, placing a large number of Worcester County residents at risk for lead paint exposure. Lead abatement work has become a significant cost to the projects that our Program undertakes, accounting for 36% of the total rehabilitation cost per project. These units are additionally far below the standards of the 2012 Energy Code. As energy costs continue to rise, residents in less efficient homes would benefit from the HVAC, insulation and window and door upgrades that are incorporated into each of our general rehabilitation projects.

At this point in time, the Worcester County Housing Rehabilitation Program has successfully rehabilitated 298 homes. Continuing to offer rehabilitation services on the basis of our aging housing stock and the economic status of the residents will have a direct positive impact on the living conditions of our residents.

⁶ See attached Table 12, Page 24 Worcester County Substandard Housing Study 2004, Dr. Marvin Tossey

Project Description
Worcester County Housing Rehabilitation Program

Worcester County is seeking Community Development Block Grant funding to support the continuation of our county-wide housing rehabilitation program. Since the creation of this program in 1987, the County has not wavered in its dedication to providing the financial and administrative support necessary to ensure the betterment of living conditions for the residents of the County.

The requested CDBG monies will be leveraged with the State Special Loans Program, USDA Rural Development, Shore-Up!, Inc., and both the State and Federal Lead Hazard Grant and Loan Programs to achieve general rehabilitation and lead abatement of 18 owner-occupied homes. Additionally, a portion of the funding will be used for relocation of families unable to live in their homes during lead abatement, as well as to cover the expenses associated with lead clearance testing following completion of the affected rehabilitation projects.

The Worcester County Housing Rehabilitation Program gives priority consideration to the disabled, those over the age of 62, households of extremely low income, and dwelling conditions that present health or safety hazards. Upon notification of a grant award from the State, the Worcester County Housing Review Board will review all qualified applications based on the above parameters and approve 18 projects for grant and loan funding. Projects approved by the Board will be referred to the County Commissioners for review and bid solicitation. Successful bidders will then be approved by the Commissioners on the basis of the fairness of the bid price and expected construction timelines. Grantees will then sign a construction contract and grant agreement and/or promissory note outlining the terms of assistance being offered upon receipt of a successful project bid. Once these closing documents are signed, an Order to Proceed will be issued to the contractor authorizing construction start.

During the construction process, periodic inspections will be performed by the Program Inspector to ensure that all work conforms to code and is of good quality. Progress payments are made to the contractor based upon the inspector's review and approval of all completed work. Final payments are not issued until the inspector, homeowner and program administrator sign the final request. For projects that require lead abatement measures, a passing lead clearance test must be submitted along with the request for final payment.

TEL: 410-632-3110
FAX: 410-632-3158
E-MAIL: tourism@co.worcester.md.us



9

LISA CHALLENGER
DIRECTOR

DEPARTMENT OF
TOURISM

Worcester County

104 WEST MARKET STREET
SNOW HILL, MARYLAND
21863

February 13, 2019

Copy: Kim Reynolds ✓

To: Harold Higgins, CAO

From: Lisa Challenger, Director *LC*
Worcester County Tourism

Re: Maryland Tourism Development Board (MTDB)
FY19 County Cooperative Marketing Grant

Attached are three copies of the MTDB Marketing Grant Agreement. Our award for FY19 is \$140,607, with an increase of \$37,676 over previous year.

Each year, Worcester County Tourism receives a grant from the state for advertising and marketing for the County. The grant is based on a formula that takes into consideration the level of county advertising expenditures and the performance of tourism tax revenues. We spend almost 100% of the grant on advertising in print, online, and TV/Cable, both in and out of the market.

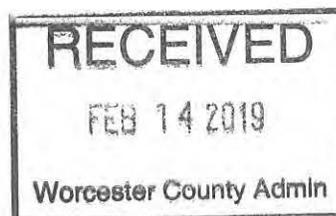
The grant amount varies each year due to the level of the state grant pool and depending on levels of advertising expenditures in all other counties in Maryland.

In order to access the grant funds, please sign all three (3) copies of the attached grant and return to me. The grant agreement must be signed and returned to the MD Office of Tourism before March 21, 2019.

Thank you,

LC:TB

Attachments



**MARYLAND DEPARTMENT OF COMMERCE
MARYLAND TOURISM DEVELOPMENT BOARD**

**FY 2019 DESTINATION MARKETING ORGANIZATION
GRANT AGREEMENT**

THIS GRANT AGREEMENT (“Agreement”) is made between the Department of Commerce (“Commerce” or the “Department”), a principal department of the State of Maryland (the “State”), acting through the Maryland Tourism Development Board (“MTDB”), an agency of the Department, the County Commissioners of Worcester County, Maryland (“Grantee”) whose Federal Identification Number is 52-6001064.

RECITALS

A. Grantee has requested grant assistance from MTDB in order to undertake activities consistent with Section 4-202 of the Economic Development Article of the Maryland Code, which establishes as MTDB’s mission: “To guide, stimulate, and promote the coordinated, efficient, and beneficial development of travel and tourism in the State so that the State can derive the economic, social, and cultural benefits of travel and tourism to the fullest extent possible.”

B. Consistent with Sections 4-212, 4-213 and 4-214 of the Economic Development Article of the Maryland Code, which require MTDB to: develop an annual marketing plan; encourage, assist, and coordinate the tourism activities of local and regional promotional organizations; and spend funds for the assistance and development of tourism and travel industries in the State, MTDB has developed a policy to support financially those political subdivisions that have presented viable marketing plans that are consistent with the State’s annual tourism marketing plan. Section 4-214 further provides that the MTDB “shall set policies for spending money on tourism advertising, written and graphic materials, cooperative and matching promotional programs, and other tourism and travel developmental and promotional activities for the State; spend money of the Fund to plan, advertise, promote, assist, and develop the tourism and travel industries in the State; and beginning in Fiscal Year 2011, provide grants of not less than \$2,500,000 in total each fiscal year to destination marketing organizations for the purpose of attracting visitors to the State.”

C. MTDB has approved the award of funding assistance to Grantee, to be expended by Grantee in accordance with this Agreement and the MTDB FY 2019 Destination Marketing Organization Grant Guidelines, attached hereto and incorporated herein as Exhibit A.

THEREFORE, IN CONSIDERATION of the foregoing and the mutual promises and covenants contained in this Agreement, MTDB and Grantee agree as follows:

1. Grant. MTDB agrees to provide Grantee with funds in an amount not to exceed One Hundred Forty Thousand Six Hundred Seven Dollars (\$140,607.00) (the “Grant” or “Grant Funds”), subject to the availability of funds for such purpose.
 - a) Grant Formula: MTDB has awarded the Grant based on Grantee’s FY 2018 Qualifying Expenditures, 7.10% growth of FY 2018 Qualifying Expenditures over same expenditures in FY 2017, 1.04 % growth of FY 2018 Comptroller-determined lodging tax revenues over the three year average same tax revenues collected in FY 2016 – FY 2018.
 - b) Grant Term: The Agreement is in effect from January 1, 2019 to June 30, 2019.
 - c) Grantee will participate in the annual Tourism Economic Impact Report for the State of Maryland and Maryland’s DMO’s.
2. Purpose. Grantee may use the Grant only for the purposes and in the manner set forth in its 2019 Destination Marketing Organization Marketing Questionnaire, attached hereto and incorporated herein as Exhibit B.
3. Guidelines. Execution of this Agreement by Grantee shall bind Grantee to all terms and conditions set forth in Exhibit A.
4. Disbursement.

a) Allowable Expenditures will be reimbursed at a rate of either 100% or 50% as described in Exhibit B. Any expenditure not explicitly identified in these guidelines is ineligible for reimbursement. OTD shall have the right to review and reject any expenditure deemed in its sole discretion to be ineligible.

b) Grantee must submit all reimbursement requests no later than July 16, 2019. Disbursements of Grant Funds are subject to the continuing availability of funds for such purpose, the State's fiscal position, the Department's financial resources, and compliance with all applicable laws. The Department may, at any time, assess the State's fiscal position and the Department's financial resources and reduce the amount of undisbursed Grant funds. If Grantee is a nonprofit entity under Section 501(c)(3), (4) or (6) of the Internal Revenue Code, the Grant Funds may be applied toward indirect costs in accordance with Section 2-208 of the State Finance and Procurement Article, Annotated Code of Maryland. Grantee shall report any Grant Funds applied to indirect costs in funding requests and financial reports submitted to Commerce.

5. Notices. All notices, requests, and consents made pursuant to this Agreement must be in writing or via email. Any communication is effective when mailed, first-class postage prepaid, as follows:

a) Submit Grant Agreement with Exhibits A, B (completed) and C (when applicable) to:

Liz Fitzsimmons, Executive Director
Maryland Tourism Development Board
Office of Tourism Development
401 E. Pratt Street, 14th Floor
Baltimore, MD 21202

b) Submit all other applicable correspondence, including but not limited to advertising creative approval requests, to:

Ms. Marci Wolff Ross, Assistant Director for Tourism Development
Maryland Office of Tourism Development
401 East Pratt Street, 14th Floor
Baltimore, MD 21202
TEL: 410.767.6286
EMAIL: marci.ross@maryland.gov

c) Submit copies of all other applicable correspondence, including but not limited to advertising creative approval requests and hard copy Reimbursement Request Forms, invoices, ad creative and other required proof of performance to:

Mr. Peter Cento
Maryland Office of Tourism Development
401 East Pratt Street, 14th Floor
Baltimore, MD 21202
TEL: 410.767.6295
EMAIL: peter.cento@maryland.gov

d) Communications to Grantee:

Lisa Challenger
Director
Worcester County Tourism
104 West Market Street
Snow Hill, MD 21863
410-632-3110
lchallenger@co.worcester.md.us

6. Amendment. This Agreement may be amended only by a written instrument executed by both parties.

7. Maryland Law. This Agreement shall be construed, interpreted, and enforced in accordance with the laws of the State of Maryland.

8. Political Contributions.

a) Grantee shall not use any Grant Funds to make contributions: to any persons who hold, or are candidates for, elected office; to any political party, organization, or action committee; or in connection with any political campaign or referendum.

b) If in any fiscal year ending during the term of this Agreement Grantee derives more than 50% of its operating funds from State funding, it shall not contribute any money or thing of value: to any persons who hold, or are candidates for, elected office; to any political party, organization, or action committee; or in connection with any political campaign or referendum.

9. Entire Agreement. This Agreement, together with the Exhibits attached to this Agreement and incorporated by reference, represents the complete and final understanding of the parties. No other understanding or representations, oral or written, regarding the subject matter of this Agreement may be deemed to exist or to bind the parties at the time of execution.

WITNESS/ATTEST:

GRANTEE:

By: _____
(Signature)

By: _____
(Signature)

(Typed Name)

(Printed Name)

(Title)

WITNESS:

MARYLAND TOURISM DEVELOPMENT BOARD:

By: _____

(Printed Name/Title)

Date: _____

Approved for form and legal sufficiency by:

_____, Assistant Attorney General

- Attachments: Exhibit A: FY 2019 DMO Grant Guidelines
- Exhibit B: 2019 Destination Marketing Organization Marketing Questionnaire
- Exhibit C: Application Affidavit, if applicable

The Commissioners met with Ocean City Mayor Rick Meehan and Communications Manager Jessica Waters to discuss their FY19 grant requests from the County. Mayor Meehan thanked the Commissioners for supporting Senate Bill 1058/House Bill 1135 Renewable Energy - Offshore Wind Projects - Distance Requirements, and SB 872/HB 1406 Vehicle Laws - Special Event Zones - Worcester County. He also thanked them for the opportunity today to discuss the town's annual grant request, which includes a 5% increase or \$121,598 increase in the unrestricted grant, which has only been increased by \$22,000 over the past five years, to provide relief for Ocean City taxpayers for services provided by Worcester County in the town. He reviewed other grant requests as well, including a \$100,000 increase in Tourism Marketing for a total of \$400,000, Recreation for \$100,000, the Convention Bureau for \$50,000, and the Park and Ride for \$80,000. He thanked the Commissioners for providing funding of \$172,000 in FY18 to cover half the cost for handheld radios for volunteer firefighters, and he asked for a grant of \$600,000 over the next two years to fund half of a \$1.2 million project brought forward by Ocean City Engineer Terry McGean to secure the boardwalk from unauthorized vehicular access. In total, the Town of Ocean City requests \$22,414,438 in funding from the County in FY19.

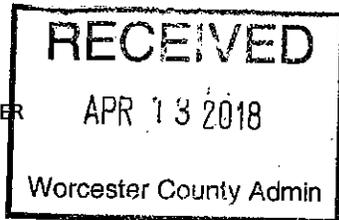
Mayor Meehan outlined plans for the two-phase special project, which is necessitated by recent vehicle attacks carried out nationally and internationally that resulted in multiple civilian injuries and fatalities. He stated that the project to secure the boardwalk, the town's most prominent gathering place, will include installing temporary barriers to the boardwalk's current open vehicles access points prior to Memorial Day in time for the 2018 summer season, with permanent barriers and gates to be in place for the 2019 season. He stated that, while it is impossible to prepare for every act of violence, the town is striving to be better prepared to head off or respond to the unexpected. He then discussed the purpose for requesting an increase in the annual tourism grant to help increase the town's outreach by directing visitors to ococean.com, where they can learn about shops, restaurants, and recreational opportunities in Ocean City and the surrounding towns and reserve hotel rooms in either Ocean City or West Ocean City (WOC), where room tax receipts have increased substantially for the County. He stated that millions visit this website every year, and town officials recognize that the site is responsible for driving visitors to Ocean City, as well as Assateague Island, Berlin, Snow Hill, and Pocomoke. He also asked the Commissioners to drop the requirement to include the County tourism website on any outreach materials funded with the County tourism marketing grant. He stated that this requirements essentially restricts the use of these funds to print materials, which isn't where their market is shopping for vacation experiences. Furthermore, including two websites in advertisements confuses viewers, potentially driving them away from the town's website, which is an economic generator where visitors book hotel rooms and make other travel arrangements.

TEL: 410.632.3110
FAX: 410.632.3158
lisac@co.worcester.md.us



INFO ✓

LISA CHALLENGER
DIRECTOR



DEPARTMENT OF
TOURISM

Copy: Kathy Whitel ✓

Worcester County

104 WEST MARKET STREET
SNOW HILL, MARYLAND
21863

April 13, 2018

To: Harold Higgins, CAO
Fr: Lisa Challenger, Director 
Re: County/Ocean City Tourism Marketing Grant

This memo is in response to your request following the County Commissioners' meeting of March 20, 2018 at which Ocean City Mayor Rick Meehan requested that the Commissioners consider removing the requirement of Ocean City to reference the County Tourism website whenever they use pass-through advertising funds from the County. For background, I'd like to briefly summarize the creation of the current pass through of marketing funds from our department to Ocean City Tourism and how it came about.

Many years ago Gerald Mason and I determined that if the County increased our advertising spend, we would receive an increase in state marketing grant funds. In order to increase the County advertising budget, we earmarked \$270,000 of the annual funding to Ocean City which they used for advertising, and created a pass-through from the County to the Town of Ocean City. The Town of Ocean City received the same level of funding, but the County could now claim that funding to increase the basis upon which our annual Tourism Marketing Grant was calculated by the State. As a result, we received an additional \$60,000 in our Tourism Marketing Grant the following year.

As part of the pass-through grant requirements, and because these grants are derived from County funds, we stipulated that a reference to the County website must be included on all advertising purchased with county funds. This requirement applies to all towns which utilize the County's tourism marketing pass-through grant, not just Ocean City.

Going forward, in order for the County to continue receiving the same level of State Tourism Marketing Grant funds, we must continue the pass through arrangement. Honestly, I believe that the current process works quite well. Presently, my office receives invoices from Ocean City's advertising agency, MGH, for Ocean City advertising and we pay the bill. Furthermore, Ocean City has largely spent the bulk of their pass-through funds on billboards which are considered print advertising and therefore qualify as an eligible expense under the State Tourism Marketing Grant. Since they would likely be purchasing

outdoor advertising anyway, the County requirements have not previously seemed like a significant burden.

However, with respect to the Mayor's request, provided that we continue the pass-through arrangement to cover Ocean City's qualifying expenses under the State Tourism Marketing Grant, it would not be overly detrimental to the County if the Commissioners lifted the requirement of Ocean City to reference the County Tourism website whenever they use pass-through advertising funds from the County.

TEL: 410-632-3110
FAX: 410-632-3158
E-MAIL: tourism@co.worcester.md.us



10

LISA CHALLENGER
DIRECTOR



DEPARTMENT OF
TOURISM

Worcester County

104 WEST MARKET STREET
SNOW HILL, MARYLAND
21863

March 13, 2019

To: Harold Higgins, CAO
From: Lisa Challenger, Director
Worcester County Tourism
Re: Social Media Services

copy: Kathy White ✓
Maureen Howarth ✓
Stacey Norton ✓

I am requesting that the County enter into a twelve month professional services contract with Unscene Productions in lieu of hiring a Social Media Coordinator.

Mark Huey was the part time Social Media Coordinator from August 15, 2016 - March 31, 2018 and resigned for a full time position. The incumbents in this position continue to leave once they secure full time employment.

Unscene Productions will work 20 hours a week at \$18.31 an hour and will bill the county \$4,670.75 quarterly for a total of \$19,042.40 annually.

The Social Media Coordinator position was budgeted for \$19,042.40.

Outsourcing this work will provide consistency and will save the county \$3,238.45 as we won't have to pay Maryland State Retirement, FICA, Social Security, Worker's Compensation, and Unemployment Insurance.

Thank you for your consideration in this matter.

LC:TB



Unscene Productions
PO Box 5102
Ocean City, MD 21843

Social Media Proposal For: Worcester County Tourism



Unscene Productions is pleased to provide Worcester County Tourism with the following social media proposal. The intent of the proposal is to deliver a complete social media and integrated marketing solution designed to improve results as well as customer loyalty and engagement.

Unscene Productions will provide social media consulting and services in the following areas:

1. General Analysis and social marketing consulting.
2. Social media strategy and execution.
3. Daily social media management.

Effective use of social media marketing is to build community, conversations and relationships with your audience. Through consultation with Worcester County Tourism, Unscene Productions will help further build your brand through the following:

1. Create a social content calendar.
2. Manage postings on Facebook - a minimum of 1 per day.
3. Manage postings on Twitter - a minimum of 1 per day.
4. Manage postings on Instagram - a minimum of 1 per day.
5. Manage postings on Pinterest - a minimum of 1 per day.
6. Manage video uploads on YouTube - a minimum of 1 per month.

Terms:

This is a 1 Year agreement that executes the above outlined consulting services. Work will be performed not to exceed 20 hours per week at an hourly rate of \$ 18.31 and billed quarterly at \$4760.75. Posts will never include inappropriate language or images. Content will be approved through weekly meetings when outlining the editorial calendar. Worcester County reserves the right to terminate the contract for any reason and at any time. The parties hereto do hereby agree that Unscene Productions is an independent contractor in its performance of its obligations hereunder. Accordingly, Unscene Productions shall be responsible for the payment of all taxes including, without limitation, Federal, State and Local taxes, State Income Tax, Social Security Tax, Unemployment Insurance Tax and all other taxes or business license fees as required arising out of Unscene Productions' performance hereof. Unscene Productions specifically agrees that to the extent required by law, they shall carry Workers' Compensation Insurance in statutory required amounts and Liability Insurance.

The undersigned parties have executed this agreement thereby making it effective:

County Commissioners of Worcester County

Unscene Productions

Signed: _____

Signed: _____

Title: _____

Title: _____

Date: _____

Date: _____



Worcester County

HEALTH DEPARTMENT

P.O. Box 249 • Snow Hill, Maryland 21863-0249
www.worcesterhealth.org

Snow Hill (Main Office)
410-632-1100
Fax 410-632-0906

11

Rebecca L. Jones, RN, BSN, MSN
Health Officer

Memorandum

Date: March 12, 2019

To: Harold Higgins, Chief Administrative Officer
CC: Kelly Shannahan, Assistant Chief Administrative Officer
Office of the County Commissioners

From: Rebecca Jones, Health Officer *(Signature)*
CC: Heather Barton, Director of Administrative Services *WB*
Jodi Conway, Administrative Officer
Worcester County Health Department

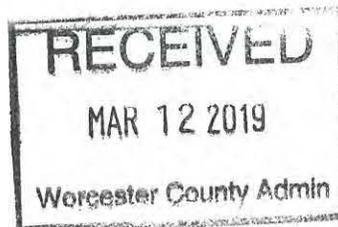
Re: Worcester County Health Department –Lease Agreement for Environmental
Health Condominium

The Health Department is requesting the Commissioners to waive the bid process and approve the enclosed lease agreement for \$15,420 with Triple D Rentals, LLC for the condominium located at 12 43rd Street (Unit 5) in the town of Ocean City, Worcester County, Maryland, 21842. We have rented from Triple D Rentals, LLC the past three years and had a very good experience. There is no increase in the lease agreement. The cost will be paid out of the health department funds.

We did go through the bid process as requested three years ago and had no responses.

Environmental Health uses the condo to house sanitarians that come from across the state to help during the busy tourist season in Ocean City. This program has been in existence since 2003 and has been very successful.

Thank you for your consideration.



Year Round Lease Agreement

This Agreement of Lease, made this 1st day of June in the year 2019 by and between Triple D Rentals, LLC, hereinafter called "Landlord" and **COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND** for the use of the **WORCESTER COUNTY HEALTH DEPARTMENT**, hereinafter called "Tenant," witnesseth:

1. **Lease of Premises.** Landlord does hereby lease unto Tenant and Tenant agrees to rent from Landlord **12 43rd STREET UNIT #5 OCEAN CITY, WORCESTER COUNTY, MARYLAND 21842.**
2. **Term-Time of Essence.** The term of this Lease is to begin on the **1st DAY OF June 2019 and terminates on the 31st DAY OF May 2020** at which time Tenant shall yield and surrender said rented premises to the Landlord, unless this Lease Agreement is sooner terminated upon its terms.
3. **Rental.** The rental amount for the Lease period shall be **FIFTEEN THOUSAND FOUR HUNDRED TWENTY DOLLARS (\$15,420.00)**, which includes cable and electric charges, shall be due and payable as follows: \$1,285 a month due on the first of the month starting June 1, 2019. The check shall be made payable to:

**Triple D Rentals, LLC
9040 WORCESTER HIGHWAY, BERLIN, MD 21811**

Tenant shall not be responsible for any condominium association fees, personal property taxes or real property taxes.

4. **Right of Entry and Repossession.** If the rent and/or any changes, payments, expenses, or costs herein reserved, included or agreed to be paid by Tenant shall remain unpaid on any day when the same ought to be paid, Landlord, and its option, may make a service charge for the purpose of defraying the expenses equal to 5% of the amount due and unpaid. If the said rent or any portion thereof shall be in arrears or unpaid or any covenant of this Lease be breached and remain breached for a period of ten (10) days, the Landlord, its successors or assignees, may take such legal action available to it to regain the premises. Landlord shall have all rights afforded by the Laws of the State of Maryland. Landlord, or any of its agents, shall have the right to enter said premises during all reasonable hours to examine the same or to make such repairs, preservation thereof, or of said building, or to examine said premises and to put or keep upon the doors or windows thereof a notice "For Rent" at any time within 30 days before the expiration of this Lease. Said right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations of additions which do not conform to this Agreement.

5. **Use/Condition.** The premises will be used by the Tenant for a residence only for various Worcester County Health Department uses. Tenant agrees to keep the premises in a clean, sanitary, neat and presentable condition to the satisfaction of Landlord and Landlord shall be the sole judge of the condition. Maximum of 4 tenants at a time at the property.
6. **Regulations and Insurance.** Tenant shall promptly execute and comply with all statues, ordinances, rules, and orders, regulations and requirements of the Federal, State, County, and City governments and of any and all their departments and bureaus, applicable abatement of nuisance or other grievances in, upon or connected with said premises, during said term and shall promptly comply with and execute all rules, orders, and regulations of the Maryland State Underwriters Association for the prevention of fires, at Tenant's own cost and expense.
7. **Liability Insurance and Indemnification of Landlord.** Tenant shall not be required to provide fire insurance. Tenant, at all times, will indemnify and keep harmless Landlord from all losses, damage, liabilities, and expenses, to the extent permitted by law and the limitations of the Maryland Local Government Tort Claim Act, which may arise or be claimed against Landlord and be In favor of any persons, firm, or corporation, consequent upon or arising from the use or occupancy of said premises by Tenant (its agents, servants, employees, licensees, customers or invitees) or consequent upon or arising upon Tenant's failure to comply with the aforesaid laws, statues, ordinances or regulations. Landlord shall not be liable to Tenant for any damages, losses or injuries to the person or property of Tenant which may be caused by the acts, neglect, omissions, or faults of the Tenant, his agents, servants, employees, licensees, customers or invitees, for any injuries or damages that arose about or upon said premises. Tenant's obligation to hold harmless, defend and indemnify Landlord hereunder shall only be to the extent of Tenant's present insurance coverages. Batteries are to be kept in smoke detectors. If Tenant removes or fails to replace batteries, this Lease will be terminated.
8. **Limitation on Actions against Tenant.** Nothing in this Lease nor any agreement or any amendment to it shall constitute or be construed as a waiver of whatever immunities or limitations of liability that the Tenant may have in accordance with law, including public general law or public local law. No money judgment exceeding the actual amount of rent owed by Tenant under this Lease may be obtained by Landlord. No action may be brought with respect to this Lease other than in the appropriate State court in Worcester County, Maryland. Landlord hereby consents and agrees to such provision and further waives Landlord's right to jury trial in any action relation to this Lease. Landlord's liability under this Lease shall be in no way limited. Tenant entered into this Lease in the capacity stated. No individual elected County Commissioner, contractor, employee, agent or servant of Tenant shall have any personal liability hereunder. Any indemnity herein or arising out of this Agreement, on the part of the Tenant, shall be only to the extent permitted by law and shall be subject to the non-waiver of immunity, limitations of liability and all other provisions of this section.

9. **Repair.** Tenant agrees that any repairs to the premises necessitated by action of the Tenant, shall be paid for by the Tenant and Tenant agrees to make prompt payment of any amounts due for such repairs, upon being notified of such amounts by Landlord.
10. **Waiver.** No waiver of any condition or covenant of this Lease by landlord shall be deemed to imply or constitute a further waiver by Landlord of any condition or covenant of this Lease. The rights and remedies created by this Lease are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another. Acceptance by Landlord of due rent shall in no way constitute waiver or release or any provisions hereof.
11. **Notice.** Any and all notices required or permitted to be provided hereunder shall be in writing and shall be delivered (addressed as follows) by United States certified mail, postage prepaid, return receipt requested:

Tenant:
County Commissioners of Worcester County, Maryland
One West Market Street, Room 1103
Snow Hill, MD 21863

Landlord:
Triple D Rentals, LLC
Attention: John C. Derrickson II
9040 WORCESTER HIGHWAY, BERLIN, MD 21811

12. **Annual Budget.** Tenant's liability under or arising out of this Agreement shall be subject to annual budget appropriation and strictly conditioned thereon.

TENANT DOES HEREBY AGREE AS FOLLOWS:

- A. If Tenant exceeds \$200.00 per month for electric charges, Tenant is responsible for the remainder of the electric bill.
- B. No security deposit has been placed by Tenant. If there is damage or if the unit needs to be cleaned after Tenant vacates the property, Tenant will be held responsible.
- C. That he will use premises for residence only and will not allow any part thereof to be used for any unlawful purpose, in and noisy, boisterous or other offensive manner.
- D. That he will give Landlord Immediate notice of any defects or breakage in the structure, equipment or fixture of said premises, and will allow Landlord to have access to said premises at any time for the purpose of repair, protection, and inspection and maintenance.
- E. That he will NOT keep any live birds or animals of any description in said premises.
- F. That he will, at his expense, maintain and preserve in good order the interior.
- G. That no equipment shall be installed that requires alterations of, or additions to, the physical structure, electrical system, or plumbing of the premises, including without limitation, washing machines, dryers, garbage disposals, dishwashers, and air

conditioning units.

- H. That he will not make decorations, alterations, additions or improvements of any sort.
- I. That he will have premises thoroughly cleaned at the termination and prior to surrender of possession.
- J. That he will not drive nails into the walls of said premises or in any manner deface or injure the walls, refrigerator, plumbing fixtures, floors, cabinets, or woodwork.
- K. **TENANTS UNDERSTAND THAT NO SMOKING IS PERMITTED IN THIS PROPERTY.**

ADDITIONALLY:

TENANT shall notify Landlord, of their intention to renew this Lease or to vacate the property, sixty (60) days prior to the end of this Lease. If no notification is received by Landlord within thirty (30) days of the ending date of this Lease, the Lease will automatically terminate on the last day of said Lease. **There will be no automatic month-to month extension.**

FURNISHINGS are provided gratuitously and if there is damage caused by the Tenant, the repair or replacement would be responsibility of the Tenant. If something breaks due to normal wear and tear, the Landlord may in his discretion repair, replace, or remove the item. If the Landlord removes the item he has no obligation to replace it. Televisions shall be considered furnishings.

IN WITNESS WHEREOF, the parties have executed this Lease all as of the day and year first herein written.

LANDLORD:



Triple D Rentals, LLC
John C. Derrickson II

TENANT:

County Commissioners of Worcester County, Maryland

Diana Purnell, President

Attest:

Harold L. Higgins, Chief Administrative Officer



Worcester County

HEALTH DEPARTMENT

P.O. Box 249 • Snow Hill, Maryland 21863-0249
www.worcesterhealth.org

12

Rebecca L. Jones, RN, BSN, MSN
Health Officer

Snow Hill (Main Office)
410-632-1100
Fax 410-632-0906

Memorandum

Date: March 12, 2019

To: Harold Higgins, Chief Administrative Officer
CC: Kelly Shannahan, Assistant Chief Administrative Officer
Office of the County Commissioners

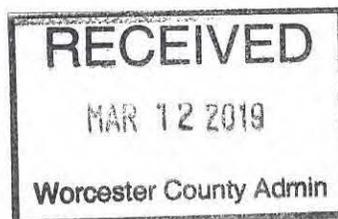
From: Rebecca Jones, Health Officer *RJ*
CC: Heather Barton, Director of Administrative Services *HB*
Jodi Conway, Administrative Officer
Worcester County Health Department

Re: Worcester County Health Department –Cleaning Contract for Environmental Health Condo

The Health Department would like to request approval from the Commissioners to waive the bid process and continue to use OC Solutions LLC to clean the Environmental Health condominium. As you will see in the attached service agreement, their fee is \$61.20 per cleaning, which is the same price as the pricing in FY19. We have used OC Solutions since 2009 and have been pleased with their quality of work. We have attached the service agreement for your review.

If you have any questions, please feel free to let me know.

Thank you for your consideration.



O. C. Solutions
P. O. Box 633
Ocean City, Maryland 21843

Telephone 410-289-6626
Fax 410-873-3252
E-mail johnbassjr@ocsolutions.org
Tax ID #475526545

SERVICE AGREEMENT

This Agreement between O. C. Solutions, LLC, herein after referred to as the Contractor, and the County Commissioners of Worcester County, Maryland, Lessee of unit # 5 building name 12 43rd Street is for the June 1, 2019 through May 31, 2020.

For the sum of \$61.20 per cleaning, paid on a monthly basis, fifteen (15) days within receipt of invoice. Any past due balances are subject to a finance charge of 2% per month. Contractor will provide the following services:

1. Complete cleaning of bathrooms and kitchen area.
2. Sweeping and/or mopping of tile/vinyl floors.
3. Dusting of furniture and vacuuming of carpet.
4. Washing of sliding doors easily accessible, weather permitting.
5. Removal of ALL food left in refrigerator and kitchen cabinets.
6. Removal of all trash, old papers, etc. from unit.
7. Place trashcan liners inside trashcans.
8. Sweeping or vacuuming balconies, weather permitting.
9. Making beds with bedspreads and pillows, as needed.

The Contractor will provide cleaning supplies, vacuum and labor. The Lessee will provide a broom, dustpan, mop, and bucket.

Cleaning crews start promptly at 10:00 am and have until 6:00 pm to complete cleaning. They generally finish by 3:00 pm, however particularly heavy vacation weeks, causing traffic tie ups, could make them run later. The Lessee agrees to request his tenants vacate the property no later than 10:00 am and not check in until after 3:00 pm.

If, for any reason, the cleaning crew arrives to clean your property and is not allowed into the unit to do their job, the Lessee agrees to being billed a turn away fee of \$25.00. Should the unit be left in extremely bad condition and takes an abnormal time to clean and requires additional service to put it back in shape, the Contractor shall contact Lessee immediately for direction.

NOTE: If we do not have keys already - Lessee to mail 2 sets of keys to OC Solutions, P O Box 633, OC, MD 21843

PLEASE COMPLETE THE FOLLOWING FOR OUR RECORDS:

NAME: County Commissioners of Worcester
County, Maryland

BUILDING NAME: 12 43rd Street
UNIT # OF PROPERTY: 5

ADDRESS: One West Market Street, Room 1330 Snow Hill MD 21863

PROPERTY ADDRESS: 12 43rd Street, Ocean City, Maryland 21842

HOME PHONE N/A

PROPERTY PHONE _____

WORK PHONE _____

(circle one) Is Your Property a **CONDOMINIUM**,

CELL PHONE _____

TOWNHOUSE, HOUSE or MOBILE HOME?

E-MAIL ADDRESS _____

HOW MANY STORIES IS YOUR UNIT? 3

RENTAL AGENCY: Triple D Rentals

NO. OF BEDROOMS (INCLUDE DENS & LOFTS) 2

AGENCY PHONE: _____

NO. OF FULL & HALF BATHROOMS 1

DO YOU HAVE ANY SPECIALTY ITEMS IN YOUR PROPERTY – answer yes or no to each

Mirrored wall(s) No, Where N/A Pergo\wood flooring Yes Where: everywhere but the kitchen and bath

Tiled floors in areas other then kitchen and baths No Where N/A

MAY WE USE YOU AS A REFERENCE FOR NEW CLIENTS? Yes

MAY WE E-MAIL YOUR INVOICES TO YOU? Yes

CLEANING DATES AS FOLLOWS: (schedule changes MUST be made 48 hrs. in advance)

Owner agrees to schedule at least four cleanings during the months of June through September.

Fill in any dates you know at this time, changes can be made via telephone, fax, e-mail or mail.

MAY 5/26/19

AUG 8/4/19, 8/11/19, 8/18/19, 8/25/19

JUNE 6/2/19, 6/09/19, 6/16/19, 6/23/19, 6/30/19

SEPT 9/1/19, 9/8/19, 9/15/19

JULY 7/7/19, 7/14/19, 7/21/19, 7/28/19

OCT _____

Lessee's SIGNATURE DATE

John A. Bars 3-4-19
O.C. SOLUTIONS LLC MANAGER DATE

TEL: 410-632-1194
FAX: 410-632-3131
E-MAIL: admin@co.worcester.md.us
WEB: www.co.worcester.md.us



13

HAROLD L. HIGGINS, CPA
CHIEF ADMINISTRATIVE OFFICER
MAUREEN F.L. HOWARTH
COUNTY ATTORNEY

COMMISSIONERS
DIANA PURNELL, PRESIDENT
JOSEPH M. MITRECIC, VICE PRESIDENT
ANTHONY W. BERTINO, JR.
MADISON J. BUNTING, JR.
JAMES C. CHURCH
THEODORE J. ELDER
JOSHUA C. NORDSTROM

OFFICE OF THE
COUNTY COMMISSIONERS

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET • ROOM 1103
SNOW HILL, MARYLAND
21863-1195

March 11, 2019

To: Harold Higgins, Chief Administrative Officer

From: Kim Reynolds, Senior Budget Accountant 

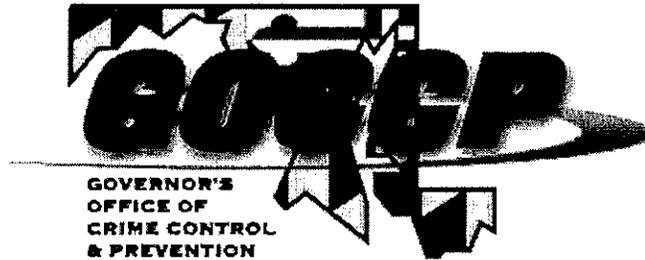
Subject: Heroin Coordinator Position – 2020 Grant Application

Attached is the FY2020 Grant Application for the Heroin Coordinator Position. The Worcester County Sheriff's office is applying for personnel grant funding of this position for a fourth year through the Governor's Office of Crime, Control and Prevention in the amount of \$50,615.00 which is level funding. This grant will allow the Worcester County Criminal Enforcement Team to maintain the coordination of entering all necessary data for drug investigations, drug seizures, drug arrests, heroin and opioid overdoses and other drug-related investigation activities.

Heroin Coordinator Grant Program - 2020 (MCIN-Her)

Applicant: Worcester County Board of County Commissioners

Grant Application Form



Governor's Office of Crime Control and Prevention

Submitted: 3/11/2019

Governor's Office of Crime Control and Prevention
100 Community Place, 1st Floor Crownsville, MD
21032-2042 (410) 697-9338
Email: dinfo_goccp@maryland.gov

www.goccp.maryland.gov
Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

Application Contents

- | | |
|---|---|
| <input checked="" type="checkbox"/> Cover Sheet | <input checked="" type="checkbox"/> Civil Rights |
| <input checked="" type="checkbox"/> Face Sheet | <input checked="" type="checkbox"/> Service Sites |
| <input checked="" type="checkbox"/> Summary / Narrative | <input checked="" type="checkbox"/> Assurances |
| <input checked="" type="checkbox"/> Budget Summary | <input checked="" type="checkbox"/> Anti-Lobbying |
| <input checked="" type="checkbox"/> Personnel | <input type="checkbox"/> Services |
| <input type="checkbox"/> Operating | <input type="checkbox"/> Equipment |
| <input type="checkbox"/> Travel | <input type="checkbox"/> Other |

Date Stamp:	OFFICE USE ONLY	
	Control Number: 	Application Number: 2019-MC-0001
	Received By:	Date:

Project Summary

The Worcester County Heroin Coordinator Program helps reduce existing gaps in services and fosters collaboration and cooperation among partner agencies and stakeholders in Worcester County. The current grant awarded Heroin Coordinator position is embedded in the Criminal Enforcement Team, the jurisdiction's Drug Task Force. This person has entered data related to drug investigations, drug seizures, drug arrests, heroin/opioid overdoses and other drug related investigative activities into HIDTA's Case Explorer. This person has regularly entered telephone records into the HIDTA Communication Analysis Portal (CAP). This person has regularly participated in various enforcement activities with the Criminal Enforcement Team related to the distribution of illegal narcotics including heroin and other opioids. The coordinator position has served all the jurisdictions of Worcester County. The budget for the continuation of the project will cover the personnel expenses and training required of the position.

Problem Statement/Needs Justification

In 2015, the Criminal Enforcement Team conducted a total of 152 investigations and of those 63 were related to heroin. In the same time period there were 93 arrests made and of those 51 were heroin related. In 2016, there were 79 investigations conducted with 42 of those related to heroin. In 2016, there were at least 28 arrests of which, 13 were related to heroin. In 2017, the county had an increase in heroin overdoses with almost the same number of fatalities from 2016. In 2017, CET conducted a three month joint local, state and federal investigation into a Selbyville, Delaware open air drug marketplace that was identified as supplying 96% of the heroin to Worcester County. The Heroin Coordinator was instrumental in assisting and gathering information and intelligence prior to and during the investigation of this matter, including telephone analysis. These investigations, arrests and responses to non-fatal and fatal overdoses are conducted by the narcotics task force for the county, which includes only 7 officers in total, and do not include figures from the Ocean City Narcotics Unit as they run independently in their jurisdiction. There are also 4 other municipal law enforcement agencies within the county that may conduct small scale drug investigations and complete arrests that are not included in these figures.

The Criminal Enforcement Team and Ocean City Narcotics Unit have investigated 229 total overdoses for 2015-present.

In 2017 and 2018, this has included 25 fatal heroin/opioid overdoses. The majority of these overdoses were due in full or part to Fentanyl intoxication. While the overall overdose numbers were trending downward in 2018, to date in 2019, Worcester County has had more non-fatal and fatal overdoses than any other county on Maryland's Eastern Shore. In 2018, there were 54 arrests made in Worcester County related to heroin investigations. With the addition of the Heroin Coordinator, as a result of the previously awarded grant, the totality of the non-fatal and fatal overdose case reporting has been completely brought up to date and any new overdoses or appropriate case work is entered into HIDTA's Case Explorer system in a timely and complete manner. The Heroin Coordinator position has been active in community outreach efforts and participates in law enforcement liaison working groups, school groups, community groups and public health working groups. The current onboard heroin coordinator participates in the Worcester County Drug Overdose Fatality Review Team, the Worcester County Opioid Intervention Team (OIT), the Worcester County State's Attorney Opioid Task Force, the Lower Eastern Shore Law Enforcement Association and Mid-Atlantic Gang Investigators Network, both of which are law enforcement intelligence sharing groups and a Worcester County community group known as the Worcester Warriors Against Opiate Addiction. In 2017, the Heroin Coordinator provided a presentation on the dangers of illicit Fentanyl to attendees of the Worcester Warriors Community Group. Some of those in attendance included, now Maryland State Senator Mary Beth Carozza, former Executive Director Clay Stamp of the Opioid Operational Command Center, former Worcester County State's Attorney and now Worcester County Circuit Court Judge Beau Oglesby, Worcester County Emergency Manager Fred Webster and Ocean City Emergency Manager Joe Theobald, among others. In March 2018, the Worcester County Heroin Coordinator was a featured presenter at the Annual State of Maryland Critical Intervention Team Conference held in Ocean City, Maryland. The Heroin Coordinator has established liaison with representatives from Atlantic General Hospital, in which education was provided about heroin stamps. In May 2018, the Worcester County Heroin Coordinator attended and participated in a roundtable discussion regarding cooperative efforts between hospital officials and law enforcement. The Delaware State Police Sussex Drug Unit contacted the Heroin Coordinator for assistance and the coordinator was able to identify the subscribers to two telephone numbers who were suspected in the distribution of heroin that led to a fatal overdose. The Heroin Coordinator established and maintains regular communication with the Ocean City Police Department Criminal analyst about fatal and non-fatal overdoses, suspected substances involved and trends in heroin and other illegal narcotics as seen by investigators. The Heroin Coordinator was trained in the use of the NCR-LinX national data base, which has been utilized to further the investigative activities of the Criminal Enforcement Team.

In October 2018, the Heroin Coordinator attended the National Association of Drug Diversion Investigators Conference in Norfolk, Virginia. The information learned at the conference was shared with members of the Criminal Enforcement Team. The Heroin Coordinator provided information to both HIDTA and GOCCP about particular Heroin stamps that were associated with multiple overdoses for wider regional dissemination. In May 2018, the Washington-Baltimore HIDTA issued an intelligence bulletin based upon information provided to them about a potentially lethal heroin/fentanyl stamp from the Worcester County Heroin Coordinator. The Heroin Coordinator assisted the Sergeant of the Criminal Enforcement Team in establishing a Naloxone acquisition and distribution program within the Worcester County Sheriff's Office. The coordinator scheduled training with the Health Department for Worcester County Deputies and members of other law enforcement officers who are assigned to the Criminal Enforcement Team. The coordinator also ensured each person who has been trained, received a voucher to receive a Naloxone kit. The coordinator continues to manage the Naloxone education and distribution program for the Worcester County Sheriff's Office. In 2017, the Heroin Coordinator

assisted the Sergeant and Corporal of the Criminal Enforcement Team in the training of law enforcement officers from Maryland's Natural Resource Police, who are assigned to duty in the Counties of Worcester, Wicomico and Somerset on Maryland's Eastern Shore. The Heroin Coordinator was invited to and participated in a panel discussion held by the Worcester County Health Department. In 2017, the Heroin Coordinator assisted in the writing and other administrative activities associated in obtaining a State of Maryland grant in the amount of \$15,000.00 to be used for the production and airing of public service announcements for the purpose of education and prevention in battling the current opioid crisis. In 2018, the Heroin Coordinator assisted the CET Sergeant in writing a threat assessment for Worcester County that was presented to a Washington-Baltimore HIDTA review group as the basis for attempting to obtain the designation of Worcester County as a High Intensity Drug Trafficking Area. Worcester County was not selected for this designation at the time but the Heroin Coordinator has updated the threat assessment for 2019 for submission to HIDTA in 2019. The Heroin Coordinator will continue to be tasked with community outreach and liaison activities to the providers of rescue assistance (EMS, hospitals and municipal LEOs) to obtain an accurate accounting of the non-fatal overdoses within the county. The Heroin Coordinator will continue to participate in the Worcester County Drug Overdose Fatality Review Team, the Opioid Intervention Team, the State's Attorney's Opioid Task Force and all of the other entities that were previously mentioned, while continuing to conduct liaison and outreach efforts with other stake holders within the community. This position will continue to serve as the central repository for information required to be placed into HIDTA's Case Explorer and to facilitate the data extraction from all seized cellular phones involved in drug investigations countywide. The position will also act as a point of reference from HIDTA and/or the Criminal Enforcement Team to the Health Department for treatment referral for those persons who have been identified as having experienced multiple heroin and/or opioid overdoses. The addition of the Heroin Coordinator has alleviated the time and administrative demands associated with many of the aforementioned duties previously experienced by members of the Criminal Enforcement Team. Prior to the hiring of the heroin coordinator position, members of the Criminal Enforcement Team had been attempting to manage these demands but without the additional personnel it had become unmanageable given the magnitude of the heroin and opioid epidemic. Additionally, the State's Attorney for Worcester County was able to successfully prosecute a criminal defendant in May 2016 for manslaughter and CDS distribution after the distribution of heroin by the defendant lead to an overdose death. The Criminal Enforcement Team was the lead agency regarding the investigation and arrest of this individual. It is a goal of this project to enhance the prosecutorial capabilities by being able to more accurately investigate these matters and manage the data provided by cellular phones and information obtained at crime scenes. With the introduction of Fentanyl into the already deadly opioid crisis, the Heroin Coordinator position will continue to be able to track overdoses and stamps associated with this narcotic and provide education and training to members of the Criminal Enforcement Team and other stake holders about this narcotic. Through the already established liaison and community connections, the Heroin Coordinator can continue to provide timely information to HIDTA and GOCCP about regional trends and Worcester County trends seen regarding overdoses and the substances associated with those incidents. The Heroin Coordinator will continue to enter information and intelligence into the HIDTA Case Explorer system about emerging and current drug information, gang activity and other pertinent criminal activity.

Program Goals and Objectives

- Goal- To increase public safety by addressing the heroin and opioid epidemic through accurate data analysis throughout Worcester County.
 - Objective- Enter 100% of available data (drug investigations, arrests, and overdoses) into Case Explorer for dissemination of all drug-related information to HIDTA.
 - Performance measure- number of cases entered into Case Explorer
 - Objective- Perform data mapping, on a monthly basis, of investigations and overdoses within the county to identify patterns and trends
 - Performance measure- number monthly mapping updates provided to Criminal Enforcement team members and other necessary law enforcement persons or agencies.
- Goal- To increase information sharing capabilities on all drug investigations, seizures, arrests, overdoses to improve intelligence sharing and prosecutorial actions.

- Objective- Seizure of all cellular phones at the crime scene of a criminal investigation as it relates to opioids.
 - Performance measure- number of phones seized at crime scenes

- Objective- Use CELLEBRITE, or other extracting software, to retrieve data from seized cellular phones
 - Performance Measure- number of phones with data extracted

- Objective- Examine all overdoses as a crime scene to obtain information that may be used for prosecutorial purposes
 - Performance Measure- number of crime scenes investigated
 - Performance Measure- number of cases prosecuted as a result of seized phones or overdoses tracked.

- Goal- To enhance information sharing across Worcester County to accurately track non-fatal opioid overdoses countywide
 - Objective- Conduct outreach within all County agencies and entities that treat overdose patients (hospital, emergency medical services, municipal law enforcement, and Ocean City Police Department Narcotics Unit) within first 30 days of program activation.
 - Performance measure- number of outreach meetings held

 - Objective- Conduct outreach with the Public Health Entity, Worcester County Health Department, to obtain referral information for provision to the subjects of a non-fatal overdose
 - Performance measure- number of meetings held with Worcester County Health Department behavioral health treatment division
 - Performance measure- number of referrals provided to subjects of non-fatal overdose

Program Strategy/Program Logic

The Criminal Enforcement Team had been sporadically utilizing HIDTA's Case Explorer, but the amount of time devoted to the data capturing had become unmanageable without a dedicated staff person for the task. Officers have also been trained in the use of forensic software, including Cellebrite, for the extraction of cellular phone data, but the demands exceeded the capability. The hiring of the Heroin Coordinator position has led to the timely and complete reporting of both fatal and non-fatal overdoses as well as the timely entry and analysis of seized cellular telephones. Having the Heroin Coordinator position embedded within the Criminal Enforcement Team, to handle many of the reporting and administrative duties, has allowed the investigators within the unit to maintain focus on their investigative and enforcement activities. The Worcester County Sheriff's Office seeks to retain the current position of Heroin Coordinator for Fiscal Year 2020. The Sergeant of the Criminal Enforcement Team is the lead person on this project and responsible for working with the County Commissioners and county Human Resource Department to ensure retention of this position within the time frame established herein. The lead on this project will work with all county entities to ensure proper procurement and personnel processes are followed. If funds are approved, the current Heroin Coordinator will be retained and continue in the uninterrupted prescribed duties of the position. Any training for this staff person will be coordinated by the project lead and will be conducted before the end of the first quarter of the grant period. The individual currently in the heroin coordinator position already received the pertinent training for the position during the first grant award time frame.

Spending Plan

Personnel costs will be expended evenly in each fiscal quarter. Any additional training costs will be exhausted by the end of the first fiscal quarter.

Management Capabilities

The Criminal Enforcement Team has the most experience within the jurisdiction at managing narcotics investigations and the data analysis required within this program. The unit is currently comprised of seven investigators from the Worcester County Sheriff's Office, Maryland State Police, Pocomoke Police Department and Ocean City Police Department, some of which are cross designated with Homeland Security Investigations in order to receive Federal authority. The Criminal Enforcement Team falls under the auspices of the Worcester County Sheriff's Office and primarily conducts felony controlled dangerous substance investigations. The Criminal Enforcement Team utilizes covert and overt personnel to conduct these controlled dangerous substance investigations. The types of controlled dangerous substance investigations that are conducted range from street level distribution investigations to Title III, telephonic intercept investigations. The Criminal Enforcement Team also utilizes various methods of technology to assist in these investigation, including a Cellebrite mobile forensic extraction device. There are currently two investigators that are certified to utilize the Cellebrite device. The device has become integral part of controlled dangerous substance investigations, specifically overdose investigations. Recognizing that the Cellebrite device has some limitations, specifically with password protected android devices, two members of the Criminal Enforcement Team have also completed and received certification to utilize "JTAG" and "CHIP-OFF" extraction methods. These methods are utilized to extract data from cellular telephone directly from "Flash" of the cellular telephone, bypassing locking mechanisms on the cellular telephone. This method will often garner deleted information on a cellular telephone as well. Due to the rarity of this resource, the Criminal Enforcement Team has provided, and continues to provide, this resource to numerous agencies in the region, including the Maryland State Police Homicide Unit. Due to the success with information obtained utilizing the Cellebrite universal forensic extraction device, numerous felony controlled dangerous substance cases were successfully prosecuted, some of which were heroin distribution investigations that stemmed from an overdose. The Criminal Enforcement Team initiated response protocols in 2013 for overdose investigations. Each overdose that occurs, members of the Criminal Enforcement Team will respond when notified in order to further that investigation and also conduct forensic extractions on all cellular telephones that are recovered on any overdose scene.

Present Staff: Project Director-

Sergeant Nathaniel J. Passwaters has over twenty years of law enforcement experience. During those 20 years, Sergeant N. Passwaters has been involved and assigned in a drug enforcement capacity for approximately sixteen of those years. In 2002, Sergeant N. Passwaters accepted a position with the Worcester County Sheriff's Office and was assigned to a drug enforcement unit. In 2008, Sergeant Passwaters became a vital asset in developing the Worcester County Criminal Enforcement Team which is commonly referred to as the Drug Task Force. Since January of 2008, Sergeant N. Passwaters has been the Commander of the Worcester County Criminal Enforcement Team and currently oversees all overt and covert operations and investigations within Worcester County regarding drug enforcement. Sergeant Passwaters is also currently cross designated with Homeland Security Investigations and has been recognized as an expert witness in various courts in Maryland regarding felony controlled dangerous substance investigations. Sergeant N. Passwaters also conducts outreach presentations with various organizations throughout Worcester County regarding the dangers of heroin and opioids.

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Key Consultant- State's Attorney for Worcester County Kristin Heiser.

After receiving a Bachelor of Arts in Criminology and Criminal Justice from the University of Maryland – College Park, Heiser obtained her Juris Doctor from the University of Maryland School of Law. She was admitted to practice in December of 2007 and was soon thereafter appointed as an Assistant State's Attorney for Worcester County. She began handling a wide variety of cases and was assigned as liaison between the State's Attorney's Office and law enforcement agencies on policy matters. In 2011, she accepted a position as an ASA in Wicomico County, to gain a wider breadth of experience handling more difficult cases and managing the District Court Division. She was responsible for the hiring, training and supervision of all new prosecutors in Wicomico County until 2018, when she was successful in her bid to become the State's Attorney for Worcester County, Maryland. She was sworn in as State's Attorney on January 7, 2019 and is now responsible for performing such duties as defined by the Maryland Constitution. These duties include overseeing all divisions of the Office of The State's Attorney and ensuring that each case is handled with the attention and care that justice demands. SA Heiser serves on several committees (both community and law enforcement) including the Drug and Alcohol Council and the Opioid Awareness Task Force.

Senior Budget Accountant for Worcester County, Kim Reynolds - Received a Bachelor degree in Accounting from LaSalle University in Philadelphia, PA. Worked for a CPA firm before joining the Worcester County Government Staff in 2007. Kim has budget and grant experience assisting many departments in Worcester County with grant applications, quarterly financials and audit compliance over the past twelve years.

Requested Personnel- Heroin Coordinator

A fulltime staff position, with the duties described herein as a Heroin Coordinator, reporting to the Project Director. This position is currently funded. The position will continue to be responsible for entering all drug investigations, drug seizures, drug arrests, heroin and opioid overdoses, and other drug-related investigative activities into HIDTA's Case Explorer, as well as assist with law enforcement drug-related cellular phone extract uploads into HIDTA's CAP. The Heroin Coordinator will also conduct in-home analyses to further examine overdoses for prosecutorial purposes.

Sustainability

The Worcester County Sheriff's Office will seek Federal, State, County, and Local resources to continue this program after the grant period ends. The Office will work with other local enforcement agencies to identify resources and sources of funding that may be available. One time purchases require no additional resources and will be fully funded in this application.

Person Completing the Project Narrative

SGT. Nate Passwaters

Criminal Enforcement Team

Worcester County Sheriff Office

410-632-1111

npasswaters@co.worcester.md.us



Control Number:

2019-MC-0001

Project Budget

A. Budget Summary

	Grant Funds	Cash Match	In-Kind Match	Total Award
Personnel	\$50,615.00	\$0.00	\$0.00	\$50,615.00
Operating Expenses	\$0.00	\$0.00	\$0.00	\$0.00
Travel	\$0.00	\$0.00	\$0.00	\$0.00
Contractual Services	\$0.00	\$0.00	\$0.00	\$0.00
Equipment	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	\$50,615.00	\$0.00	\$0.00	\$50,615.00



	Description of Position	Priority	Salary Type	Funding Type	Total
1	Heroin Coordinator	1	Salary	Grant Funds	\$42,620.00
2	Heroin Coordinator	2	Fringe	Grant Funds	\$7,995.00
					\$50,615.00

1. Annual salary for the Heroin Coordinator salary

$\$22.18 \times 40 \times 52 = \$46,134$

There is level funding for the Heroin Coordinator grant, therefore Worcester County Government will provide an In-Kind Match for the Cost of Living and Steps over the past two fiscal years in the amount of \$3,514.00

A full time staff position spends 100% of his time on the program and is responsible for enter all drug investigations, drug seizures, drug arrests, heroin and opioid overdoses, and other drug-related investigative activities into HIDTA's Case Explorer, as well as assist with law enforcement drug-related cellular phone extract uploads into HIDTA's CAP. The Heroin Coordinator will also conduct in-home analyses to further examine overdoses for prosecutorial purposes.

2. Fringe = 18.76% of level funded salary.

Worcester County Government will provide an In-Kind match of the remaining fringe for this position.



Control Number:

2019-MC-0001

V. Civil Rights Requirements

1. Civil rights contact person: Norton, Stacey - Director of Human Resources
2. Organization: Worcester County Board of County Commissioners
3. Address: County Government Center
Room 1103
One West Market Street
Snow Hill, MD 21863
4. Telephone Number: (410) 632-0090
5. Number of persons employed by the organization unit responsible for implementation of this grant: 13

Project Service Sites

Site 1

Service Site	Worcester County
Apt. Suite, No. Street	
City	
State & Zip	MD



Certified Assurances

THE APPLICANT HEREBY ASSURES AND CERTIFIES THE FOLLOWING:

- 1. That Federal funds made available under this formula grant will not be used to supplant State or local funds, but will be used to increase the amounts of such funds that would, in the absence of Federal Funds, be made available for program activities.
- 2. That matching funds required to pay the non-Federal portion of the cost of each project, for which grant funds are made available, shall be in addition to funds that would otherwise be made available for program activities by the recipient of the grant funds and shall be provided as required in the Grant Award document.
- 3. That following the first year covered by a Grant Award and each year thereafter, a performance evaluation and assessment report will be submitted to the Governor's Office of Crime Control & Prevention.
- 4. That fund accounting, auditing, monitoring, evaluation procedures and such records as the Governor's Office of Crime Control & Prevention shall prescribe to and shall be provided to assure fiscal control, proper management and efficient disbursement of funds received.
- 5. That the Grantee shall maintain such data and information and submit such reports in such form, at such times, and containing such information as the Governor's Office of Crime Control & Prevention may reasonably require to administer the program.
- 6. Sub-recipients will comply (and will require any sub-grantees or contractors to comply) with any applicable statutorily-imposed nondiscrimination requirements, which may include the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. § 3789d); the Victims of Crime Act (42 U.S.C. § 10604 (e)); the Juvenile Justice and Delinquency Prevention Act of 2002 (42 U.S.C. § 5672(b)); the Civil Rights Act of 1964 (42 U.S.C. § 2000(d)); the Rehabilitation Act of 1973 (29 U.S.C. § 704); the Americans with Disabilities Act of 1990 (42 U.S.C. § 12131-34); the Education Amendments of 1972 (20 U.S.C. § 1681, 1683, 1685-86); the Age Discrimination Act of 1975 (42 U.S.C. § 6101-07); and the Department of Justice (DOJ's) Equal Treatment Regulations (28 C.F.R. pt. 38).
- 7. That in the event a Federal or state court or administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, sex, or disability against the Grantee, a copy of the finding will be forwarded to the Governor's Office of Crime Control & Prevention.
- 8. Sub-recipients that are governmental or for-profit entities, that have fifty or more employees and that receive a single award of \$500,000 or more under the Safe Streets Act or other Department of Justice (DOJ) program statutes are required to submit their Equal Employment Opportunity Plan (EEO) to the federal Office of Civil Rights (OCR). The sub-recipients are not required to submit a copy to the Governor's Office of Crime Control & Prevention (GOCCP), but must have a copy available on site for monitoring purposes. Those sub-recipients that are subject to the OCR's EEO Certification Form may access this form at: <http://www.ojp.usdoj.gov/about/ocr/eoop.htm>.
- 9. That the Grantee will comply with all provisions set forth in the Governor's Office of Crime Control & Prevention's General <http://www.goccp.maryland.gov/grants/general-conditions.php> and Special Conditions.
- 10. That the Grantee will comply with the provisions of 28 CFR applicable to grants and cooperative agreement.
- 11. Sub-recipients are obligated to provide services to Limited English Proficient (LEP) individuals. Refer to the DOJ's Guidance Document. To access this document see U.S. Department of Justice, Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (67 Federal Regulation 41455 (2002)). This regulation may be accessed at: <http://www.archives.gov/eo/laws/title-vi.html>

CERTIFICATION: I certify that this program will comply with the provisions set forth by the State of Maryland and the Governor's Office of Crime Control and Prevention.

Signature of Authorized Official

Date

Purnell, Diana - President

Name and Title

Certification Regarding Lobbying



Control Number:

2019-MC-0001



U.S. DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS
OFFICE OF THE COMPTROLLER

CERTIFICATIONS REGARDING LOBBYING; DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under 28 CFR Part 69, "New Restrictions on Lobbying" and 28 CFR Part 67, "Government-wide Debarment and Suspension (Non-procurement) and Government-wide Requirements for Drug-Free Workplace (Grants)." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Justice determines to award the covered transaction, grant, or cooperative agreement.

1. LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 28 CFR Part 69, for persons entering into a grant or cooperative agreement over \$100,000, as defined at 28 CFR Part 69, the applicant certifies that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions;

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts under grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (DIRECT RECIPIENT)

As required by Executive Order 12549, Debarment and Suspension, and implemented at 28 CFR Part 67, for prospective participants in primary covered transactions, as defined at 28 CFR Part 67, Section 67.510 -

A. The applicant certifies that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with

obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted or otherwise criminally or civilly charged by a Government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph. (1) (b) of this certification; and

(d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminate for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

3. DRUG-FREE WORKPLACE (GRANTEES OTHER THAN INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 28 CFR Part 67, Subpart F, for grantees, as defined at 28 CFR Part 67, Sections 67.615 and 67.620 -

A. The applicant certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an on-going drug-free awareness program to inform employees about -

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;



Control Number:

2019-MC-0001

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will –

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency, in writing, within 10 calendar days after having received notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to: Director, Grants and Contracts Service, U.S. Department of Education, 400 Maryland Avenue, S.W. (Room 312A, GSA Regional Office Building No. 3), Washington DC 20202-4571. Notice shall include the identification number(s) of each affected grant.

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted –

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code)

Check ___ if there are workplaces on file that are not identified here.

Section 67, 630 of the regulations provides that a grantee that is a State may elect to make one certification in each Federal fiscal year. A copy of which should be included with each application for Department of Justice funding. States and State agencies may elect to use OJP Form 4061/7.

Check ___ if the State has elected to complete OJP Form 4061/7.

**DRUG-FREE WORKPLACE
(GRANTEES WHO ARE INDIVIDUALS)**

As required by the Drug-Free Workplace Act of 1988, and implemented at 28 CFR Part 67, Subpart F, for grantees, as defined at 28 CFR Part 67, Sections 67.615 and 67.620 –

As a condition of the grant, I certify that I will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant; and

B. If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, I will report the conviction, in writing, within 10 calendar days of the conviction, to: Department of Justice, Office of Justice Programs, ATTN: Control Desk, 633 Indiana Avenue, N.W., Washington, D.C. 20531.

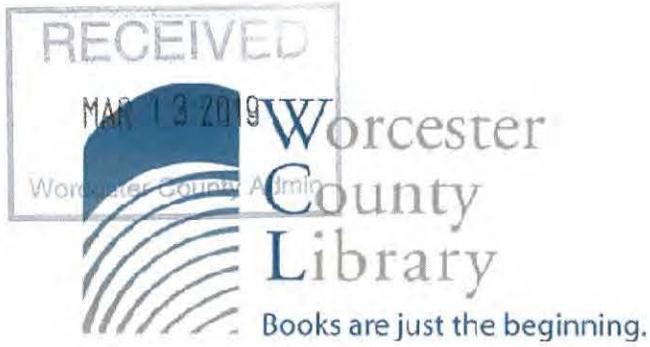
As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certifications.

Applicant: Worcester County Board of County Commissioners
Address: County Government Center
Room 1103
One West Market Street
Snow Hill, MD 21863

Project Title: Heroin Coordinator Grant
Federal ID Number: 52-6001064

Authorized Representative: Purnell, Diana - President

Signature: _____
Signature of Authorized Official Date



14

To: Harold Higgins
From: Jennifer Ranck JK
Date: March 13, 2019
Re: FY 19 Budget Reallocation

I am requesting approval of a budget reallocation to purchase new audio visual shelving for the Ocean City Branch Library. The current pullout shelving system is starting to fail creating a safety concern. Enclosed are three options for new shelving units. The library would like to select Option #2 for \$19,247.32. The current library budget has funds available in two accounts (6100.090 and 6130.030) to cover the purchase cost.

P.3

Thank you for your consideration.

REVIEWED Kathy White
Worcester County Budget Officer

1

WCPL - OCEAN CITY LIBRARY - DVD Sloped Shelves OPT1

Sold To:
WORCESTER CO PUBLIC LIBRARY
307 N WASHINGTON ST

SNOW HILL, MD 21863

Ship to:
OCEAN CITY PUBLIC LIBRARY
10003 COASTAL HIGHWAY

OCEAN CITY, MD 21842

* Priced by Toni Candia - tcandia@douron.com : Douron, Inc.
* Pricing based on MAPT Contract #2015-42
* If paying by credit card, please add 2.5% to the total price.

Item	Qty.	Product	Tag	Unit	Extended
1	1	MON LOT	OPTION 1	List: \$10,924.00	\$10,924.00
		 SLOPED SHELVING UNITS		Contract Discount %:	32.50000
		* (5) SF 30"W X 58"H X 10"D- SLOPED SHELVING UNIT		Sell: \$7,373.70	\$7,373.70
		* (11) SF 36"W X 58"H X 10"D- SLOPED SHELVING UNIT			
		* (6) DF 36"W X 49"H X 10"D- SLOPED SHELVING UNIT			
		* COLOR: CHARCOAL GREY			
2	1	LIA LOT	OPTION 1	List: \$12,501.00	\$12,501.00
		 CANOPY TOPS & END PANELS		Contract Discount %:	45.50000
		EP-DV-60_12.5 (2) END PANEL DEVERUAX: 60"H X 12-1/2"D		Sell: \$6,813.05	\$6,813.05
		CT-XX-12.375_168.3125 (1) CUSTOM CONTINUOUS TOP: 12-3/8"D X 168-5/16"L			
		EP-DV-60_12.5 (2) END PANEL DEVERAUX: 60"H X 12-1/2"D			
		CT-XX-12.375_72.125 (1) CUSTOM CONTINUOUS TOP: 12-3/8"D X 72-1/8"L			
		EP-DV-60_12.5 (2) END PANEL DEVERAUX: 60"H X 12-1/2"D			
		CT-XX-12.375_36.0625 (1) CUSTOM CONTINUOUS TOP: 12-3/8"D X 36-1/16"L			
		EP-DV-60_12.5 (2) END PANEL DEVERAUX: 60"H X 12-1/2"D			
		CT-XX-12.375_180.3125 (1) CUSTOM CONTINUOUS TOP: 12-3/8"D X 180-5/16"L			
		EP-DV-60_12.5 (6) END PANEL DEVERAUX: 60"H X 12-1/2"D			
		CT-XX-12.375_30.0625 (3) CUSTOM CONTINUOUS TOP: 12-3/8"D X 30-1/16"L			
		EP-DV-5223 (2) END PANEL DEVERAUX: 52"H X 23"D			
		CT-XX-22.625_108.1875 (1) CUSTOM CONTINUOUS TOP: 22-5/8"D X 108-3/16"L			
		EP-DV-5223 (2) END PANEL DEVERAUX: 52"H X 23"D			
		CT-XX-22.625_108.1875 (1) CUSTOM CONTINUOUS TOP: 22-5/8"D X 108-3/16"L			
		* WOOD FINISH: TBD			
		* LAMINATE: TBD			
		* TOP EDGE: TBD			
3	1	DOU INSTALLATION		List: \$2,280.00	\$2,280.00
		 DOURON TO INSTALL SHELVING UNITS		Contract Discount %:	-0.00000
				Sell: \$2,280.00	\$2,280.00
				Total:	\$16,466.75

Signature: _____

Date: _____

Signing above indicates you have reviewed the above quote and accept it. Items will be ordered as per the quote, so please make sure the items are what you want. All standard Douron terms and conditions apply, as well as payment terms related to this specific account. Signee is responsible for any applicable sales taxes, whether quoted or not. This quote is valid for 30 days.

WCPL - OCEAN CITY LIBRARY -DVD Sloped&Draw Shelves OPT2

Sold To:
 WORCESTER CO PUBLIC LIBRARY
 307 N WASHINGTON ST
 SNOW HILL, MD 21863

Ship to:
 OCEAN CITY PUBLIC LIBRARY
 10003 COASTAL HIGHWAY
 OCEAN CITY, MD 21842

* Priced by Toni Candia - tcandia@douron.com : Douron, Inc.
 * Pricing based on MAPT Contract #2015-42
 * If paying by credit card, please add 2.5% to the total price.

Item	Qty.	Product	Tag	Unit	Extended
1	1	MON LOT	OPTION 2	List: \$13,948.00	\$13,948.00
		SLOPED SHELVING UNITS & 2 DRAWER UNITS		Contract Discount %:	32.50000
		* (5) SF 30"W X 58"H X 10"D- SLOPED SHELVING UNIT		Sell: \$9,414.90	\$9,414.90
		* (11) SF 36"W X 58"H X 10"D- SLOPED SHELVING UNIT			
		* (2) DF 36"W X 49"H X 11"D- DRAWER SHELVING UNIT			
		* (4) DF 36"W X 49"H X 11"D- SLOPED SHELVING UNIT			
		* COLOR: CHARCOAL GREY			
2	1	LIA LOT	OPTION 2	List: \$13,087.00	\$13,087.00
		CANOPY TOPS & END PANELS		Contract Discount %:	45.50000
		EP-DV-60_12.5 (2) END PANEL DEVERUAX: 60"H X 12-1/2"D		Sell: \$7,132.42	\$7,132.42
		CT-XX-12.375_168.3125 (1) CUSTOM CONTINUOUS TOP: 12-3/8"D X 168-5/16"L			
		EP-DV-60_12.5 (2) END PANEL DEVERAUX: 60"H X 12-1/2"D			
		CT-XX-12.375_72.125 (1) CUSTOM CONTINUOUS TOP: 12-3/8"D X 72-1/8"L			
		EP-DV-60_12.5 (2) END PANEL DEVERAUX: 60"H X 12-1/2"D			
		CT-XX-12.375_36.0625 (1) CUSTOM CONTINUOUS TOP: 12-3/8"D X 36-1/16"L			
		EP-DV-60_12.5 (2) END PANEL DEVERAUX: 60"H X 12-1/2"D			
		CT-XX-12.375_180.3125 (1) CUSTOM CONTINUOUS TOP: 12-3/8"D X 180-5/16"L			
		EP-DV-60_12.5 (6) END PANEL DEVERAUX: 60"H X 12-1/2"D			
		CT-XX-12.375_30.0625 (3) CUSTOM CONTINUOUS TOP: 12-3/8"D X 30-1/16"L			
		EP-DV-5225 (2) END PANEL DEVERAUX: 52"H X 25"D			
		CT-XX-24.625_108.1875 (1) CUSTOM CONTINUOUS TOP: 24-5/8"D X 108-3/16"L			
		EP-DV-5225 (2) END PANEL DEVERAUX: 52"H X 25"D			
		CT-XX-24.625_108.1875 (1) CUSTOM CONTINUOUS TOP: 24-5/8"D X 108-3/16"L			
		* WOOD FINISH: TBD			
		* LAMINATE: TBD			
		* TOP EDGE: TBD			
3	1	DOU INSTALLATION		List: \$2,700.00	\$2,700.00
		DOURON TO INSTALL SHELVING UNITS		Contract Discount %:	0.00000
				Sell: \$2,700.00	\$2,700.00

Total: \$19,247.32

Signature: _____

Date: _____

Signing above indicates you have reviewed the above quote and accept it. Items will be ordered as per the quote, so please make sure the items are what you want. All standard Douron terms and conditions apply, as well as payment terms related to this specific account. Signee is responsible for any applicable sales taxes, whether quoted or not. This quote is valid for 30 days.

WCPL - OCEAN CITY LIBRARY -DVD Drawer Shelves OPT3

Sold To:
 WORCESTER CO PUBLIC LIBRARY
 307 N WASHINGTON ST

 SNOW HILL, MD 21863

Ship to:
 OCEAN CITY PUBLIC LIBRARY
 10003 COASTAL HIGHWAY

 OCEAN CITY, MD 21842

* Priced by Toni Candia - tcandia@douron.com : Douron, Inc.
 * Pricing based on MAPT Contract #2015-42
 * If paying by credit card, please add 2.5% to the total price.

Item	Qty.	Product	Tag	Unit	Extended
1	1	MON LOT	OPTION 1	List: \$46,666.00	\$46,666.00
		 SHELIVING UNITS WITH DRAWERS		Contract Discount %:	32.50000
		* (5) SF 30"W X 58"H X 11"D- DRAWER SHELIVING UNIT		Sell: \$31,499.55	\$31,499.55
		* (11) SF 36"W X 58"H X 11"D- DRAWER SHELIVING UNIT			
		* (6) DF 36"W X 49"H X 11"D- DRAWER SHELIVING UNIT			
		* COLOR: CHARCOAL GREY			
2	1	LIA LOT	OPTION 1	List: \$13,334.00	\$13,334.00
		 CANOPY TOPS & END PANELS		Contract Discount %:	45.50000
		EP-DV-60_13.5 (2) END PANEL DEVERUAX: 60"H X 13-1/2"D		Sell: \$7,267.03	\$7,267.03
		CT-XX-12.375_168.3125 (1) CUSTOM CONTINUOUS TOP: 13-3/8"D X 168-5/16"L			
		EP-DV-60_13.5 (2) END PANEL DEVERAUX: 60"H X 13-1/2"D			
		CT-XX-13.375_72.125 (1) CUSTOM CONTINUOUS TOP: 13-3/8"D X 72-1/8"L			
		EP-DV-60_13.5 (2) END PANEL DEVERAUX: 60"H X 13-1/2"D			
		CT-XX-13.375_36.0625 (1) CUSTOM CONTINUOUS TOP: 13-3/8"D X 36-1/16"L			
		EP-DV-60_13.5 (2) END PANEL DEVERAUX: 60"H X 13-1/2"D			
		CT-XX-12.375_180.3125 (1) CUSTOM CONTINUOUS TOP: 13-3/8"D X 180-5/16"L			
		EP-DV-60_13.5 (6) END PANEL DEVERAUX: 60"H X 13-1/2"D			
		CT-XX-13.375_30.0625 (3) CUSTOM CONTINUOUS TOP: 13-3/8"D X 30-1/16"L			
		EP-DV-5225 (2) END PANEL DEVERAUX: 52"H X 25"D			
		CT-XX-24.625_108.1875 (1) CUSTOM CONTINUOUS TOP: 24-5/8"D X 108-3/16"L			
		EP-DV-5225 (2) END PANEL DEVERAUX: 52"H X 25"D			
		CT-XX-24.625_108.1875 (1) CUSTOM CONTINUOUS TOP: 24-5/8"D X 108-3/16"L			
		* WOOD FINISH: TBD			
		* LAMINATE: TBD			
		* TOP EDGE: TBD			
3	1	DOU INSTALLATION		List: \$3,060.00	\$3,060.00
		 DOURON TO INSTALL SHELIVING UNITS		Contract Discount %:	-0.00000
				Sell: \$3,060.00	\$3,060.00
				Total:	\$41,826.58

Signature: _____

Date: _____

Signing above indicates you have reviewed the above quote and accept it. Items will be ordered as per the quote, so please make sure the items are what you want. All standard Douron terms and conditions apply, as well as payment terms related to this specific account. Signee is responsible for any applicable sales taxes, whether quoted or not. This quote is valid for 30 days.



15

HAROLD L. HIGGINS, CPA
CHIEF ADMINISTRATIVE OFFICER
MAUREEN F.L. HOWARTH
COUNTY ATTORNEY

COMMISSIONERS
DIANA PURNELL, PRESIDENT
JOSEPH M. MITRECIC, VICE PRESIDENT
ANTHONY W. BERTINO, JR.
MADISON J. BUNTING, JR.
JAMES C. CHURCH
THEODORE J. ELDER
JOSHUA C. NORDSTROM

OFFICE OF THE
COUNTY COMMISSIONERS

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET • ROOM 1103

SNOW HILL, MARYLAND

21863-1195

MEMORANDUM

TO: Worcester County Commissioners
FROM: Kim Moses, Public Information Officer
DATE: March 13, 2019
RE: Proposed nomination to Local Government Justice Reinvestment Commission

In June 2018, Angelina Guarino of the Governor's Office of Crime Control and Prevention requested the Commissioners appoint a representative from Worcester County to serve on the Local Government Justice Reinvestment Commission. At that time, County Administration informed Ms. Guarino that the Worcester County State's Attorney would be the most appropriate individual to represent the County on that commission and that the County Commissioners would consider appointing State's Attorney Kris Heiser to the commission after being sworn in.

I spoke with Ms. Heiser this week, and she is interested in serving on the commission. Therefore, I propose the Commissioners formally appoint Ms. Heiser to the Local Government Justice Reinvestment Commission. This commission consists of representatives chosen by each county's governing body and is tasked with making recommendations regarding grants to local governments and creating measures to assess the effectiveness of those grants.

Kim Moses

From: Kristin Heiser
Sent: Tuesday, March 12, 2019 2:02 PM
To: Kim Moses
Subject: RE: Seeking nomination for the Local Government Justice Reinvestment Commission

Thank you Kim. I'm happy to be named to the Commission. Please let me know if they require any additional information from me.

Thanks,
Kris

From: Kim Moses
Sent: Tuesday, March 12, 2019 12:55 PM
To: Kristin Heiser <kheiser@co.worcester.md.us>
Subject: Seeking nomination for the Local Government Justice Reinvestment Commission

Kris,

Last summer Angelina Guarino, senior director of Justice Reinvestment for the Governor's Office of Crime Control and Prevention, asked the Commissioners to nominate a new representative for Worcester County to the Local Government Justice Reinvestment Commission. At that time, we agreed that the Worcester County State's Attorney would be the most appropriate individual to represent the County on that commission and agreed to submit a name to Ms. Guarino after you were sworn into office. Would you like to serve on this Commission or appoint someone from your office to serve on it?

Thanks, Kim

Kim Moses
Public Information Officer
Worcester County Government
One West Market Street, Room 1103
Snow Hill, MD 21863
410-632-1194 (Work)
410-632-3131 (Fax)



From: Angelina Guarino -GOCCP- <angelina.guarino@maryland.gov>
Sent: Monday, February 25, 2019 3:18 PM
To: Kim Moses <kmoses@co.worcester.md.us>
Subject: Re: Local Government Justice Reinvestment Commission

Ms. Moses,

When last we spoke, Worcester county had named the State's Attorney to be the new JRA Local Board representative. We will be having our next meeting in May, and look forward to reaching out in advance to welcome new members and provide them some background resources on the Board's work. Do you have contact information for the new State's Attorney?



Angelina Guarino
Senior Director of Justice Reinvestment

Governor's Office of Crime Control and
Prevention

Angelina.guarino@maryland.gov
410-697-9385 (office)
443-824-7310 (cell)

On Thu, Jul 12, 2018 at 10:47 AM Kim Moses <kmoses@co.worcester.md.us> wrote:

Dear Ms. Guarino,

Thank you for reaching out to us. We feel that the Worcester County State's Attorney is the most appropriate individual to represent our county on the Local Government Justice Reinvestment Commission. During the primary election in June 2018, the voters elected a new State's Attorney for Worcester County, who will be sworn into office for the next four-year term on the first Monday in January 2019. At that time we will be honored to submit the name of that individual to fill this vacant seat.

If you have any questions or concerns regarding this matter, you are welcome to contact me.

With great regard,

Kim Moses

Public Information Officer

Worcester County Government

One West Market Street, Room 1103

Snow Hill, MD 21863

410-632-1194 (Work)

410-632-3131 (Fax)

From: Angelina Guarino -GOCCP- [<mailto:angelina.guarino@maryland.gov>]

Sent: Wednesday, July 11, 2018 2:34 PM

To: Kim Moses <kmoses@co.worcester.md.us>

Cc: Harold Higgins <hhiggins@co.worcester.md.us>; Kelly Shannahan <kellys@co.worcester.md.us>; Vanessa Lyon - GOCCP- <vanessa.lyon1@maryland.gov>

Subject: Re: Local Government Justice Reinvestment Commission

Good afternoon Commission President Purnell,

I am reaching out to you regarding the current vacancy on the Local Government Justice Reinvestment Commission. Our quarterly meeting is approaching in the next month, and I am available if needed to provide any resources or coordination to ensure that Worcester County is represented. Will Worcester County be appointing the current State's Attorney to replace former SA Oglesby's position?



Angelina Guarino
Senior Director of Justice Reinvestment

Governor's Office of Crime Control &
Prevention

Angelina.guarino@maryland.gov
410-697-9385 (office)

443-824-7310 (cell)

On Thu, Jun 7, 2018 at 11:36 AM, Angelina Guarino -GOCCP- <angelina.guarino@maryland.gov> wrote:

Good morning Commission President Purnell,

Attached please find an invitation to appoint a new representative for Worcester County to the Local Government Justice Reinvestment Commission. Per Chapter 515, representatives are chosen by the county governing body. More information on the Board's work and mission can be found on our [website](#). The next quarterly meeting will be held in July, and we will make every effort to assist in the appointment of new members before the next meeting.

If you have any questions regarding this process or the work of the Boards, please feel to contact me.

Respectfully,



Angelina Guarino
Senior Director of Justice Reinvestment

Governor's Office of Crime Control &
Prevention

Angelina.guarino@maryland.gov
410-697-9385 (office)

443-824-7310 (cell)



16

HAROLD L. HIGGINS, CPA
CHIEF ADMINISTRATIVE OFFICER
MAUREEN F.L. HOWARTH
COUNTY ATTORNEY

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OFFICE OF THE
COUNTY COMMISSIONERS

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET • ROOM 1103
SNOW HILL, MARYLAND
21863-1195

March 11, 2019

TO: Worcester County Commissioners
FROM: Karen Hammer, Office Assistant IV
SUBJECT: Upcoming Board Appointments - Terms Beginning January 1, 2019

Attached, please find copies of the Board Summary sheets for all County Boards or Commissions (6) which have current or upcoming vacancies (11 total). They are as follows: Economic Development Advisory Board (2), Board of Library Trustees (1), Property Tax Assessment Appeal Board (2), (with 3 nominees to Governor for each seat = 6 total nominees), Solid Waste Advisory Committee (1), Water and Sewer Advisory Council - Mystic Harbour (1), Commission for Women (4). I have circled the members whose terms have expired or will expire on each of these boards.

Please note that Liz Mumford, Co-Chair for The Worcester County Commission for Women has 4 positions to fill, Ms. Teola Brittingham (Berlin), Ms. Lauren Mathias Williams (Berlin), Ms. Jerscheid (Sheriff's Office) have resigned and Ms. Alice Jean Ennis (Pocomoke) is a non-renewal. Sheriff Crisafulli has nominated Kelly Riwniak for Ms. Jerscheid's vacancy. The Worcester County Library Board of Trustees, and Jennifer Ranck, Library Director, nominate Patricia Tomasovic to fill the vacancy created by the resignation of Vivian Pruitt (Girdletree). Please note that Ms. Martha Bennett, upon your nomination, has submitted her online application to the Governor's Office to fill the vacancy created by Mr. Larry Fry's resignation as a regular member for the Worcester County Property Tax Assessment Appeal Board. There will still be one vacancy on this Board, the alternate Mr. Flater has resigned.

P.10
P.4a

Most of these Boards and Commissions specify that current members' terms will expire on December 31st. Current members will continue to serve beyond their term until they are either reappointed or a replacement is named. Please consider these reappointments or new appointments during March.

Pending Board Appointments - By Commissioner

District 1 - Nordstrom

p. 8 - Commission for Women (Alice Jean Ennis - At-Large) - 3-year

District 2 - Purnell

p. 8 - Commission for Women - Resignation of Teola Brittingham
p. 8 - Commission for Women (Lauren Mathias Williams) - 3-year

District 3 - Church

p. 7 -Water & Sewer Advisory Council-Mystic Harbour- Bay Vista I and Carol Ann Beres - Ocean Reef - 4 year

District 4 - Elder

p. 6 - Solid Waste Advisory Committee (George Dix) - 4-year

District 5 - Bertino

p. 3 - Economic Development Advisory Board (Tom Terry) - 4-year
p. 6 - Solid Waste Advisory Committee (James Rosenberg) - 4-year

District 6 - Bunting

All District Appointments Received. Thank you!
Please consider nominations for At-Large positions listed below - "All Commissioners"

District 7 - Mitrecic

p. 3 - Economic Development Advisory Board (Greg Shockley) - 4-year

All Commissioners

p. 5 - (2) Property Tax Assessment Appeal Board (Gary M. Flater - alternate-Snow Hill has resigned, Mr. Larry Fry has resigned - O.P.) -Currently waiting for the Governor's approval for the nomination of Ms. Martha Bennett. (must submit 3 nominees for each seat to Governor for his consideration in making these appointments) - 5-year

All Commissioners - (continued)

p. 7 - (1) Water and Sewer Advisory Council - Mystic Harbour (Carol Ann Beres - Ocean Reef) - 4-year
p. 8 - (2) Commission for Women (Alice Jean Ennis - At-Large-Pocomoke); Resignation of Jeannine Jerscheid (Sheriff's Office), replacement nomination by Sheriff Crisafulli, (see attached) - 3 year

All Commissioners (Awaiting Nominations)

p. 4 - (1) Board of Library Trustees - resignation of Vivian Pruitt (Girdletree) - 5-year

ECONOMIC DEVELOPMENT ADVISORY BOARD

Reference: County Commissioners' Resolutions of March 1976, 4/16/85, 9/16/97, 5/4/99 and 03-6 on 2/18/03

Appointed by: County Commissioners

Function: Advisory
Provide the County with advice and suggestions concerning the economic development needs of the County; review applications for financing; review Comprehensive Development Plan and Zoning Maps to recommend to Planning Commission appropriate areas for industrial development; review/comment on major economic development projects.

Number/Term: 7/4-Year - Terms expire December 31st

Compensation: \$50 per meeting as expense allowance

Meetings: At least quarterly, more frequently as necessary

Special Provisions: One member nominated by each County Commissioner
Members may be reappointed

Staff Contact: Economic Development Department - Kathryn Gordon (410-632-3112)

Current Members:

<u>Member's Name</u>	<u>Nominated By</u>	<u>Resides</u>	<u>Term(s)</u>
Greg Shockley	D-7, Mitrecic	Ocean City	14-18
Natoshia Collick Owens	D-2, Purnell	Ocean Pines	*15, 15-19
Tom Terry	D-5, Bertino	Ocean Pines	15-19
Marc Scher	D-1, Nordstrom	Pocomoke	*19-20
John Glorioso	D-3, Church	West Ocean City	08-12-16, 16-20
Ralph Shockley	D-4, Elder	Snow Hill	*08-09-13-17, 17-21
Robert Fisher	D-6, Bunting	Snow Hill	87-92-97-01-05-09-13-17, 17-21

Resigned

Prior Members: Since 1972

George Gering	Mary Humphreys	Michael Avara (99-03)
Margaret Quillin	Theodore Brueckman	Annette Cropper (00-04)
Robert W. Todd	Shirley Pilchard	Billie Laws (91-08)
Charles Fulton	W. Leonard Brown	Anne Taylor (95-08)
E. Thomas Northam	Charles Nichols (92-97)	Mary Mackin (04-08)
Charles Bailey	Jeff Robbins (97-98)	Thomas W. Davis, Sr. (99-09)
Terry Blades	Colleen Smith (94-98)	Mickey Ashby (00-12)
Roy Davenport	Tommy Fitzpatrick (97-99)	Priscilla Pennington-Zytkowicz (09-14)
M. Bruce Matthews	John Rogers (92-98)	Barbara Purnell (08-15)
Barbara Tull	Jennifer Lynch (98-99)	Timothy Collins (03-15)
Tawney Krauss	Don Hastings (99-00)	Joshua Nordstrom (12-16)
Dr. Francis Ruffo	Jerry Redden (92-00)	William Sparrow (16-18)
William Smith	Keith Mason (98-00)	
Saunders Marshall	Bob Pusey (99-00)	
Elsie Marshall	Harold Scrimgeour (00-02)	
Halcolm Bailey	Scott Savage (98-03)	
Norman Cathell	Gabriel Purnell (91-03)	

* = Appointed to fill an unexpired term

BOARD OF LIBRARY TRUSTEES

Reference: PGL Education 23-403, Annotated Code of Maryland

Appointed by: County Commissioners (from nominees submitted by Board of Library Trustees)

Function: Supervisory
Responsible for the general control and development of the County library system. Oversees management of the libraries, assists in preparation of library budget and other fiscal matters, arranges for an annual audit, makes an annual report to the County Commissioners, make recommendations to the County Commissioners regarding library acquisitions/development.

Number/Term: 7/5 years
Terms expire December 31st

Compensation: None

Meetings: 1 per month except June, July, and August

Special Provisions: Nominees submitted by Library Board; Maximum 2 consecutive terms

Staff Contact: Library Director - Jennifer Ranck (410) 632-2600

Current Members:

<u>Name</u>	<u>Resides</u>	<u>Years of Term(s)</u>
Ron Cascio	Berlin	09-14, 14-19
Vivian Pruitt	Girdletree	09-14, 14-19 <i>Resigned</i>
Holly Anderson	Newark	*10-11-16, 16-21
Nancy Howard	Ocean City	16-21
Donald James Bailey	Pocomoke	16-21
Vicki O'Mara	Ocean Pines	*18-22
Leslie Mulligan	Snow Hill	*17-18, 18-23

Prior Members: Since 1972

Herman Baker	Jere Hilbourn	Leola Smack (99-02)
Lieselette Pennewell	Janet Owens	Jean Tarr (94-04)
Edith Dryden	Ruth Westfall	Lois Sirman (01-06)
Clifford D. Cooper, Jr.	Helen Farlow	Amanda DeShields (00-07)
Klein Leister	Judy Quillin	David Nedrow (04-09)
Evelyn Mumford	Gay Showell	Belle Redden (99-09)
Ann Eschenburg	Susan Mariner	Beverly Dryden Wilkerson (06-10)
Barbara Ward	Jacqueline Mathias	John Staley (97-11)
Donald F. McCabe	Ann S. Coates (88-97)	James Gatling (01-11)
Fannie Russell	Jim Dembeck (91-97)	Shirley Dale (02-12)
Stedman Rounds	Bill Waters (88-98)	Edith Barnes (07-13)
Donald Turner	Geraldine Thweatt (97-98)	Richard Polhemus (11-16)
Sarah Dryden	Martha Hoover (87-99)	Richard Warner Davis (11-16)
L. Richard Phillips	Eloise Henry-Gordy (98-00)	Frederick Grant (13-17)
Barbara Bunting	William Cropper (91-01)	Rosemary S. Keech (12-18)
Joanne Mason	Ms. Willie Gaddis (89-01)	

* = Appointed to fill an unexpired term



Worcester
County
Library

Books are just the beginning.

To: Harold Higgins, Chief Administrative Officer
From: Jennifer Ranck *JR*
Date: March 13, 2019
Re: Library Board of Trustees

The Worcester County Library Board of Trustees recommends the following person to be considered for the position on the board that was held by Vivian Pruitt, who resigned from the library board in September 2018:

Patricia Tomasovic
810 Cedar Street
Pocomoke, MD 21851
410-251-0260

Thank you and the County Commissioners for your consideration of the Trustees' recommendation.

Copy: Kelly Shannahan

4a

PROPERTY TAX ASSESSMENT APPEAL BOARD

Reference: Annotated Code of Maryland, Tax-Property Article, §TP 3-102

Appointed by: Governor (From list of 3 nominees submitted by County Commissioners)
- Nominees must each fill out a resume to be submitted to Governor
- Nominations to be submitted 3 months before expiration of term

Function: Regulatory
- Decides on appeals concerning: real property values and assessments, personal property valued by the supervisors, credits for various individuals and groups as established by State law, value of agricultural easements, rejection of applications for property tax exemptions.

Number/Term: 3 regular members, 1 alternate/5-year terms
Terms Expire June 1st

Compensation: \$15 per hour (maximum \$90 per day), plus travel expenses

Meetings: As Necessary

Special Provisions: Chairman to be designated by Governor

Staff Contact: Department of Assessments & Taxation- Janet Rogers (410-632-1196)
Ext:112

Current Members:

Larry Fry	Ocean Pines	*10-14(alt.), 14-18	Resigned
Gary M. Flater (Alternate)	Snow Hill	13-18	Resigned
Arlene C. Page	Bishopville	18-23	
Steven W. Rakow	Ocean Pines	*19-23	

C) = Chairman

Prior Members: Since 1972

Wilford Showell	Mary Yenney (98-03)
E. Carmel Wilson	Walter F. Powers (01-04)
Daniel Trimper, III	Grace C. Purnell (96-04)
William Smith	George H. Henderson, Jr. (97-06)
William Marshall, Jr.	Joseph A. Calogero (04-09)
Richard G. Stone	Joan Vetare (04-12)
Milton Laws	Howard G. Jenkins (03-18)
W. Earl Timmons	Robert D. Rose (*06-17)
Hugh Cropper	
Lloyd Lewis	
Ann Granados	
John Spurling	
Robert N. McIntyre	
William H. Mitchell (96-98)	
Delores W. Groves (96-99)	

* = Appointed to fill an unexpired term

Updated: February 19, 2019
Printed: March 11, 2019

SOLID WASTE ADVISORY COMMITTEE

Reference: County Commissioners' Resolution 5/17/94 and 03-6 on 2/18/03

Appointed by: County Commissioners

Function: Advisory
Review and comment on Solid Waste Management Plan, Recycling Plan, plans for solid waste disposal sites/facilities, plans for closeout of landfills, and to make recommendations on tipping fees.

Number/Term: 11/4-year terms; Terms expire December 31st.

Compensation: \$50 per meeting expense allowance, subject to annual appropriation

Meetings: At least quarterly

Special Provisions: One member nominated by each County Commissioner; and one member appointed by County Commissioners upon nomination from each of the four incorporated towns.

Staff Support: Solid Waste - Solid Waste Superintendent - Mike Mitchell - (410-632-3177)
Solid Waste - Recycling Coordinator - Mike McClung - (410-632-3177)
Department of Public Works - John Tustin - (410-632-5623)

Current Members:

<u>Member's Name</u>	<u>Nominated By</u>	<u>Resides</u>	<u>Years of Term(s)</u>
George Dix	D-4, Elder	Snow Hill	*10-10-14, 14-18
Mike Poole	D-6, Bunting	Bishopville	11-15, 15-19
Michael Pruitt	Town of Snow Hill		*15, 15-19
Bob Augustine	D-3, Church	Berlin	16-20
Granville Jones	D-7, Mitrecic	Berlin	*15-16, 16-20
George Tasker	Town of Pocomoke City		*15-16, 16-20
Wendell Purnell	D-2, Purnell	Berlin	97-09-13-17, 17-21
Jamey Latchum	Town of Berlin		*17, 17-21
Steve Brown	Town of Ocean City		*10-13-17, 17-21
George Linvill	D-1, Nordstrom	Pocomoke	14-18, 18-22
James Rosenberg	D-5, Bertino	Ocean Pines	*06-10-14-18,18-22

Prior Members: (Since 1994)

Ron Cascio (94-96)	Richard Malone (94-01)	John C. Dorman (07-10)
Roger Vacovsky, Jr. (94-96)	William McDermott (98-03)	Robert Hawkins (94-11)
Lila Hackim (95-97)	Fred Joyner (99-03)	Victor Beard (97-11)
Raymond Jackson (94-97)	Hugh McFadden (98-05)	Mike Gibbons (09-14)
William Turner (94-97)	Dale Pruitt (97-05)	Hank Westfall (00-14)
Vernon "Corey" Davis, Jr. (96-98)	Frederick Stiehl (05-06)	Marion Butler, Sr. (00-14)
Robert Mangum (94-98)	Eric Mullins (03-07)	Robert Clarke (11-15)
Richard Rau (94-96)	Mayor Tom Cardinale (05-08)	Bob Donnelly (11-15)
Jim Doughty (96-99)	William Breedlove (02-09)	Howard Sribnick (10-16)
Jack Peacock (94-00)	Lester D. Shockley (03-10)	Dave Wheaton (14-16)
Hale Harrison (94-00)	Woody Shockley (01-10)	

* = Appointed to fill an unexpired term

**WATER AND SEWER ADVISORY COUNCIL
MYSTIC HARBOUR SERVICE AREA**

Reference: County Commissioners' Resolutions of 11/19/93 and 2/1/05

Appointed by: County Commissioners

Function: Advisory
Advise Commissioners on water and sewer needs of the Service Area; review amendments to Water and Sewer Plan; make recommendations on policies and procedures; review and recommend charges and fees; review annual budget for the service area.

Number/Term: 7/4-year terms
Terms Expire December 31

Compensation: Expense allowance for meeting attendance as authorized in the budget.

Meetings: Monthly or As-Needed

Special Provisions: Must be residents of Mystic Harbour Service Area

Staff Support: Department of Public Works - Water and Wastewater Division
John Ross - (410-641-5251)

Current Members:

<u>Member's Name</u>	<u>Resides</u>	<u>Years of Term(s)</u>
Carol Ann Beres	Ocean Reef	14-18
Joseph Weitzell ^c	Mystic Harbour	05-11-15, 15-19
Bob Hunt	Deer Point	*06-11-15, 15-19
David Dypsky	Teal Marsh Center	*10-12-16, 16-20
Stan Cygam	Whispering Woods	*18-20
Martin Kwesko	Mystic Harbour	13-17, 17-21
Richard Jendrek ^c	Bay Vista I	05-10-14-18, 18-22

Prior Members: (Since 2005)

- John Pinnero^c (05-06)
- Brandon Phillips^c (05-06)
- William Bradshaw^c (05-08)
- Buddy Jones (06-08)
- Lee Trice^c (05-10)
- W. Charles Friesen^c (05-13)
- Alma Seidel (08-14)
- Gerri Moler (08-16)
- Mary Martinez (16-18)

^c = Charter member - Initial Terms Staggered in 2005
^{*} = Appointed to fill an unexpired term

COMMISSION FOR WOMEN

Reference: Public Local Law CG 6-101

Appointed by: County Commissioners

Function: Advisory

Number/Term: 11/3-year terms; Terms Expire December 31

Compensation: None

Meetings: At least monthly (3rd Tuesday at 5:30 PM - alternating between Berlin and Snow Hill)

Special Provisions: 7 district members, one from each Commissioner District
 4 At-large members, nominations from women's organizations & citizens
 4 Ex-Officio members, one each from the following departments: Social Services, Health & Mental Hygiene, Board of Education, Public Safety
 No member shall serve more than six consecutive years

Contact: Liz Mumford and Tamara White, Co-Chair
 Worcester County Commission for Women - P.O. Box 1712, Berlin, MD 21811

Current Members:

<u>Member's Name</u>	<u>Nominated By</u>	<u>Resides</u>	<u>Years of Term(s)</u>
Alice Jean Ennis	At-Large	Pocomoke	14-17
Lauren Mathias Williams	At-Large	Berlin	*16-18, resigned
Teola Brittingham	D-2, Purnell	Berlin	*16-18, resigned
Hope Carmean	D-4, Elder	Snow Hill	*15-16, 16-19
Mary E. (Liz) Mumford	At-Large	Ocean City	*16, 16-19
Julie Phillips	Board of Education		13-16, 16-19
Shannon Chapman	Dept of Social Services		*17-19
Tamara White	D-1, Lockfaw	Pocomoke City	17-20
Vanessa Alban	D-5, Bertino	Ocean Pines	17-20
Terri Shockley	At-Large	Snow Hill	17-20
Kelly O'Keane	Health Department		17-20
Jeannine Jerscheid	Public Safety - Sheriff's Office		*18-20 <i>Resigned</i>
Bess Cropper	D-6, Bunting	Berlin	15-18, 18-21
Elizabeth Rodier	D-3, Church	West Ocean City	18-21
Kimberly List	D-7, Mitrecic	Ocean City	18- 21

Prior Members: Since 1995

Ellen Pilchard ^c (95-97)	Carole P. Voss (98-00)	Gloria Bassich (98-03)
Helen Henson ^c (95-97)	Martha Bennett (97-00)	Carolyn Porter (01-04)
Barbara Beaubien ^c (95-97)	Patricia Ilczuk-Lavanceau (98-99)	Martha Pusey (97-03)
Sandy Wilkinson ^c (95-97)	Lil Wilkinson (00-01)	Teole Brittingham (97-04)
Helen Fisher ^c (95-98)	Diana Purnell ^c (95-01)	Catherine W. Stevens (02-04)
Bernard Bond ^c (95-98)	Colleen McGuire (99-01)	Hattie Beckwith (00-04)
Jo Campbell ^c (95-98)	Wendy Boggs McGill (00-02)	Mary Ann Bennett (98-04)
Karen Holck ^c (95-98)	Lynne Boyd (98-01)	Rita Vaeth (03-04)
Judy Boggs ^c (95-98)	Barbara Trader ^c (95-02)	Sharyn O'Hare (97-04)
Mary Elizabeth Fears ^c (95-98)	Heather Cook (01-02)	Patricia Layman (04-05)
Pamela McCabe ^c (95-98)	Vyoletus Ayres (98-03)	Mary M. Walker (03-05)
Teresa Hammbacher ^c (95-98)	Terri Taylor (01-03)	Norma Polk Miles (03-05)
Bonnie Platter (98-00)	Christine Selzer (03)	Roseann Bridgman (03-06)
Marie Velong ^c (95-99)	Linda C. Busick (00-03)	Sharon Landis (03-06)

* = Appointed to fill an unexpired term
 c = Charter member

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Prior Members: Since 1995 (continued)

Dr. Mary Dale Craig (02-06)	Michelle Bankert *(14-18)
Dee Shorts (04-07)	Nancy Fortney (12-18)
Ellen Payne (01-07)	Cristi Graham (17-18)
Mary Beth Quillen (05-08)	
Marge SeBour (06-08)	
Meg Gerety (04-07)	
Linda Dearing (02-08)	
Angela Hayes (08)	
Susan Schwarten (04-08)	
Marilyn James (06-08)	
Merilee Horvat (06-09)	
Jody Falter (06-09)	
Kathy Muncy (08-09)	
Germaine Smith Garner (03-09)	
Nancy Howard (09-10)	
Barbara Witherow (07-10)	
Doris Moxley (04-10)	
Evelyne Tyndall (07-10)	
Sharone Grant (03-10)	
Lorraine Fasciocco (07-10)	
Kay Cardinale (08-10)	
Rita Lawson (05-11)	
Cindi McQuay (10-11)	
Linda Skidmore (05-11)	
Kutresa Lankford-Purnell (10-11)	
Monna Van Ess (08-11)	
Barbara Passwater (09-12)	
Cassandra Rox (11-12)	
Diane McGraw (08-12)	
Dawn Jones (09-12)	
Cheryl K. Jacobs (11)	
Doris Moxley (10-13)	
Kutresa Lankford-Purnell (10-12)	
Terry Edwards (10-13)	
Dr. Donna Main (10-13)	
Beverly Thomas (10-13)	
Caroline Bloxom (14)	
Tracy Tilghman (11-14)	
Joan Gentile (12-14)	
Carolyn Dorman (13-16)	
Arlene Page (12-15)	
Shirley Dale (12-16)	
Dawn Cordrey Hodge (13-16)	
Carol Rose (14-16)	
Mary Beth Quillen (13-16)	
Debbie Farlow (13-17)	
Corporal Lisa Maurer (13-17)	
Laura McDermott (11-16)	
Charlotte Cathell (09-17)	
Eloise Henry-Gordy (08-17)	

Karen M. Hammer

From: Matthew Crisafulli
Sent: Tuesday, March 12, 2019 9:14 AM
To: Karen M. Hammer
Subject: RE: Commission For Women

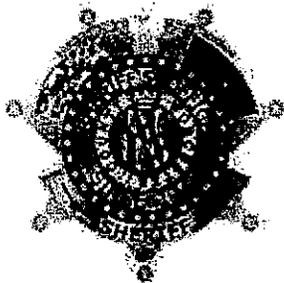
Good morning Karen,

DFC. Kelly Riwniak will be taking Jeannine Jerscheid's place on the commission.

Kelly's email is: KRiwniak@co.worcester.md.us

Thanks,

Sheriff Matthew Crisafulli



Worcester County Sheriff's Office
One West Market Street, Room 1001
Snow Hill, MD 21863
410-632-1111 ext. 2231 (Susan)/ 410-632-3070 fax
www.WorcesterSheriff.com
"Proud to Protect, Ready to Serve"

From: Karen M. Hammer
Sent: Monday, March 11, 2019 3:45 PM
To: Matthew Crisafulli <mcrisafulli@co.worcester.md.us>
Cc: Kelly Shannahan <kellys@co.worcester.md.us>
Subject: Commission For Women

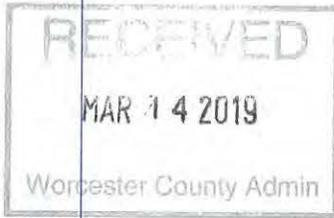
Good afternoon Sheriff Crisafulli,

I was speaking to Liz Mumford, Co-Chair for the Commission For Women, and she mentioned that Jeannine Jerscheid has resigned from this Commission.

Do you have anyone else that you would like to nominate for this position?

Thank you,
Karen

Karen Hammer, Office Assistant IV
Worcester County Administration



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Worcester County
DEPARTMENT OF PUBLIC WORKS
6113 TIMMONS ROAD
SNOW HILL, MARYLAND 21863

JOHN H. TUSTIN, P.E.
DIRECTOR

JOHN S. ROSS, P.E.
DEPUTY DIRECTOR

TEL: 410-632-5623
FAX: 410-632-1753

DIVISIONS

MAINTENANCE
TEL: 410-632-3766
FAX: 410-632-1753

ROADS
TEL: 410-632-2244
FAX: 410-632-0020

SOLID WASTE
TEL: 410-632-3177
FAX: 410-632-3000

FLEET MANAGEMENT
TEL: 410-632-5675
FAX: 410-632-1753

WATER AND WASTEWATER
TEL: 410-641-5251
FAX: 410-641-5185

MEMORANDUM

TO: Harold L. Higgins, Chief Administrative Officer
FROM: John H. Tustin, P.E., Director *JHT*
DATE: March 14, 2019
**SUBJECT: Mystic Harbour Sanitary Service Area
Release, Termination and Extinguishment
Groundwater Injection Well Easement**

Attached is a Release, Termination and Extinguishment for the existing easement across the Central Island in the Mystic Harbour Injection Well Field along with an exhibit showing the easement to be extinguished. We are proposing release of this easement because the injection wells on the Central Island are no longer in use and have been replaced with new injection wells on the treatment plant property installed at the expense of the property owner.

The document includes provisions to retain access through the Central Island to the remaining injection wells on the property through a new access easement and we retain our existing access easements.

This document was prepared jointly with the attorney for the property owner and the County Attorney and we are recommending its approval for signature by President Purnell.

If you have any questions, please let me know.

Attachment

cc: Maureen F. L. Howarth
John S. Ross, P.E.

RELEASE, TERMINATION, AND EXTINGUISHMENT

THIS RELEASE, TERMINATION, AND EXTINGUISHMENT (hereinafter "Release") is made on this _____ day of _____, 2019, by and between the **COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND**, in their capacity as the governing body of the **MYSTIC HARBOUR SANITARY SERVICE AREA** (hereinafter "Commissioners") and **K. TIMOTHY VANVONNO and CATHERINE J. VANVONNO**, his wife (collectively hereinafter the "VanVonnos").

WHEREAS, the VanVonnos are the owners of Lot No. 440A as shown on a plat entitled "Boundary Line Adjustment between Outlot S and Lot 440, Mystic Harbour, Section 4, Phase 2 (SVH 172/10-15), Tenth Tax District, Worcester County, Maryland" made by Frank G. Lynch Jr. & Associates, Inc. dated June 29, 2005 and recorded among the Land Records of Worcester County, Maryland in Plat Book SVH No. 201, Folios 27, et. seq., being 30.46 acres of land, more or less;

WHEREAS, the Commissioners own and operate the Mystic Harbour Wastewater Treatment Facility, which is also located within the geographical boundaries of the Mystic Harbour Subdivision;

WHEREAS, by virtue of an unrecorded Agreement dated November 25, 1997, and a Deed, Bill of Sale, and Assignment dated November 4, 1998 and recorded among the Land Records, as aforesaid, in Liber RHO No. 2559, Folios 267, et. seq., the Commissioners have a Utility Easement across the original Lot 440, and portions of Lot 440A, which included the right, among other things, to install shallow ground water recharge wells, which accommodated the disposal of the effluent from the wastewater treatment facility;

WHEREAS, the Utility Easement Area is described more particularly on page 9 of the 9 page plat titled "Mystic Harbour Water & Wastewater Plans, Lands of Mystic Harbour Corporation & Lands of MH Utilities Corporation, Tenth Tax District, Worcester County, Maryland" recorded in Plat Book RHO 156, Page 54;

WHEREAS, the VanVonnos have relocated six of the groundwater recharge wells on Lot 440A, at their expense; and,

WHEREAS, in consideration whereof, the Commissioners have agreed to release, terminate, and extinguish their Easement as described in Exhibit A and as shown on Exhibit B, which is also the site of the VanVonnos single family

residence, on the central island, on the terms and subject to the conditions hereinafter set forth.

WITNESSETH: NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, do hereby agree as follows:

1. The foregoing recitals are hereby incorporated by reference.

2. The Commissioners, as the governing body of the Mystic Harbour Sanitary Service Area, do hereby release, terminate, and extinguish their Utility Easement over, across, and under that portion of Lot 440A, as set forth in the legal description attached hereto as Exhibit "A" and incorporated herein by reference, and as shown on the Termination Plat attached as Exhibit "B" and incorporated herein by reference; PROVIDED, HOWEVER, the Commissioners shall retain such rights of way as are necessary to provide ingress and egress to its injection wells and infrastructure on other portions of Lot 440A. Such access rights of way, to the extent practicable, shall align with existing roads, and shall be situated to reduce impact to the VanVonnos single family residence.

3. This Release shall bind and inure to the benefit of the parties hereto, and their respective heirs, personal representatives and assigns. This Release and the rights and obligations of the parties hereunder shall be governed by the laws of the State of Maryland.

AS WITNESS, the hands and seals of the parties hereto, as of the day and year first above written.

ATTEST:

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

BY: _____ (SEAL)
DIANA PURNELL, PRESIDENT

STATE OF MARYLAND, WORCESTER COUNTY, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2019, before me, a Notary Public in and for the State and County aforesaid, personally appeared _____ on behalf of the County Commissioners for Worcester County, Maryland, and executed the foregoing document as their free act and deed, for the purposes therein contained.

Notary Public
My Commission Expires:

WITNESS

K. TIMOTHY VANVONNO (SEAL)

STATE OF MARYLAND, WORCESTER COUNTY, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2019, before me, a Notary Public in and for the State and County aforesaid, personally appeared K. TIMOTHY VANVONNO, and executed the foregoing document as his free act and deed, for the purposes therein contained.

Notary Public
My Commission Expires:

WITNESS

CATHERINE J. VANVONNO (SEAL)

STATE OF MARYLAND, WORCESTER COUNTY, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2019, before me, a Notary Public in and for the State and County aforesaid, personally appeared CATHERINE J. VANVONNO, and executed the foregoing document as her free act and deed, for the purposes therein contained.

Notary Public
My Commission Expires:



FRANK G. LYNCH, JR. & ASSOCIATES, INC.

Surveying - Land Planning

10535 Racetrack Road Berlin, Maryland 21811
(410) 841-5353 FAX: (410) 208-0227

January 8, 2019

EASEMENT EXTINGUISHMENT

AFFECTING LOT 440-A - PHASE 2 - MYSTIC HARBOUR

TENTH TAX DISTRICT

WORCESTER COUNTY, MARYLAND

BEGINNING FOR THIS DESCRIPTION at a point on the existing easement boundary located within Lot 440-A in Section 4 - Phase 2 - Mystic Harbour; said point bears S 85° 04' 34" W. - 406.37 feet to the southeasterly corner of Lot 439; thence along the generally northerly outline of an existing easement the three following courses: (1) N. 33° 10' 57" E. - 164.32 feet to a point; thence (2) N. 84° 30' 05" E. - 295.00 feet to a point; thence (3) S. 60° 45' 40" E. - 128.00 feet to a point; thence across the easement; S. 17° 19' 49" E. - 228.04 feet to a point on the generally southerly outlines of said existing easement; thence with said easement the five following courses: (1) S. 76° 57' 26" W. - 319.41 feet to a point; thence (2) N. 33° 10' 57" E. - 30.39 feet to a point; thence (3) N. 89° 45' 18" E. - 2.95 feet to a point; thence (4) N. 77° 40' 21" E. - 73.64 feet to a point; thence (5) N. 75° 53' 50" E. - 43.10 feet to a point on the generally southerly outline of a 15 foot wide access easement; thence along said easement the seven following courses: (1) N. 19° 19' 00" W. - 31.96 feet to a point; thence (2) N. 58° 01' 52" W. - 27.56 feet to a point; thence (3) N 54° 27' 28" W. - 42.61 feet to a point; thence (4) S. 78° 41' 42" W. - 45.83 feet to a point; thence (5) S. 84° 13' 27" W. - 55.78 feet to a point; thence (6) N. 85° 22' 05" W. - 66.60 feet to a point; thence (7) S. 52° 39' 59" W. - 66.84 feet to a point; thence across the easement the six following courses: (1) N. 47° 26' 20" W. - 19.69 feet to a point; thence (2) N. 04° 26' 43" W. - 16.79 feet to a point; thence (3) N. 05° 40' 38" E. - 37.29 feet to a point; thence (4) with a curve to the left, said curve having a radius of 25.00 feet, an arc length of 13.71 feet, and a chord bearing and distance of N. 10° 02' 17" W. - 13.54 feet to a point; thence (5) N. 25° 45' 12" W. - 26.21 feet to a point; thence (6) N. 83° 15' 43" W. - 68.16 feet to the **POINT OF BEGINNING**.

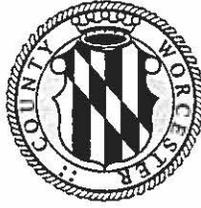
CONTAINING 2.71 acres.

Lot 440-A - Section 4 - Phase 2 - Mystic Harbour Subdivision Plat is recorded among the Worcester County Land Records in Plat Book S.V.H. 201, pages 27, 28 and 29.

FGL/jal
8373.easmt.extinguish.01.08.2019.legal

EXHIBIT A

TEL: 410-632-1194
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18

HAROLD L. HIGGINS, CPA
CHIEF ADMINISTRATIVE OFFICER
MAUREEN F.L. HOWARTH
COUNTY ATTORNEY

COMMISSIONERS
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JOSEPH M. MITRECIC, VICE PRESIDENT
ANTHONY W. BERTINO, JR.
MADISON J. BUNTING, JR.
JAMES C. CHURCH
THEODORE J. ELDER
JOSHUA C. NORDSTROM

OFFICE OF THE
COUNTY COMMISSIONERS

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET • ROOM 1103

SNOW HILL, MARYLAND
21863-1195

March 13, 2019

TO: Harold L. Higgins, Chief Administrative Officer
FROM: Kelly Shannahan, Assistant Chief Administrative Officer *KL*
SUBJECT: Worcester County Strategic Planning Work Session - Project Report

Attached is the Worcester County Strategic Planning Work Session - Project Report from Catherine Tuck-Parrish of The Novak Consulting Group from the County Commissioners' Work Session on January 29-30, 2019 held at the Berlin Branch of the Worcester County Library. Please present this report to the County Commissioners at their next meeting for their review and adoption.

If you should have any questions or concerns with regard to this matter, please feel free to contact me.

DRAFT

**Worcester County
Strategic Planning Work Session**

Project Report

January 29 – 30, 2019



Worcester County, Maryland

Strategic Plan Framework

County Vision

Worcester County is a desired location to live, work, and play for year-round residents and visitors. We are a premier tourism destination, known for pristine beaches, bays, and rivers, as well as a safe and relaxed lifestyle. We have a thriving economy, offering diverse family-sustaining jobs with benefits, access to premier healthcare, and community-minded businesses. We boast a nationally renowned educational system, which includes post-secondary education and trade schools to benefit future generations, while remaining fiscally conservative and financially sound. Our citizens are proud to call Worcester County home and look forward to sharing the benefits of eastern shore living with visiting family and friends.

Economic Development Vision

Worcester County enjoys a diverse economy, primarily based on tourism, agriculture, and burgeoning industrial parks that support the nearby NASA facility on Wallops Island and other regional partners. We have a thriving business community, offering good-paying, year-round jobs with benefits, and we continue to attract new businesses and entice existing businesses to expand in Worcester County thanks to our well-educated workforce and superior services and infrastructure. We may offer an attractive incentive package to encourage business growth and development using a combination of tax deferrals, grants, and low-interest loans. Worcester County offers diverse lodging, restaurant, and retail services to support existing and emerging tourism trends.

Worcester County, Maryland

Strategic Plan Framework

Economic Growth – Worcester County enjoys a diverse economy, primarily based on tourism, agriculture, and burgeoning industrial and medical parks, which provide career opportunities for our residents. We also maintain a commercial harbor that supports both commercial and recreational fishing industries.

- Goal: Move forward with sports complex development
- Goal: Offer tuition assistance to incentivize and encourage our youth to learn a trade
- Goal: Develop economic development strategy
 - Explore incentives and tax breaks to attract new businesses and jobs
 - Add to economic development team; provide vision and tools
 - Remove unnecessary regulations, fees, and other obstructions

Exceptional Schools – Worcester County provides a wide range of educational opportunities for our citizens, including a solid foundation in public schools that focus on college and career readiness, with diverse trade and post-secondary opportunities.

- Goal: Work with the State to develop a more equitable funding formula to increase per student funding from the State
- Goal: Increase Science, Technology, Engineering, and Mathematics (STEM) partnerships

Natural Resources – Worcester County is a desirable location for residents and visitors thanks to our pristine parks, beaches, bays, and rivers, which support our relaxed lifestyle and preserve our rural landscape.

- Goal: Protect agriculture and prevent harmful regulations

Community Leadership – Worcester County Government provides responsive, effective, and positive leadership, supporting the private sector and encouraging volunteerism to improve the lives of our residents and visitors.

Adaptable Technology – Worcester County provides evolving infrastructure, adapting to our changing technological world.

- Goal: Develop and implement a plan to provide high-speed internet throughout the County
- Goal: Explore incentives for broadband company investment

Quality Healthcare – Worcester County enjoys quality healthcare facilities providing services to all ages and stages of life.

Cultural Opportunities – Worcester County offers a wide range of museums, theaters, and arts and entertainment venues that support an engaged citizenry, which preserves the County’s cultural heritage.

Safe and Sufficient Transportation – Worcester County provides a safe, secure, and affordable public transportation network, addressing the needs of all citizens.

Sustainable County Services – Worcester County provides a cost-effective, customer-focused approach to the provision of services to our citizens, businesses, and visitors.

- Goal: Identify funding source for Other Post-Employment Benefits (OPEB)
- Goal: Review County compensation
- Goal: Identify alternative (non-tax) revenues to support competitive employee wages

Safe and Livable Communities – Thanks to our exceptional public safety agencies, Worcester County citizens and visitors can rely on a safe, clean, and secure environment.

Day One – January 29, 2019

The County Commissioners of Worcester County, MD conducted a two-day strategic planning work session on January 29 and 30, 2019. Catherine Tuck Parrish of The Novak Consulting Group facilitated the session, with assistance from Morgan Daniel.

Work Session Goals

- Strengthen the working relationships between and among members of the governing body
- Provide strategic direction for the County, especially regarding economic development
- Identify shared Commission goals for Worcester County's future

Setting the Stage and Introductions

The participants gathered at 8:30 am and work began at 9:00 am. The Commission President welcomed the group and thanked them for participating in the strategic planning process. Each participant introduced themselves and indicated what their hope was for the day.

- **Commissioner Joe Mitrecic:** A plan for economic development and direction to staff to carry out that plan. Reaching consensus among Commissioners.
- **Kelly Shannahan, Assistant Chief Administrative Officer:** Consensus among Commissioners on their vision. Establish goals to achieve this vision. Improve two-way communication – from staff to Commissioners and vice versa.
- **Harold Higgins, Chief Administrative Officer:** Consensus on vision, both short and long term. Consensus regarding future budget issues and revenue growth.
- **President Diana Purnell:** Work with economic development and see a plan in place. Growth. Come away with five goals that we can accomplish.
- **Commissioner Bud Church:** Address how services will be provided in the County as demands increase. Ocean City is the golden goose. Find ways to increase revenues throughout the County.
- **Commissioner Chip Bertino:** Economic development, Other Post-Employment Benefits, broadband availability, and salary structure to recruit and retain quality County staff.
- **Commissioner Ted Elder:** Modernizing our infrastructure, including broadband and roads. Think of the County as a whole. Avoid over-regulation and create an environment that allows businesses to thrive.
- **Commissioner Joshua Nordstrom:** Economic development. Plan to raise revenues rather than trying to cut our way out of problems. Better paying jobs and new businesses. See where the Commissioners stand on a variety of issues and collectively develop a plan for the County.
- **Maureen Howarth, County Attorney:** Vision and consensus among all 7 Commissioners.
- **Kim Moses, Public Information Officer:** Vision and consensus among the Commissioners.

The facilitator reviewed the agenda and discussed the norms for the day.

Work Session Norms/Ground Rules

- Listen with respect
 - Let others finish before you start talking
 - Be attentive to the speaker
 - Disagree agreeably
- Be:
 - **BOLD**
 - positive and realistic
 - candid and honest
 - patient and self-aware
 - engaged and fully present
- Strive for consensus
 - Look for opportunities to agree
 - Remember the power of "if" and "and"
- Have fun!

The facilitator shared information developed by Dr. John Nalbandian, a professor who taught MPA students at the University of Kansas and also served as Commissioner and Mayor of the City of Lawrence, Kansas.

Expectations

The Commissioners were asked in advance to share the expectations they have of Commissioners, the Commission President, and the Chief Administrative Officer. The group discussed their responses.

What do I need from my colleagues on the Commission in order for me to be an effective Commissioner?	What am I willing to give my colleagues on the Commission?
<ul style="list-style-type: none">• An open mind• Respect. Be an active listener.• Once the majority makes a decision, whether you agree or not, make it work. Can't fight after decisions are made.• Do what's best for the County as a whole rather than your own district.• Positive attitudes.• Compromise. Decisions don't always have to be black and white.• Work for the team toward a common goal.• Honesty. Facts.• No drama.• Listen to everyone equally, not just those with power.• Hear both sides before you come to a decision.• Respect Department Heads' advice.	<ul style="list-style-type: none">• All items that they expect of each other.

<p>What does the Commission need from the President in order for the Commission to be seen as high performing?</p>	<p>What are the Commissioners willing to give to the President to ensure efficiency?</p>
<ul style="list-style-type: none"> • Formal method to discuss future agenda or work session items at the end of open session meetings. • Explanations as to why items are not going onto the agenda. • Add opportunity for Commissioner remarks. • Advanced notice of concerns and open communication. 	<ul style="list-style-type: none"> • Following and staying in compliance with laws and regulations.
<p>What does the Commission need from the Chief Administrative Officer in order for the Commission to be seen as high performing?</p> <ul style="list-style-type: none"> • Don't need to be handled. • All of the facts, not just those that support a particular cause. • Pros and cons; options with staff recommendations; cost of different options. • Show us how we can do things most effectively. Can do attitude. • Take legislative actions; make changes. • Continue daily reports. 	<p>What are the Commissioners willing to give to the Chief Administrative Officer to ensure efficiency?</p> <ul style="list-style-type: none"> • All items that they are willing to give to the Chief Administrative Officer. • Two-way communication.

This discussion resulted in the following items:

Daily reports:

- Staff need to provide reports that are easy to understand
- Staff need to expedite the report-writing process

Follow up: The Public Information Officer will train staff on how to effectively write their daily reports. The Chief Administrative Officer will clarify what is needed with Department heads.

Formal method to discuss future agenda items:

- The President has the right to determine what items go on the agenda and when; this is usually done while conferring with staff.
- If an item does not make it into the agenda, the reason needs to be articulated. Commissioners may also bring up an item but as a courtesy should let the President know in advance.
- This provides staff with the time to get together things that they need in advance.

Follow up: Commissioners agreed to add an item to the end of every agenda that allows for comments, giving Commissioners the option to bring up future agenda items or make some other brief comment.

Responsiveness to constituents:

- Most calls from constituents can be resolved by staff quickly.
- Need to provide constituents with accurate time frames for issues to be resolved.
- Staff work diligently to respond to concerns and understand the importance of customer service.

Sprinkler issue:

- Lobby to the State to change this law which requires automatic fire sprinkler systems to be installed in all new single-family homes to allow residents to voluntarily opt-out of this requirement. Tried unsuccessfully several years ago. Try again with a new approach.

Follow up: Staff will move forward to develop an opt-out provision for fire sprinklers in new single-family homes.

Staff Reports:

- Define the pros and cons; provide options with staff recommendations; estimate the cost of the different options.

Updates on Accomplishments from Last Strategic Plan

The Chief Administrative Officer and Assistant Chief Administrative Officer provided a status report on the top five initiatives from the 2017 Strategic Plan.

Review Input from Department Head Survey

The Novak Consulting Group administered a survey to all the Worcester County Department heads, providing them with the opportunity to give feedback to the County Commissioners. Their responses were summarized in a memo, which was then shared with members of the Commission. Commissioners were encouraged to discuss their reactions to the survey results.

- Not surprising that staff feel micromanaged
- Commissioners must notify the Chief Administrative Officer (CAO) when they go directly to Department heads to request information. And Department heads must also notify CAO.
- Commissioners may ask questions but should not task Department heads (Ask, don't task)

Follow up: The Chief Administrative Officer will hold meetings with Department heads more frequently and will remind Department heads to refer to the Chief Administrative Officer if contacted by Commissioners. Involve Commissioners in learning activities and/or operational field trips so they become more familiar with County operations. Commissioners unanimously agreed to "Ask, Don't Task" policy and authorized CAO to advise staff not to take action on requests of individual Commissioners unless directed by CAO.

Examples of Cathedral Thinking

The group watched a YouTube video regarding the importance of cathedral thinking and the role it plays in strategic planning. They were asked to share examples of cathedral thinking from the County.

- Ocean City Boardwalk
- Purchase/preservation of Assateague
- US Route 50
- Chesapeake Bay Bridge
- Train that used to exist in Ocean City
- Ocean Pines
- Education system
- US Route 113
- Ilia Fehrer – an environmental watchdog
- Grey's Creek Nature Preserve

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Future Cathedral Thinking

The group discussed what items they thought may be future examples of cathedral thinking.

- Atlantic General Hospital
- Other Post-Employment Benefits
- Countywide Broadband
- Tournament sports complex

"This I Believe..."

Each member of the Commission was invited to share their "This I Believe..." statements, what they believe about the future of Worcester County. The exercise is loosely modeled on the essay format initiated by Edward R. Morrow on National Public Radio in the 1950s.

Commissioner Ted Elder

- I'd like to see the County being financially viable with a funding plan for Other Post-Employment Benefits and some other things. What we can hand down is a financially stable situation. Every single student that has graduated that is doing HVAC recently has been hired and is now make good money. The agricultural program/farming was the only department that added money to the technical school, but that program was dropped. The technical school dropped the masonry program and carpentry class too. We need more focus on trade education so our students will be trained and ready to enter the workforce out of high school.

Commission President Diana Purnell

- I would like to see us become a competitive year-round destination for residents, businesses, and tourists. Economic development and education are tied together. It's hard to have one without the other. You have to have the educational components in place to bring in new business. I know a welding student making \$21 an hour as a 19-year-old. We've got to get to the point where we use technology, but we can't leave out jobs like carpentry and plumbing. We're too dependent on Ocean City. We have to have the industry in this town to keep people here and to keep young people here. Everything is based on money. The Tourism Department has made a difference.

Commissioner Joshua Nordstrom

- I believe the two most important things are education and economic development; we are connected in a lot of ways. I'm in favor of big projects that will bring lots of money into the County, like the sports complex. I believe in having the right people in place and more better paying jobs. When people make more money, we have more money to spend. This money stays local and benefits the County. For a lot of careers, we don't have people who are qualified to do them because there is a disconnect between what we learn in high school and what we do in a career. There's a drop-off here. We have lots of people who cannot figure out how to get from point A to point B. I know that there are tons of jobs out there that no one is qualified for. I don't want to have to pay an exorbitant amount of money because there are no plumbers left in the County. The County can step in and help by incentivizing young people and funding classes that will prepare them for jobs. I think the answer to this disconnect is County government. You see other communities providing financial assistance to younger students. It's very difficult without reliable transportation to get certain places. A lot of students don't want to go to college, but they don't have the skills or education either to start a career. It's a small part of economic development – when you're able to not only bring new jobs to the area but connect them with existing jobs. A lot of young people would like to do these jobs, but they don't have a way to get into these programs or the resources to take classes. There's a cycle of poverty and it's gone on for generations. No one has figured out how to break it. The industrial park in the southern portion of the

County has lots of room for growth. We have lots of room to expand, so the industry doesn't really matter. We need high speed internet in the industrial park. We have plenty of water and waste water capacity. Wallops Island wants to expand, and they've already started to expand out toward the highway. With a little push, we could have Wallops Island filling up Area 13. If infrastructure is improved, people will want to live in the southern part of Worcester County and be able to telecommute. In the southern portion of the County there is no cell phone service. We need to fix this problem. The County needs to interview and hire an economic development director immediately, but we need to develop specific goals before we begin to recruit for this position.

Commission Vice President Joe Mitrecic

- We're not going to solve the broadband issue without economic development. We can't keep going to taxpayers to ask for more money. We have to attract new businesses and get them here now. I've had discussions with someone from the technical school about masonry and plumbing programs and she said that there is no interest because we've pushed young people towards engineering and science. Not everybody is cut out to go to community college. The world needs ditch diggers too, and if you're going to be a ditch digger, be the best. Our schools need to focus on this. Some kids don't want to go to college. Not every kid is cut out for robotics or engineering. As a mason or plumber or electrician, you can provide a good living for your family and be a part of the community. We need to bring jobs to Worcester County. We need year-round jobs that provide good benefits and possibly retirement. We need to work with big-box ideas. All of the stuff on all of these sheets costs money. If we don't have jobs, we can't pay for these ideas. We have too many people below the poverty level. Looks at the Amazon HQ2 deal. The housing, jobs, and income that it generated far exceeded the cost of the tax incentives. Worcester County has to be open to something like this. Maybe Walmart will come to Worcester County. These big businesses want incentives. We need an economic development director. We have to incentivize people to move from Virginia to Maryland. We need to adapt to the new types of tourism. People don't go to the beach for a week anymore and stay there—it's evolved. Worcester County is still a tourist destination. We have to evolve with tourism and agriculture. If we're not moving forward at a fast rate, we'll be left behind.

Commissioner Bud Church

- The demand for services is going to continue to increase in the County. It's a growing County and to meet these demands, it is going to require two things – raising taxes and growth. Two things that really attract people to Worcester County are the medical care and the schools. The future of Worcester County is in this room. Without economic growth, Ocean City has assumed the brunt of this. We have to look at smoke-free industry. We need to diversify our tax base. Orbital is looking to expand by several thousand jobs in the next eight to ten years and it is an untouched area for the County. I don't want to destroy our way of life for the sake of economic development. We have a National Park and State Park that get millions of visitors every year, but the Tourism Department never promotes it.

Commissioner Chip Bertino

- I believe County government should be limited. Our taxpayers are paying for services such as law enforcement, quality education, zoning, and good roads. This is what we should give them. I believe government isn't the solution to every problem in the County, but we do have a role to play in facilitating business growth. A free enterprise is what can fill this gap. To the extent that government can facilitate this, we have a responsibility to do that. Individuals and governments do have the choice of how we move forward. I don't recall any staff in the past four and a half years coming to us with

incentive programs to attract new business. The Commissioners have the right to do something like this. We have a burgeoning medical industry; I don't know if this is the third leg, but it is important. The southern end of the County is more affordable. We need not just one person, but two or three people in the economic development office. If we do search for an economic development director, we need to find the best person and figure out how much it will cost. The payback will be significant. This person will need to be held accountable. We need to make sure we protect small family farms. Tourism, because of Ocean City and our location, is going to be there. Our economic development strategy should be focused on something other than those two aspects. I'd put tourism under the Economic Development Department. Our Tourism Department hasn't made much of an impact on how many tourists we would attract either way.

There was a brief discussion about some of the common themes that came out of the "This I believe..." that may be the beginning points of a vision. Next the group had a discussion about their goals and vision for economic development.

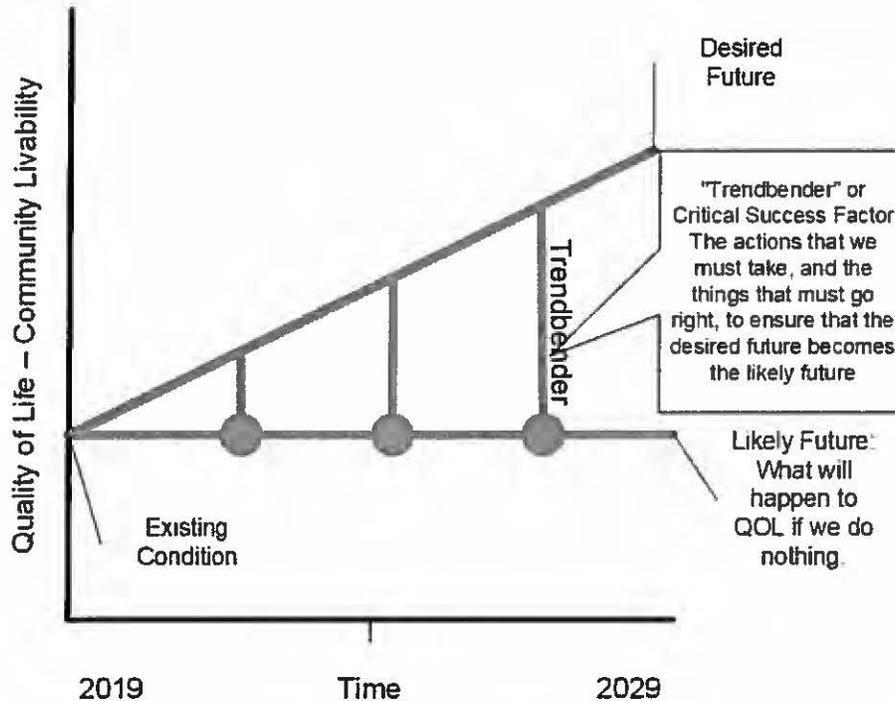
- Tourism has changed. How does the County adapt to this?
- Protect and evolve tourism in Ocean City and Berlin.
- Greater ways to exploit our assets – Assateague National Park and State Park each attract three million visitors annually
- Partnerships

The group decided that the Economic Development and Tourism Departments should operate as separate entities.

The facilitator asked the Chief Administrative Officer and Assistant Chief Administrative Officer if they had anything to add to the discussion about economic development.

- The County has two legs of a three-legged stool – tourism and agriculture. The third leg is not yet known, but we need it. It is some sort of industry. If you're looking for a workforce, you need to look at affordable housing. Tourism and economic development are two different entities and will never tie together. The departments should work together, but they should not be linked.
- Goals and objectives need to be well-defined for the economic development director.

The group was also asked to identify the current quality of life in Worcester County. The participants agreed that the quality of life in the County will go down over time if they do no strategic planning and implementation. In order to increase the quality of life for all within the County they identified the "trendbenders" or critical success factors that must go well. The chart that follows illustrates this.



Vision and Critical Success Factors

Several staff members drafted a vision for the County, which upon review, the Commissioners felt aligned with their goals. Staff members also drafted an economic development vision for the County, which was reviewed the following day.

Draft County Vision Statement: Worcester County is a desired location to live, work, and play for year-round residents and visitors. We are a premier tourism destination, known for pristine beaches, bays, and rivers, as well as a relaxed lifestyle. We have a thriving economy, offering diverse family-sustaining jobs with benefits, access to premier healthcare, and community-minded businesses. We boast a nationally renowned educational system, which includes post-secondary education and trade schools to benefit future generations, while remaining fiscally conservative and financially sound. Our citizens are proud to call Worcester County home and look forward to sharing the benefits of eastern shore living with visiting family and friends.

Draft Economic Development Vision Statement: Worcester County enjoys a diverse economy, primarily based on tourism, agriculture, and a burgeoning industrial park in Pocomoke City that supports the nearby NASA facility on Wallops Island and other regional partners. We have a thriving business community, offering good-paying, year-round jobs with benefits, and we continue to attract new businesses and entice existing businesses to expand in southern Worcester County thanks to our well-educated workforce and superior services and infrastructure. We offer an attractive incentive package to encourage business growth and development using a combination of tax deferrals, grants, and low-interest loans. Northern Worcester County offers diverse lodging, restaurant, and retail services to support existing and emerging tourism trends.

The group then identified Critical Success Factors for the County. Critical Success Factors represent the "big buckets of things that must go well" in order for the County to continue its journey toward success.

The group brainstormed and developed the following twelve Critical Success Factors:

- Economic Growth
- Economic Stability of Individuals and the Government
- Schools
- Healthcare
- Community/Public Safety
- Jobs
- Transportation
- Technology
- Leadership
- Volunteers
- Culture/Things to Do
- Natural Resources

The first day of the workshop adjourned after these discussions.

Day Two – January 30, 2019

The participants, which included the Commissioners and all of the County's Department heads, gathered at 8:30 AM and work began at 9:00 AM. Each department head introduced him or herself. The second day began with the Commissioners reviewing elements of the work they performed the previous day.

Finalizing Vision and Critical Success Factors

The Vision Statement and Economic Development Vision Statement were presented to the group for review. The consultant revised the twelve Critical Success Factors from Day One and narrowed the list to ten factors. The group then finalized the Critical Success Factors.

Vision Statement: Worcester County is a desired location to live, work, and play for year-round residents and visitors. We are a premier tourism destination, known for pristine beaches, bays, and rivers, as well as a safe and relaxed lifestyle. We have a thriving economy, offering diverse family-sustaining jobs with benefits, access to premier healthcare, and community-minded businesses. We boast a nationally renowned educational system, which includes post-secondary education and trade schools to benefit future generations, while remaining fiscally conservative and financially sound. Our citizens are proud to call Worcester County home and look forward to sharing the benefits of eastern shore living with visiting family and friends.

Economic Development Vision Statement: Worcester County enjoys a diverse economy, primarily based on tourism, agriculture, and burgeoning industrial parks that support the nearby NASA facility on Wallops Island and other regional partners. We have a thriving business community, offering good-paying, year-round jobs with benefits, and we continue to attract new businesses and entice existing businesses to expand in Worcester County thanks to our well-educated workforce and superior services and infrastructure. We may offer an attractive incentive package to encourage business growth and development using a combination of tax deferrals, grants, and low-interest loans. Worcester County offers diverse lodging, restaurant, and retail services to support existing and emerging tourism trends.

Final Critical Success Factors

- Exceptional Schools
- Natural Resources
- Community Leadership
- Adaptable Technology
- Quality Healthcare
- Cultural Opportunities
- Safe and Sufficient Transportation
- Sustainable County Services
- Economic Growth
- Safe and Livable Communities

Individual Priorities

Each member of the Commission shared their top priorities for the County moving forward.

- **Commissioner Mitrecic:** Solve Other Post-Employment Benefits issue by adopting a long-term funding plan and sticking to it; support a first-class tournament sports complex in the County to attract more visitors and generate revenue; provide competitive employee wages

- **Commissioner Purnell:** Economic growth and development, including a sports complex and affordable housing; address public transportation needs so people can get where they need to go; partner with local and state educational institutions
- **Commissioner Church:** Economic development, encourage clean industry that maintains the County's quality of life – no smoke-stack industries; quality schools, with students prepared for future opportunities in college and the local workforce; and controlled growth, with a Can Do outlook by County staff
- **Commissioner Bertino:** Other Post-Employment Benefits; competitive wages and benefits; broadband infrastructure throughout the County
- **Commissioner Elder:** Broadband – for economic development and education; Broadband – for all residents; supporting and protecting the agricultural industry from residential encroachment
- **Commissioner Nordstrom:** Education – vocational programs and technical schools; economic development – to provide better-paying career jobs; and high-speed internet and all forms of mobile communications available throughout the County

Governing Body Priorities

The President and Commission were asked to identify the specific goals (programs, projects, or policy initiatives) that they wish to pursue in the next 12 to 24 months; 10 items were identified and received sufficient interest to move forward as Commissioner Goals. The items in **bold** received support from multiple Commissioners. One Commissioner expressed concern about making any final decisions without the full Board of County Commissioners present and without the benefit of staff input. The Commissioners agreed that they would move forward with these, but that they would gather staff input and put them on the Commissioners' agenda for review prior to approval.

In addition to the specific goals identified in the table below, programs and initiatives are in place that support all of the Critical Success Factors.

Critical Success Factors	Commissioner Goals
Exceptional Schools	<ul style="list-style-type: none"> • Work with the State to develop a more equitable funding formula in order to increase per student funding from the State • Increase Science, Technology, Engineering, and Mathematics (STEM) partnerships
Natural Resources	<ul style="list-style-type: none"> • Protect agriculture and prevent harmful regulations
Adaptable Technology	<ul style="list-style-type: none"> • Develop and implement a plan to provide high-speed internet throughout the County • Incentivize broadband companies to invest in rural Worcester County
Economic Growth	<ul style="list-style-type: none"> • Move forward with sports complex development • Offer tuition assistance to incentivize students to enter a trade • Develop an economic development strategy <ul style="list-style-type: none"> ○ Offer incentives and tax breaks to attract new businesses and jobs ○ Add to our economic development team and provide them with a vision and the tools necessary to bring in new business ○ Remove unnecessary regulations, fees, and other obstructions to business development

Critical Success Factors	Commissioner Goals
Sustainable County Services	<ul style="list-style-type: none"> Identify a funding source for Other Post-Employment Benefits Review County staff compensation Identify alternative (non-tax) revenues to support competitive employee wages
Community Leadership	
Safe and Livable Communities	
Quality Healthcare	
Cultural Opportunities	
Safe and Sufficient Transportation	

The Commissioners, Chief Administrative Officer, Assistant Chief Administrative Officer, Department heads, and staff worked together in small groups to determine the beginning stages of a work plan for each action item. They described the action, who would lead the effort, and any first steps. The small groups reported out and the entire group provided additional information and clarification, which resulted in the following descriptions of each action item. The Assistant Chief Administrative Officer and Public Information Officer developed a vision statement for each Critical Success Factor. Success for each item is described in the vision statements below.

- Exceptional Schools**
 Worcester County provides a wide range of educational opportunities for our citizens, including a solid foundation in public schools that focus on college and career readiness, with diverse trade and post-secondary opportunities.
- Natural Resources**
 Worcester County is a desirable location for residents and visitors thanks to our pristine parks, beaches, bays, and rivers, which support our relaxed lifestyle and preserve our rural landscape.
- Community Leadership**
 Worcester County Government provides responsive, effective, and positive leadership, supporting the private sector and encouraging volunteerism to improve the lives of our residents and visitors.
- Adaptable Technology**
 Worcester County provides evolving infrastructure, adapting to our changing technological world.
- Quality Healthcare**
 Worcester County enjoys quality healthcare facilities providing services to all ages and stages of life.
- Cultural Opportunities**
 Worcester County offers a wide range of museums, theaters, and arts and entertainment venues that support an engaged citizenry, which preserves the County's cultural heritage.
- Safe and Sufficient Transportation**
 Worcester County provides a safe, secure, and affordable public transportation network, addressing the needs of all citizens.

- **Sustainable County Services**

Worcester County provides a cost-effective, customer-focused approach to the provision of services to our citizens, businesses, and visitors.

- **Economic Growth**

Worcester County enjoys a diverse economy, primarily based on tourism, agriculture, and burgeoning industrial and medical parks, which provide career opportunities for our residents. We also maintain a commercial harbor that supports both commercial and recreational fishing industries.

- **Safe and Livable Communities**

Thanks to our exceptional public safety agencies, Worcester County citizens and visitors can rely on a safe, clean, and secure environment.

The Commissioners worked with County staff members in small groups to further develop the goals by identifying the problem they were trying to solve, success for the goal, who should take the lead, and any initial steps. Small groups reported out to the large group and the discussions resulted in the following.

Goal: Work with the State on an equitable funding formula; increase per student funding

Problem: The current formula is inequitable and unfair to Worcester County

Success: Work with the State to change funding formula to increase per student funding.

Lead: Commissioners

First Steps:

- Keep pressure on legislature
- Work with State delegation
- Ensure our position is articulated consistently

Goal: Increase STEM Partnerships

Problem: Partnerships are good but we need more

Success Looks Like: More college interns returning to the community to work after graduation.

Lead: Economic Development

First steps:

- Establish a relationship with the education system and promote communication

Goal: Protect agriculture and prevent harmful regulations

Problem: Farming is important and is threatened by regulations at different levels of government

Success Looks Like: Helping farmers to be compliant; lower regulatory burden

Lead: Multi-departmental effort to include Environmental Programs, Development Review and Permitting, Tourism, Economic Development, and Health

First steps:

- Diversify the agricultural economy
- Implement regulatory solutions across departments
- Advocacy from elected officials

Goal: Develop and implement a plan to provide high-speed internet throughout the County

Problem: Much of County lacks internet service or acceptable speeds needed for daily life of residents and businesses

Success Looks Like: 100 percent broadband coverage throughout the County

Lead: Information Technology (Brian Jones), Commissioner Ted Elder, and Economic Development (Kathryn Gordon)

First steps:

- Commissioners will approve a consultant's proposal to study the problems and make recommendations at an upcoming meeting, in response to their current Request for Proposals
- Conduct survey and collect survey results
- Build a platform with professional assistance
- Apply for grant funds as available

Goal: Incentivize broadband companies to invest in rural Worcester County

Problem: Private sector not providing broadband in many areas because it isn't profitable

Success: Incentives to private sector lead to provision of broadband in rural areas not covered currently

First steps:

- Assistance with tower fees – a percentage discount
- Streamline permitting
- Tax incentives
- Set up a committee to keep communication open
- Assisting with grants

Goal: Identify a funding source for Other Post-Employment Benefits (OPEB)

Problem: OPEB obligations for the County are extremely high and a plan is needed to fund this

Success Looks Like: Adequate funding levels and sources which provide resources well into the future.

Lead: Human Resources, Finance, and Administration

First steps:

- Develop a plan that provides for sustainable long-term healthcare benefits for employees and retirees
- Include Board of Education in discussions

Goal: Move forward with sports complex development

Problem: There is a desire to diversify and capture the growing sports tourism industry and a physical facility is needed. We're looking for creative revenue for the County and to extend the tourism off-season. We're trying to compete with Virginia, Delaware, and other states. This is another attraction for the County. Build it and they will come.

Success Looks Like:

- Non-County, State, City, School Board, and Private Sector Effort
- Increased tourism year-round
- Public recreation opportunities/Private Promoter
- Develop a park in conjunction with sports complex, with walking trails, playgrounds, sports courts (tennis, pickle ball), and potential for a future indoor recreation facility
- New employment and community involvement opportunities
- Additional educational opportunities.

Lead: Recreation & Parks (Tom Perlozzo) and multi-departmental Sports Complex Committee

First steps:

- Creative, non-County funding – state funding, grants, private funding from corporate donations
- Identify suitable location and land
- Private sector partnerships
- Develop a conceptual plan for Commission approval
- Perform any necessary feasibility studies

Goal: Offer tuition assistance to incentivize students to enter a trade

Problem: There are a lack of young people going into trades and this labor force is needed

Success Looks Like: 50 students from Worcester County entering trades per year.

Lead: Commissioners, Board of Education, Technical Schools, and Economic Development

First steps:

- Greater emphasis on vocational training in schools
- Strengthen partnerships with vocational schools
- Establish criteria for incentives – perhaps needs based or targeted to specific industries
- Find a way to pay for it – pool of money, community/business partners

Goal: Develop an economic development strategy

Problem: There has not been a cohesive vision for economic development which is needed before hiring a new director

Success: Outline the economic development strategy, staff the office, develop a work plan to execute the strategy

Lead: Human Resources Director and Chief Administrative Officer

First Steps:

- Develop a broadband strategy
- Evaluate appropriate economic development incentives
- Develop business recruitment and retention strategies
- Define the third leg of the economic development stool in Worcester County; identify and support emerging industries (which might include healthcare, light industrial, business meeting and convention industry, and sports tourism)

Next Steps

The group discussed the next steps to take to achieve their vision and goals.

- The Novak Consulting Group will provide a report on the activities of the two day work session.
- Open communication and dialogue between the Chief Administrative Officer and Department heads to discuss the items outlined today and how to move forward. More work sessions.
- **Commissioner Purnell** – Once Commissioners get this information back, we can take each priority one by one and work on them during work sessions.
- **Harold Higgins** – After work sessions, this will result in some sort of budgetary committee.
- Commissioners would expect to hear frequent updates from staff.
- **Commissioner Mitrecic** – Quarterly updates on the status of projects are necessary, if not monthly.
- **Commissioner Purnell** – The President will put these items on our agenda.

- Harold and Kelly will touch up the results that The Novak Consulting Groups sends, then we will present it to the Commission for them to vote. We can work out the details for how to achieve these goals during work sessions. If it's a quarterly update done in open session, it will be public. If there is confidential information to report, this may be reported differently.
- **Commissioner Nordstrom** – I'd like to set up an avenue to have more face-to-face time between Commissioners and Department heads so we can understand more about the operations of the County.
- **Commissioner Mitreic** – (In response to a staff suggestion for the Commissioners to become involved in opposing a few currently proposed projects which could be detrimental to the Commissioners' goals) - My concern is with getting the County Commissioners involved in permitting because I don't want to set a bad precedent. We have enough layers in the current development review process that we don't need the Commissioners involved. Questions regarding any projects should be submitted to the Chief Administrative Officer. The County Commissioners should remain insulated from the process and only become involved at the appropriate time as specified in the current procedures.

Closing Thoughts

Each Commissioner was asked to give a closing word or thought from the work completed on this second day of their work session (note – Commissioner Elder was not present at the end of the work session):

- **Commissioner Mitreic** – Expressed appreciation for the department heads who attended and for completing the survey in advance. He asked that staff continue to be honest with the Commissioners and promised amicable treatment. He reiterated his belief that the Commissioners should not get involved in issues at the Technical Review Committee and Planning Commission level.
- **Commissioner Purnell** – Thanked the department heads for working with the Commissioners and for all they do for Worcester County. She looked forward to implementing the goals established today.
- **Commissioner Church** – Stated that he was surprised by the survey results but appreciated the candid comments provided by the department heads. He expressed a desire to meet more regularly. He stated that Worcester County has great administration and staff – the best in the State.
- **Commissioner Bertino** – Thanked Catherine Tuck-Parrish and Morgan Daniel of the Novak Consulting Group for facilitating the strategic planning work session and all of the department heads, administration staff and Commissioners for their input.
- **Commissioner Nordstrom** – Thanked everyone for meeting with him and welcoming him as a new County Commissioner. He hoped that the Commissioners would schedule more face time with the department heads in the future to garner a better understanding of their issues and concerns.

The group adjourned following these closing thoughts.



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Worcester County

Government Center
Department of Human Resources
One West Market Street, Room 1301
Snow Hill, Maryland 21863-1213
410-632-0090
Fax: 410-632-5614

STACEY E. NORTON
Human Resources Director
HOPE CARMEAN
Benefits Manager
EDDIE CARMAN
Risk Manager

KELLY BRINKLEY
Volunteer Services Manager
ANN HANKINS
Human Resources Specialist
TARA ARMSTRONG
Office Assistant IV

To: Harold Higgins, Chief Administrative Officer
From: Stacey Norton, Human Resources Director
Date: February 26, 2019
Subject: FY 20 Proposed Benefit Recommendations

PSA Insurance & Financials Services Inc., our benefit consultants, have completed negotiations with our benefit vendors. We did take the dental and pharmacy benefit manager (PBM) to market for FY 20 and these efforts were beneficial in negotiations.

Enrollment in the dental program increased 4%. PSA negotiated a 4.7% reduction in the administrative rate for a total annual savings of \$55,672 and used marketing to negotiate a flat renewal saving another \$12,927. There will be no increase for FY 20. Last year's increase was 5.0%. The dental benefit is paid 100% by the employees enrolled.

There are no rate or plan changes to vision as we are in the fourth year of a 4 year rate guarantee.

There are also no rate or plan changes to Life Insurance and Long Term Disability as we are in the third year of a 3 year rate guarantee.

PSA was able to negotiate a 7.7% reduction in CareFirst administration fees for an annual savings of \$129,696. CareFirst came in with an overall decrease of 0.1% in medical/prescription costs for FY 20 for an overall savings of \$37,043 compared to FY 19.

The Health Benefits Committee is recommending we stay with CareFirst for medical, dental, and pharmacy benefits manager and have no changes in the premium rates for FY 20. **The only change we are requesting is to notify CareFirst to only charge 1 ER copay per 3 days and waive the ER copay if admitted within 3 days.**

Please note that we need to notify CareFirst by April 1, 2019 of our renewal for the FY 20 fiscal year.

Thank you for your consideration.



LOUIS H. TAYLOR
Superintendent of Schools

H. STEPHEN PRICE
Chief Safety Officer

JOHN R. QUINN, Ed.D.
Chief Academic Officer

VINCENT E. TOLBERT, CPA
Chief Financial Officer

ANNETTE E. WALLACE, Ed.D.
Chief Operating Officer

The Board of Education of Worcester County

6270 Worcester Highway
Newark, Maryland 21841

www.worcesterk12.org

Telephone: (410) 632-5000

Fax: (410) 632-0364



March 12, 2019

20

Board Members

WILLIAM L. GORDY
President

ERIC W. CROPPER, SR.
Vice-President

BARRY Q. BRITTINGHAM, SR.

WILLIAM E. BUCHANAN

TODD A. FERRANTE

ELENA J. MCCOMAS

SARA D. THOMPSON

Mr. Harold Higgins
Chief Administrative Officer
Office of the County Commissioners
Worcester County Government Center
One W. Market Street, Room 1103
Snow Hill, MD 21863-1195

Dear Mr. Higgins:

The Board of Education's proposed FY20 Operating Budget adopted on February 19, 2019 does not include any items identified as non-recurring.

Please contact me with any questions regarding this information.

Sincerely,

Louis H. Taylor
Superintendent of Schools





The Board of Education of Worcester County

6270 Worcester Highway
Newark, Maryland 21841

www.worcesterk12.org

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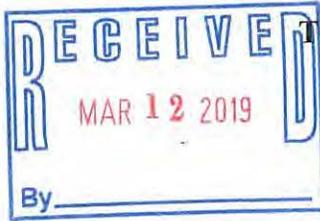
LOUIS H. TAYLOR
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Chief Operating Officer



March 12, 2019

Mr. Harold Higgins
Chief Administrative Officer
Office of the County Commissioners
Worcester County Government Center
One W. Market Street, Room 1103
Snow Hill, MD 21863-1195

Dear Mr. Higgins:

Attached is the Maintenance of Effort calculation for fiscal year 2020. As outlined in the attachment, maintenance of effort funding would require an increase of \$1,843,129 in county funding for FY2020.

Please contact me with any questions regarding this information.

Sincerely,

Louis H. Taylor
Superintendent of Schools



Maintenance of Effort

Definition: *To receive the FY20 amount in State foundation and compensatory aid, a local government must appropriate at least as much funding per pupil to the local board of education as it appropriated in the previous year.*

Worcester County - Maintenance of Effort Level Estimated - FY2020

<u>Line #</u>		
1	FY 2019 Highest Appropriation	\$86,685,293
2	FTE Enrollment - FY2019:	6,304.00
3	Appropriation per Student - FY 2019:	\$13,750.84
	PLUS	
	Increase to Per Pupil Amount if Applicable	
	Increase in Local Wealth Per Pupil %	1.00463509001052% *
4	Additional Per Pupil Amount	\$138.15
5	Adjusted per Pupil Amount	\$13,888.99
6	FTE Enrollment - FY2020	6,374.00 **
	(Actual student enrollment = 6,810)	
7	FY 2020 Maintenance of Effort Funding Level (Est.):	\$88,528,422
	(6,374 FTE X \$13,750.8396 FY19 per pupil funding + 1.0%)	
8	County FY19 Maintenance of Effort Funding Level	\$86,685,293
9	Change in FY20 Maintenance of Effort Level (Est.):	\$1,843,129

* (In the 2012 legislative session, the State amended the MOE requirements to include an Educational Effort component. Based on information received from the State, the 1.0046% increase in local wealth per pupil results in a 1.0046% increase in required Maintenance of Effort funding in FY20.)

** (State funding formula excludes pre-kindergarten, part-time, and non-resident students from total FTE counts.)



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HAROLD L. HIGGINS, CPA
CHIEF ADMINISTRATIVE OFFICER
MAUREEN F.L. HOWARTH
COUNTY ATTORNEY

COMMISSIONERS
DIANA PURNELL, PRESIDENT
JOSEPH M. MITRECIC, VICE PRESIDENT
ANTHONY W. BERTINO, JR.
MADISON J. BUNTING, JR.
JAMES C. CHURCH
THEODORE J. ELDER
JOSHUA C. NORDSTROM

OFFICE OF THE
COUNTY COMMISSIONERS

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET • ROOM 1103
SNOW HILL, MARYLAND
21863-1195

March 13, 2019

Worcester County Commissioners
One West Market Street
County Government Center - Room 1103
Snow Hill, MD 21863

RE: **Requested FY2020 Operating Budget**

Commissioners:

In accordance with Section 4-201 of the County Government Article of the Code of Public Local Laws of Worcester County, Maryland, enclosed are the Worcester County Departmental Operating Budget Requests for Fiscal Year 2020.

General Fund revenues based on current tax rates are estimated to be \$195,891,813. Requested general fund operating expenditures total \$202,683,755. This leaves a **shortfall** of \$6,791,942 which must be reconciled, either with reductions in expenditures, additional revenues or a combination of the two. The requested budget for the general fund includes the operations of the Recycling Center and Homeowner Convenience Centers with revenues included for \$509,800 and \$2,143,658 in expenditures included in Public Works. Since the State budget is not finalized, the County could be further burdened by State cuts, continued unfunded mandates and/or the transfer of State responsibilities. Listed below are significant budget variances as compared to the current year:

Anticipated General Fund Revenues

The estimated revenues for FY2020 total \$195,891,813 which is an **increase** of \$5,861,094 or 3% more than the current year. Although the requested budget for revenue does not include a transfer from budget stabilization for the Solid Waste Enterprise Fund, the general fund budget now includes the FY2020 estimated revenues for Recycling and Homeowner Convenience Stations which total \$509,800.

- **Net Property Tax Revenues** increase by \$3,996,795, primarily as a result of increased assessments and Homeowner Tax Credits. These estimates are based on the current tax rate of \$0.835 per \$100 of the assessed value for the Real property.
- **Income Tax revenue** is estimated at \$23,000,000, and remains unchanged from the current year and is based on the tax rate of 1.75%, which became effective January 1, 2016.

- Other Local Taxes increased by \$253,000 based on current year estimates and includes an increase of \$75,000 in Admissions & Amusement taxes, \$250,000 Transfer Taxes and a **decrease** of \$75,000 for Room Tax collections in the unincorporated areas.
- State Shared Revenues increased by \$613,709 due to the State estimate for Highway User Revenues with the elimination of the Transportation grant in FY20.
- Licenses and Permits increased \$439,476; significant changes include \$329,000 for household permits for the homeowner convenience centers; \$29,300 for the biannual occupational licenses, \$30,000 for rental license fees, and \$50,000 for building permits.
- Charges for Services increased by \$275,095 overall; significant changes in accounts include \$35,000 for Roads department fees based on current rates, \$180,800 for revenues due to the FY20 inclusion of recycling for recycled materials, metals and tires, and \$61,300 for special events fees for Recreation.
- Interest on Investments increased \$425,000 due to increased rates of return.
- Federal grants project an overall **decrease** of \$1,984 due to estimates for the US Fish and Wildlife revenue.
- State grants increased \$1,289,218; Increases include additional funds of \$461,749 Program Open Space for Parks, \$180,716 Waterway Improvement Funds for boat landings; \$824,881 State aid for Bridges, \$239,000 for State Land and Water grant for Parks. **Decreases** include \$559,563 for the Transportation Grant which is accounted for in Highway User Fees by the State.
- Transfers in:
 - Planned use of Casino/Local Impact Grant Funds increased by \$264,900 for the debt payment for the Worcester Technical High School in FY20.
 - Transfers In of existing Budget Stabilization Funds **decreased** by \$1,698,323 due to the change in accounting for Recycling and Homeowner Convenience Centers as part of the operations of the General Fund in FY2020.

Major Requested General Fund Expenditures

The **Requested expenditures** for FY2020 total \$202,683,755 which is an increase of \$12,653,036 or 6% more than the current year. Significant budget variances are listed below:

County Departments and Agencies

- County Administration increased \$289,409
 - Increased by \$225,998 in salaries due to the an employee retirement, transfer and one new position
 - Increased by \$52,000 for 2 trucks for two positions
- Elections Office increased \$219,444
 - Increased by \$59,445 for salaries and benefits based on State Elections requested salary upgrades
 - Increased by \$143,245 which includes \$116,709 for estimated expenses to add an additional early voting polling place including the cost of an Election Administrative Assistant and \$26,536 to cover additional election expenses for a Presidential primary
 - Increased by \$15,336 for temporary clerical staff to assist with elections
- Other General Government increased by \$116,609
 - Increased by \$75,264 in software maintenance agreements for \$35,586 mainly for upgrades to windows licenses and the phone system and \$35,000 in network expenses for a new UPS server
 - Increased by \$33,463 for the County's share of the following; capital match for Tri-County Shore Transit for \$26,235 and an additional reimbursement to the State of \$5,928 for the operating expenses for the State Department of Taxation

- Emergency Services increased by \$1,085,573
 - Increased by \$159,643 in salaries for one new fulltime and 3 part time positions
 - Increased by \$686,146 for one-time expenses for the following: \$591,000 for P-25 radio equipment which includes \$328,000 for the Board of Education and \$263,000 for public safety and County departments: \$173,344 for the radio maintenance and software contracts; a **decrease** of \$144,820 of radio supplies for Fire Companies needed in the prior fiscal year
 - Increased by \$40,109 for vehicle equipment and consulting for an updated mitigation plan
 - Increased by \$46,675 to cover training and education for dispatchers and staff
 - Increased by \$153,000 for one-time expenses for a new vehicle, P-25 asset software and a radio alignment device
- Jail increased by \$134,754
 - Increased by \$28,598 for one new position
 - **Decreased** by \$50,184 for computers for \$14,096 and inmate medical supplies for \$30,000
 - Increased by \$145,015 mainly for the medical contract approved in January, 2019
 - Increased by \$8,125 in capital equipment and includes \$30,000 for two tilt skillets, \$46,000 for a vehicle and **decreased** by \$22,875 for a current year tractor purchase
- Fire Company Grant is included for \$2,520,000 based on the current funding formula
- Ambulance Grants is included for \$3,846,591 and is \$2,554 less than the current year based on the current funding formula
- Public Works increased \$2,068,557
 - Increased by \$2,143,658 for the general fund expense of \$1,106,613 for the Convenience Centers and \$1,137,045 for the Recycling Center operations. These budgets have been added each as a consolidated line item with the intention that separate departments and accounts will be set up with the budget adoption
 - **Decreased** by \$62,418 in the Interfund allocation with the transfer of a position to County Administration
 - **Decreased** by \$16,500 for capital equipment needed in the current year only and includes a shed for the Fleet Division for \$6,500 to hold tires.
- Boat Landings increased by \$227,516
 - Increased by \$176,416 for State Program Open Space funds for a dredging grant project
 - Increased by \$60,100 for \$25,000 consulting for engineering services for bulkhead at West Ocean City inlet and \$35,000 to replace electricity panels for the commercial harbor
- Commission on Aging increased \$147,253
 - Increased by \$40,953 for Maryland Department of Aging pass through Grant
 - Increased by \$110,000 for the County share of salaries and benefits with the addition of a Coordinator staff member for the Community for Life to assist seniors
- Other Social Services increased \$206,892
- Wor-Wic Community College increased \$129,330
 - Increased by \$129,330, Worcester County local funding allocation is 28.74%
- Parks increased \$572,247
 - Increased by \$52,771 for 2 part time parks workers and overtime
 - Increased by \$504,586 for park improvements from the State Program Open Space funds over the current year
 - Increased by \$9,500 to purchase a trailer and tractor with attachments for \$48,500 and **decreased** by \$39,000 for current year pickup trucks

- Library increased by \$167,437
 - Increased by \$70,597 in salaries for positions including; 2 full time, 1 part time and 1 temporary
 - Increased by \$105,000 in capital to replace carpet at Ocean Pines library which includes the cost of outside movers for shelving and books
- Grants to Towns increased \$1,145,827
 - Increased by \$939,827 for Town requests presented to the County Commissioners on March 5 and March 19, 2019
 - Increased by \$206,000 for Ocean Pines Association request for Police aid, tourism, recreational programs and roads and bridges
- Salary, Insurance & Benefits increased \$2,567,155
 - Increased by \$1,233,604 for salaries for County employees and personnel requests which includes a 2.5% step and longevity for those eligible and a 2.0% COLA
 - **Decreased** by \$250,000 based on the estimated renewal rates for health benefits without an increase allocated to each plan type
 - Increased by \$929,000 for Other Post Employment Benefits for a total of \$6,000,000
 - Increased by \$378,110 for the retirement plan based on increased rates and estimated payroll
 - Increased by \$92,805 for social security taxes based on the estimated payroll
 - Increased by \$166,988 for workman's compensation based on estimates
 - Increased by \$49,088 for Property & Liability insurance estimates
- Debt Service increased by \$1,953,763
 - Increased due to the 2019 bond for County projects and existing debt
- Interfund Charges **decreased** by \$1,398,323
 - **Decreased** by \$1,033,339 for Transfers Out to Recycling for the Enterprise Fund
 - **Decreased** by \$664,984 for Transfers Out to Convenience Centers for the Enterprise Fund
 - Increased by \$300,000 for Transfer to Reserve to maintain the current 10% reserve based on fully funding the requested expense budget

Board of Education

- The Board of Education has requested \$90,190,761, including one-time capital funding requests, from the County, an increase of \$2,728,986 over the **current** year adopted budget as shown below. School construction debt is paid by the County on behalf of the Board of Education. It is not reflected in the Board’s budget; however it is included in the County’s operating budget. The Board’s operating and capital budget request is \$90,190,761 plus debt of \$12,130,181 which totals \$102,320,942 or 52.2% of the County’s total estimated revenue.

	FY2020 Requested Budget	FY2019 Approved Budget	Dollar Variance +/- FY2019
County Appropriation *	\$88,224,330	\$86,385,293	+1,839,037
County Appropriation: MOE State updated addition 3/1/19	4,092	0	4,092
County Appropriation: Technology + Capital Outlay	300,000	300,000	+0
County Appropriation: Retirement for Non Teachers	559,284	514,482	+44,802
School Construction Projects **	853,055	0	+853,055
Restricted Programs: Textbooks, Pocomoke Middle FY20	250,000	262,000	-12,000
Sub-Total County Appropriation	<u>\$90,190,761</u>	<u>\$87,461,775</u>	<u>+2,728,986</u>
State and Other Funding Sources	20,602,519	19,888,092	+714,427
Sub-Total Unrestricted Budget	<u>\$110,793,280</u>	<u>\$107,349,867</u>	<u>+3,443,413</u>
Restricted: Federal and State Programs	12,502,159	12,413,004	-89,155
Total	<u>\$123,295,439</u>	<u>\$119,762,871</u>	<u>+3,532,568</u>

*Fiscal 2019 Maintenance of Effort (MOE) level of \$86,685,293 is affected by the escalator provision:

1. An MOE escalator provision will take effect in FY20 for 1.00463509%. This provision was enacted as part of Senate Bill 848 of 2012, Section 5-202(d)(ii)2 and became effective FY15. Due to a negative statewide average for FY15 and FY16, the escalator effects FY17-FY20.
2. MOE requires an increase of \$1,843,129 in FY20.

**FY2019 Construction projects funded through fund balance.

Board of Education Requested Salary Increase:

The Board of Education submission includes the following salary request:

- The salary package for the Board of Education reflects a payroll increase of \$2,353,403, which includes a step, longevity step for those eligible and salary scale adjustments as negotiated with a 2% COLA for Teachers and Support Staff employees.
- The bus contracts account increase over FY19 is \$83,264 and reflects a 2% increase to bus contractor’s hourly, mileage and PVA rates effective July 1, 2019. The increase includes funding to several contractors to purchase new buses for \$14,000 and \$45,000 to cover increasing costs for athletic transportation.
- Starting Teacher pay would increase 2.0% from \$44,700 to \$45,594.

Budget Adoption Schedule

The first budget review session with selected County Departments and Agencies is scheduled for April 2nd and another is scheduled for April 9th. These sessions provide the opportunity for your detailed review of the various budget requests. The Public Hearing on the Requested Operating Budget is scheduled for Tuesday, May 7, 2019 at 7:00 p.m. at Stephen Decatur High School. Additional budget work sessions are scheduled for May 14, and May 21. May 28, 2019 is also scheduled if needed. The FY2019/2020 General Fund Operating Budget must be adopted on June 4, 2019.

Respectfully Submitted,



Harold L. Higgins
Chief Administrative Officer

HLH:kjw

H:\FY20 Budget\March 19 2019 FY20 budget to County Comm\FY20 budget request to comm.doc

Attachments: FY20 Requested Summary – Pages 7-12
FY20 Revenue by Account Classification – Pages 13-17
Budget Work Session Agenda April 2, 2019 –Page 18
Budget Work Session Agenda April 9, 2019 – Page 19
Exhibit 1 – Board of Education Unrestricted Revenues
Exhibit 2 – Board of Education Restricted Revenues

WORCESTER COUNTY
Summary
FY2020 Revenue Estimate

	FY2020 Estimate	FY2019 Estimate	(\$) Difference (%)	
Property Taxes	\$ 139,817,860	\$ 135,821,065	\$ 3,996,795	3%
Income Taxes	23,000,000	23,000,000	0	0%
Other Local Taxes	12,238,000	11,985,000	253,000	2%
State Shared	1,584,729	971,020	613,709	63%
Licenses & Permits	2,383,982	1,944,507	439,475	23%
Charges for Services	6,667,281	6,392,186	275,095	4%
Interest on Investments	1,900,000	1,475,000	425,000	29%
Fines & Forfeits	52,500	52,500	0	0%
Misc./Sale of Assets/Other Revenue	519,532	515,323	4,209	1%
Federal Grants	346,388	348,372	(1,984)	-1%
State Grants	4,880,441	3,591,223	1,289,218	36%
Transfers In - Other Funds	0	0	0	N/A
Transfers In - Casino/Local Impact Grant	2,501,100	2,236,200	264,900	12%
Transfers In - Budget Stabilization	0	1,698,323	(1,698,323)	-100%
TOTAL REVENUES	\$ 195,891,813	\$ 190,030,719	\$ 5,861,094	3%

FY 2020 Requested General Fund Budget

	FY2020 Request	FY2019 Approved	(\$) Difference (%)	
County Commissioners & Admin.				
Personnel Services	1,143,889	917,891	225,998	25%
Supplies & Materials	42,289	36,203	6,086	17%
Maintenance & Services	32,062	24,437	7,625	31%
Other Charges	44,614	46,914	(2,300)	-5%
Interfund Charges	(92,376)	(92,376)	0	0%
Capital Equipment	52,000	0	52,000	N/A
	1,222,478	933,069	289,409	31%
Circuit Court				
Personnel Services	941,204	941,042	162	0%
Supplies & Materials	182,452	181,477	975	1%
Maintenance & Services	112,500	112,300	200	0%
Other Charges	12,848	10,925	1,923	18%
Capital Equipment	0	0	0	N/A
	1,249,004	1,245,744	3,260	0%
Orphan's Court				
Personnel Services	28,500	21,000	7,500	36%
Supplies & Materials	0	0	0	N/A
Other Charges	7,294	7,294	0	0%
	35,794	28,294	7,500	27%

	FY2020 Request	FY2019 Approved	(\$) Difference (%)	
State's Attorney				
Personnel Services	1,321,111	1,273,669	47,442	4%
Supplies & Materials	50,109	58,254	(8,145)	-14%
Maintenance & Services	26,512	32,300	(5,788)	-18%
Other Charges	25,750	26,500	(750)	-3%
Interfund Charges	0	0	0	N/A
Capital Equipment	0	0	0	N/A
	1,423,482	1,390,723	32,759	2%
Treasurer				
Personnel Services	1,206,180	1,200,857	5,323	0%
Supplies & Materials	136,527	132,845	3,682	3%
Maintenance & Services	5,000	6,100	(1,100)	-18%
Other Charges	6,735	6,735	0	0%
Interfund Charges	(245,912)	(245,912)	0	0%
Capital Equipment	0	0	0	N/A
	1,108,530	1,100,625	7,905	1%
Elections Office				
Personnel Services	536,846	477,401	59,445	12%
Supplies & Materials	456,858	313,613	143,245	46%
Maintenance & Services	150,250	134,945	15,305	11%
Other Charges	14,190	12,741	1,449	11%
Capital Equipment	0	0	0	N/A
	1,158,144	938,700	219,444	23%
Human Resources				
Personnel Services	421,303	418,723	2,580	1%
Supplies & Materials	23,955	23,540	415	2%
Maintenance & Services	26,500	24,450	2,050	8%
Other Charges	5,320	6,045	(725)	-12%
Interfund Charges	(72,000)	(72,000)	0	0%
Capital Equipment	0	42,000	(42,000)	-100%
	405,078	442,758	(37,680)	-9%
Development Review & Permitting				
Personnel Services	1,254,967	1,385,193	(130,226)	-9%
Supplies & Materials	282,560	269,137	13,423	5%
Maintenance & Services	58,725	60,120	(1,395)	-2%
Other Charges	22,120	21,040	1,080	5%
Interfund Charges	(14,820)	(77,238)	62,418	-81%
Capital Equipment	80,000	60,000	20,000	33%
	1,683,552	1,718,252	(34,700)	-2%
Environmental Programs				
Personnel Services	1,050,503	999,072	51,431	5%
Supplies & Materials	282,522	262,392	20,130	8%
Maintenance & Services	104,942	104,842	100	0%
Other Charges	9,662	5,929	3,733	63%
Interfund Charges	(25,412)	(25,412)	0	0%
Capital Equipment	29,000	0	29,000	N/A
	1,451,217	1,346,823	104,394	8%

	FY2020 Request	FY2019 Approved	(\$) Difference (%)	
Information Technology				
Personnel Services	500,840	496,909	3,931	1%
Supplies & Materials	11,182	9,920	1,262	13%
Maintenance & Services	1,980	1,880	100	5%
Other Charges	8,759	3,715	5,044	136%
Interfund Charges	(33,554)	(33,554)	0	0%
Capital Equipment	26,000	0	26,000	N/A
	515,207	478,870	36,337	8%
Other General Government				
Supplies & Materials	982,942	907,678	75,264	8%
Maintenance & Services	911,698	903,816	7,882	1%
Other Charges	1,185,967	1,152,504	33,463	3%
Capital Equipment	0	0	0	N/A
	3,080,607	2,963,998	116,609	4%
Sheriff's Department				
Personnel Services	6,042,280	6,021,823	20,457	0%
Supplies & Materials	621,455	642,267	(20,812)	-3%
Maintenance & Services	449,623	434,673	14,950	3%
Other Charges	89,632	77,869	11,763	15%
Capital Equipment	442,773	404,862	37,911	9%
	7,645,763	7,581,494	64,269	1%
Emergency Services				
Personnel Services	1,526,097	1,366,454	159,643	12%
Supplies & Materials	1,407,057	720,911	686,146	95%
Maintenance & Services	250,350	210,241	40,109	19%
Other Charges	55,175	8,500	46,675	549%
Interfund Charges	0	0	0	N/A
Capital Equipment	153,000	0	153,000	N/A
	3,391,679	2,306,106	1,085,573	47%
County Jail				
Personnel Services	6,038,942	6,010,344	28,598	0%
Supplies & Materials	1,187,707	1,237,891	(50,184)	-4%
Maintenance & Services	2,254,450	2,109,435	145,015	7%
Other Charges	16,056	12,856	3,200	25%
Capital Equipment	76,000	67,875	8,125	12%
	9,573,155	9,438,401	134,754	1%
Fire Marshal's Office				
Personnel Services	403,306	383,905	19,401	5%
Supplies & Materials	37,040	75,752	(38,712)	-51%
Maintenance & Services	24,760	16,160	8,600	53%
Other Charges	23,470	26,405	(2,935)	-11%
Capital Equipment	45,500	0	45,500	N/A
	534,076	502,222	31,854	6%

	FY2020 Request	FY2019 Approved	(\$) Difference (%)	
Volunteer Fire & Ambulance				
Supplies & Materials	19,020	14,270	4,750	33%
Maintenance & Services	17,810	25,810	(8,000)	-31%
Other Charges	7,012,385	7,034,202	(21,817)	0%
Capital Equipment	0	0	0	N/A
	7,049,215	7,074,282	(25,067)	0%
Public Works Department				
Personnel Services	549,282	546,078	3,204	1%
Supplies & Materials	23,435	22,822	613	3%
Maintenance & Services	2,195,054	51,396	2,143,658	4171%
Other Charges	2,865	2,865	0	0%
Interfund Charges	(224,877)	(162,459)	(62,418)	38%
Capital Equipment	6,500	23,000	(16,500)	-72%
	2,552,259	483,702	2,068,557	428%
Maintenance Division				
Personnel Services	920,661	897,476	23,185	3%
Supplies & Materials	50,382	56,488	(6,106)	-11%
Maintenance & Services	75,728	73,978	1,750	2%
Other Charges	4,650	5,225	(575)	-11%
Capital Equipment	53,122	26,000	27,122	104%
	1,104,543	1,059,167	45,376	4%
Roads Division				
Personnel Services	1,503,829	1,476,863	26,966	2%
Supplies & Materials	1,726,006	1,792,282	(66,276)	-4%
Maintenance & Services	674,106	517,130	156,976	30%
Other Charges	1,590	2,265	(675)	-30%
Capital Equipment	517,100	783,422	(266,322)	-34%
	4,422,631	4,571,962	(149,331)	-3%
Boat Landings				
Supplies & Materials	200,000	32,584	167,416	514%
Maintenance & Services	81,615	21,515	60,100	279%
Capital Equipment	0	0	0	N/A
	281,615	54,099	227,516	421%
Health Department				
Supplies & Materials	3,000	3,000	0	0%
Maintenance & Services	416,002	416,002	0	0%
Other Charges	5,197,842	5,128,751	69,091	1%
Capital Equipment	0	0	0	N/A
	5,616,844	5,547,753	69,091	1%
Mosquito Control Division				
Personnel Services	83,181	79,458	3,723	5%
Supplies & Materials	3,650	2,850	800	28%
Maintenance & Services	18,050	17,850	200	1%
Other Charges	90,000	90,000	0	0%
Capital Equipment	0	94,000	(94,000)	-100%
	194,881	284,158	(89,277)	-31%

	FY2020 Request	FY2019 Approved	(\$) Difference (%)	
Commission on Aging				
Supplies & Materials	42,453	1,500	40,953	2730%
Maintenance & Services	209,750	213,450	(3,700)	-2%
Other Charges	1,023,700	913,700	110,000	12%
Capital Equipment	0	0	0	N/A
	1,275,903	1,128,650	147,253	13%
Social Service Groups				
Personnel Services	0	0	0	N/A
Other Charges	958,871	751,979	206,892	28%
	958,871	751,979	206,892	28%
Wor-Wic Community College				
Other Charges	2,333,092	2,203,762	129,330	6%
Capital Equipment	0	0	0	N/A
	2,333,092	2,203,762	129,330	6%
Board of Education				
Personnel Services	69,146,121	66,788,626	2,357,495	4%
Supplies & Materials	3,055,833	3,055,833	0	0%
Maintenance & Services	7,776,138	7,633,874	142,264	2%
Other Charges	29,467,591	29,376,992	90,599	0%
Interfund Charges	(20,602,519)	(19,888,092)	(714,427)	4%
Capital Equipment	1,347,597	494,542	853,055	172%
Total Operating Budget	90,190,761	87,461,775	2,728,986	3%
School Debt Service	12,130,181	10,396,581	1,733,600	17%
Total Operating & Debt Service	102,320,942	97,858,356	4,462,586	5%
Recreation Department				
Personnel Services	778,308	739,207	39,101	5%
Supplies & Materials	357,505	241,410	116,095	48%
Maintenance & Services	191,478	178,328	13,150	7%
Other Charges	16,880	10,980	5,900	54%
Capital Equipment	0	66,000	(66,000)	-100%
	1,344,171	1,235,925	108,246	9%
Parks Department				
Personnel Services	394,490	341,719	52,771	15%
Supplies & Materials	1,304,579	799,993	504,586	63%
Maintenance & Services	88,331	82,971	5,360	6%
Other Charges	630	600	30	5%
Capital Equipment	48,500	39,000	9,500	24%
	1,836,530	1,264,283	572,247	45%
Library				
Personnel Services	1,844,607	1,774,010	70,597	4%
Supplies & Materials	468,210	473,710	(5,500)	-1%
Maintenance & Services	383,672	386,422	(2,750)	-1%
Other Charges	8,804	8,804	0	0%
Capital Equipment	105,000	0	105,000	N/A
	2,810,293	2,642,946	167,347	6%

	FY2020 Request	FY2019 Approved	(\$) Difference (%)	
Recreation & Culture				
Other Charges	112,051	65,000	47,051	72%
	112,051	65,000	47,051	72%
Extension Service				
Supplies & Materials	18,593	26,093	(7,500)	-29%
Maintenance & Services	2,500	2,500	0	0%
Other Charges	179,952	152,845	27,107	18%
Capital Equipment	0	0	0	N/A
	201,045	181,438	19,607	11%
Natural Resources				
Supplies & Materials	1,700	1,700	0	0%
Other Charges	509,554	499,554	10,000	2%
	511,254	501,254	10,000	2%
Economic Development Department				
Personnel Services	188,040	188,040	0	0%
Supplies & Materials	139,816	141,400	(1,584)	-1%
Maintenance & Services	93,950	93,950	0	0%
Other Charges	18,675	18,675	0	0%
Capital Equipment	0	0	0	N/A
	440,481	442,065	(1,584)	0%
Tourism Department				
Personnel Services	197,210	215,651	(18,441)	-9%
Supplies & Materials	183,948	157,717	26,231	17%
Maintenance & Services	729,844	707,884	21,960	3%
Other Charges	5,000	4,250	750	18%
Capital Equipment	0	0	0	N/A
	1,116,002	1,085,502	30,500	3%
Taxes Shared W/Towns				
Other Charges	2,345,257	2,335,070	10,187	0%
	2,345,257	2,335,070	10,187	0%
Grants to Towns				
Supplies & Materials	100,000	0	100,000	N/A
Other Charges	6,758,252	5,712,425	1,045,827	18%
	6,858,252	5,712,425	1,145,827	20%
Insurance & Benefits				
Maintenance & Services	5,000	5,000	0	0%
Health, OPEB & Other	20,763,050	18,195,895	2,567,155	14%
	20,768,050	18,200,895	2,567,155	14%
Debt Service				
Interfund Charges	13,581,988	11,628,225	1,953,763	17%
Less: Alloc. Brd of Ed Debt	(12,130,181)	(10,396,581)	(1,733,600)	17%
	1,451,807	1,231,644	220,163	18%
Interfund				
Interfund Charges	300,000	1,698,323	(1,398,323)	-82%
	300,000	1,698,323	(1,398,323)	-82%
TOTAL EXPENDITURES	\$ 202,683,755	\$ 190,030,719	\$ 12,653,036	6%

Worcester County
FY2020 General Fund Revenue Annual Budget by Account Classification

	Number	Account Description	Budget	Budget	\$ Variance	% Variance
Property Taxes						
	4000	Full Year Real Property Taxes	133,009,622	129,281,998	3,727,624	3%
	4010	Personal Property Taxes	341,743	353,186	(11,443)	-3%
	4020	Corporation Property Taxes	4,214,831	4,355,963	(141,132)	-3%
	4030	Railroad & Utility Property Tax	3,350,521	3,052,150	298,371	10%
	4035	Railroad Real Property	3,449	3,465	(16)	0%
	4040	Half Year Real Property Taxes	208,750	208,750	0	0%
	4050	Tax Additions & Abatements	(358,200)	(358,200)	0	0%
	4060	Interest on Delinquent Taxes	650,000	690,000	(40,000)	-6%
	4070	Discounts Allowed on Taxes	(460,000)	(440,000)	(20,000)	5%
	4080	Tax Credits For Assessment I	(1,142,856)	(1,326,247)	183,391	-14%
Account Classification Total: - Property Taxes			139,817,860	135,821,065	3,996,795	3%
Income Tax						
	4100	Income Tax	23,000,000	23,000,000	0	0%
Account Classification Total: - Income Tax			23,000,000	23,000,000	0	0%
Other Taxes						
	4200	Admission & Amusement Taxes	575,000	500,000	75,000	15%
	4210	Recordation Taxes	6,500,000	6,500,000	0	0%
	4230	Trailer Park Excise Tax	100,000	100,000	0	0%
	4240	Food Tax	78,000	75,000	3,000	4%
	4250	Room Tax	160,000	160,000	0	0%
	4250.040	Room Tax Due to Unincorporated Areas	825,000	900,000	(75,000)	-8%
	4340	Transfer Tax	4,000,000	3,750,000	250,000	7%
Account Classification Total: - Other Taxes			12,238,000	11,985,000	253,000	2%
State Shared						
	4300	Highway Users Taxes	1,134,729	521,020	613,709	118%
	4310	911 Fees	450,000	450,000	0	0%
Account Classification Total: - State Shared			1,584,729	971,020	613,709	63%
Franchise Fees						
	4400	Franchise Fees	22,500	22,500	0	0%
Account Classification Total: - Franchise Fees			22,500	22,500	0	0%
Gain/Loss on Disposal of Assets						
	4600	Sale Of Fixed Assets	35,000	30,000	5,000	17%
Account Class Total: - Gain/Loss on Disposal of Assets			35,000	30,000	5,000	17%
Licenses and Permits						
	4900	Liquor Licenses	840,000	840,000	0	0%
	4905	Vending Machine Licenses	80,000	100,000	(20,000)	-20%
	4910	Traders Licenses	95,000	90,000	5,000	6%
	4915	Occupational Licenses	35,000	5,700	29,300	514%
	4920	Bingo Permits	18,000	16,500	1,500	9%
	4925	Tourist & Trailer Park Permits	500	8,000	(7,500)	-94%
	4927	Rental License Fee	30,000	0	30,000	N/A
	4930	Building Permits	300,000	250,000	50,000	20%
	4932	Electrical Permits	15,000	18,650	(3,650)	-20%
	4933	Commercial Plumbing Plan Review	2,500	2,500	0	0%
	4935	Marriage Licenses	24,000	24,000	0	0%
	4936	Civil Ceremony	1,500	1,500	0	0%
	4941	Shoreline Construction Permit	18,000	15,000	3,000	20%
	4942	Timber Harvest Permit	3,000	2,500	500	20%
	4943	SEC/SWM Permit	20,000	18,000	2,000	11%
	4945.010	Environmental Permits Burn Permit	600	600	0	0%
	4945.020	Environmental Permits Campground Permit	3,325	3,325	0	0%
	4945.030	Environmental Permits Septic Permit	23,500	23,500	0	0%

Worcester County

FY2020 General Fund Revenue Annual Budget by Account Classification

	Number	Account Description	Budget	Budget	\$ Variance	% Variance
	4945.040	Environmental Permits Waste Hauler Permit	2,100	2,100	0	0%
	4945.050	Environmental Permits Well Permit	16,800	22,000	(5,200)	-24%
	4945.060	Environmental Permits Other	300	300	0	0%
	4950	Health Permits	399,707	383,532	16,175	4%
	4955	Raffle Permits	1,800	1,800	0	0%
	4960	Plumbing Permits	52,000	45,000	7,000	16%
	4965	Gas Permits	19,000	18,000	1,000	6%
	4970	Forestry Conservation Review Fees	6,000	5,000	1,000	20%
	4980	Landfill Permits-Household	320,000	0	320,000	N/A
	4982	PAYT Tags - Household	9,000	0	9,000	N/A
	5060.100	Licenses and Permits Board of Zoning Appeal	18,000	18,000	0	0%
	5060.300	Licenses and Permits Site Plan Review	11,000	11,000	0	0%
	5060.400	Licenses and Permits Rezoning Fee	4,000	4,000	0	0%
	5060.500	Licenses and Permits Subdivision Review Fee	12,000	12,000	0	0%
	5060.600	Licenses and Permits Text Amendment	2,000	2,000	0	0%
	5060.700	Licenses and Permits Nat Resources Text	350	0	350	N/A
	Account Classification Total: - Licenses and Permits		2,383,982	1,944,507	439,475	23%
Charges for Services						
	4940	Shoreline Construction Application Fee	20,000	12,000	8,000	67%
	5045	EDU Transfer/Application Fee	4,000	2,000	2,000	100%
	5047	Stormwater Management Review Fee	75,000	75,000	0	0%
	5065.100	Sheriff Fees Sheriff Fees - Paper Service	40,000	40,000	0	0%
	5065.200	Sheriff Fees Sheriff Fees - Peddler's License	500	500	0	0%
	5065.300	Sheriff Fees Sheriff Fees - Parking Fines	1,000	1,000	0	0%
	5065.400	Sheriff Fees Animal Control Fees	8,000	8,000	0	0%
	5065.405	Sheriff Fees Spay & Neuter Fees	12,000	25,000	(13,000)	-52%
	5065.700	Sheriff Fees Contractual Services	7,000	7,000	0	0%
	5070.100	Sale of Publications & Copies Commissioners	500	500	0	0%
	5070.300	Sale of Publications & Copies Dev. Review &	1,000	1,000	0	0%
	5070.400	Sale of Publications & Copies 911 Recordings	50	50	0	0%
	5070.600	Sale of Publications & Copies Elections	400	500	(100)	-20%
	5070.700	Sale of Publications & Copies Circuit Court	100	0	100	N/A
	5070.900	Sale of Publications & Copies Environmental	5	0	5	N/A
	5075	Library Use Charges	20,000	28,000	(8,000)	-29%
	5076	Library Erate Reimbursement	2,500	8,500	(6,000)	-71%
	5080	County Share Vehicle Tag Fee	3,500	4,500	(1,000)	-22%
	5085	Liquor Advertising Fees	2,500	2,500	0	0%
	5086	Tourism Co-Op Advertising	2,000	1,500	500	33%
	5090	Firearms Training Center Fee	3,000	3,000	0	0%
	5095.100	Payments For Jail Use Work Release	40,000	40,000	0	0%
	5095.200	Payments For Jail Use ICE Housing	5,200,000	5,200,000	0	0%
	5095.400	Payments For Jail Use State Housing	50,000	50,000	0	0%
	5095.500	Payments For Jail Use Weekenders	5,000	5,000	0	0%
	5095.600	Payments For Jail Use Social Security	10,000	10,000	0	0%
	5095.700	Payments For Jail Use State Medical Records	20,000	20,000	0	0%
	5095.800	Payments For Jail Use Pretrial Fees	5,000	0	5,000	N/A
	5100.100	Fire Inspection Fees Plan Review Fee	100,000	100,000	0	0%
	5100.200	Fire Inspection Fees Fire Safety Fee	25,000	25,000	0	0%
	5100.600	Fire Inspection Fees Fire Inspections QAP	15,000	15,000	0	0%
	5105.100	Public Works Revenues Pipe Sales	30,000	10,000	20,000	200%
	5107	Roads Department Fees	50,000	35,000	15,000	43%
	5110	Recreation Fees	182,900	175,000	7,900	5%
	5115	Mosquito Control Charges	50,000	50,000	0	0%

Worcester County

FY2020 General Fund Revenue Annual Budget by Account Classification

Number	Account Description	Budget	Budget	\$ Variance	% Variance
5120	Circuit Court Bar Library	5,000	5,000	0	0%
5127	Recreation Center Rental Fees	1,400	1,400	0	0%
5128	Recreation Sponsorships	3,750	0	3,750	N/A
5130	Tourism Programs and Events	9,000	3,000	6,000	200%
5142	Election Filing Fee	200	0	200	N/A
5155	CommunityService Fees	70,000	65,000	5,000	8%
5160	Family Services Legal Fees Other	1,600	1,500	100	7%
5161	Casino Security	15,000	15,000	0	0%
5162	Seacrets Security	97,696	97,696	0	0%
5165	Critical Area Review Fees	28,000	27,000	1,000	4%
5167	Water/Sewer Plan Amendment Fee	2,000	2,000	0	0%
5175.200	Donations Sponsorship Program Recreation	450	450	0	0%
5175.205	Donations Sponsorship Program Youth	0	6,000	(6,000)	-100%
5181	First Offender Program Fees	10,000	0	10,000	N/A
5185	Recycling Revenue	100,800	0	100,800	N/A
5186	Metal Recycling Revenue	50,000	0	50,000	N/A
5195	Tire Revenue	30,000	0	30,000	N/A
5215	Motor Coach Fees	29,640	28,000	1,640	6%
5220.010	Park Fees Field Rental	3,500	5,000	(1,500)	-30%
5220.020	Park Fees Pavilion Rental	3,500	4,000	(500)	-13%
5220.030	Park Fees Tree of Life	800	400	400	100%
5220.035	Park Fees Tournament Rental	20,000	25,000	(5,000)	-20%
5220.040	Park Fees User Fees	240	240	0	0%
5225	Concession Stand Fees	50,000	50,000	0	0%
5226	Special Events Fees	75,300	14,000	61,300	438%
5227	Tournament Fees	12,000	22,000	(10,000)	-45%
5230.010	Environmental Fees Perk Test Fee	9,000	10,000	(1,000)	-10%
5230.020	Environmental Fees Plat Review Fee	6,000	6,000	0	0%
5230.030	Environmental Fees Water Sample Fee	400	400	0	0%
5240	Shared Facility/Service Area Fee	500	500	0	0%
5245	Solar Renewable Energy Credits	50	50	0	0%
5330	Economic Development Programs and Events	0	3,000	(3,000)	-100%
5435	BRF Admin Fee	22,500	21,000	1,500	7%
Account Classification Total: - Charges for Services		6,644,281	6,369,186	275,095	4%
Interest & Penalties					
4700	Interest On Investments	1,900,000	1,475,000	425,000	29%
Account Classification Total: - Interest & Penalties		1,900,000	1,475,000	425,000	29%
Fines & Forfeitures					
5300	Court Fines	50,000	50,000	0	0%
5310	Civil Infraction Fines	2,500	2,500	0	0%
Account Classification Total: - Fines & Forfeitures		52,500	52,500	0	0%

Worcester County

FY2020 General Fund Revenue Annual Budget by Account Classification

	Number	Account Description	Budget	Budget	\$ Variance	% Variance
Miscellaneous Revenue						
	4260	Rents/State Revenue	0	133,503	(133,503)	-100%
	4260.010	Rents/State Revenue Boat Landings	35,012	0	35,012	N/A
	4260.020	Rents/State Revenue County Administration	67,599	0	67,599	N/A
	4260.030	Rents/State Revenue Elections	31,000	0	31,000	N/A
	4270	Rents-Tower Site/Contrib & Donat	20,921	21,820	(899)	-4%
	4800	Other Miscellaneous Revenue	80,000	80,000	0	0%
	5420	Retiree Drug Subsidy	250,000	250,000	0	0%
	Account Classification Total: - Miscellaneous		484,532	485,323	(791)	0%
Intergovernmental - Federal Revenue						
	5541	Traffic Safety SHA	720	720	0	0%
	5600	Federal Payments In Lieu of Taxe	19,866	20,501	(635)	-3%
	5625	CDBG Housing Rehab Grant	150,000	150,000	0	0%
	5664.020	US Fish and Wildlife Service Other General	7,000	8,000	(1,000)	-13%
	5675	Child Support Enforcement Grant	7,000	7,000	0	0%
	5745.300	Homeland Security Grant SHSGP	79,890	79,890	0	0%
	5745.600	Homeland Security Grant EMPG	74,651	75,000	(349)	0%
	5770	Bulletproof Vest Program	4,000	4,000	0	0%
	5785	MDE Beach Monitoring Grant	3,261	3,261	0	0%
	Account Class Total: - Intergovernmental - Federal Revenues		346,388	348,372	(1,984)	-1%
Intergovernmental - State Revenue						
	5515	DHCD Housing Administration Fee	7,000	7,000	0	0%
	5517	Other Housing Rehab Income	4,000	4,000	0	0%
	5525	Conservation Easement Administrative Fee	20,000	20,000	0	0%
	5530	Eastern Shore Library Grant	75,000	75,000	0	0%
	5543	Dental Program Reimbursement	22,220	22,220	0	0%
	5615	Maryland Coastal Bays	20,000	0	20,000	N/A
	5630	Water System Monitoring Grant	17,560	17,560	0	0%
	5635	Police Protection Grant	153,146	153,146	0	0%
	5640	State Library Aid	165,408	159,476	5,932	4%
	5645	Share of State Park Receipts	425,000	425,000	0	0%
	5650	State Aid for Fire Companies	373,789	381,886	(8,097)	-2%
	5655	Program Open Space Grant - Parks	1,138,500	676,751	461,749	68%
	5660	Waterway Improvement Grants	204,300	23,584	180,716	766%
	5662	BRF Operations & Maintenance Grant	10,000	10,000	0	0%
	5663	Share of State Forest Land	65,000	65,000	0	0%
	5665	State Aid for Bridges	824,881	0	824,881	N/A
	5680	State Grant for Critical Areas	13,000	13,000	0	0%
	5688	MD Dept of Aging Grant	40,953	0	40,953	N/A
	5700	911 Systems Grant	14,500	7,000	7,500	107%
	5705	State Grant for Tourism	140,607	102,931	37,676	37%
	5725	Family Support Grant	230,184	184,820	45,364	25%
	5726	Family Support Services MACRO Grant	0	13,800	(13,800)	-100%
	5730	Septic System BRF Grant Program	240,000	240,000	0	0%
	5732	Conservation Easements Reimbursements	60,000	60,000	0	0%
	5735.010	Other Grants Roads	0	559,563	(559,563)	-100%
	5735.015	Other Grants Economic Development	5,000	0	5,000	N/A
	5735.045	Other Grants Parks	239,000	0	239,000	N/A
	5735.050	Other Grants Recreation	500	500	0	0%
	5757	Trial Jury Reimbursement	54,000	54,000	0	0%
	5760	Drug Court Grant	230,016	218,109	11,907	5%
	5762	Heroin Coordinator Grant	65,433	65,433	0	0%

Worcester County						
FY2020 General Fund Revenue Annual Budget by Account Classification						
	Number	Account Description	Budget	Budget	\$ Variance	% Variance
	5905	Sheriff-Sex Offender Grant	9,444	9,444	0	0%
	5912	Sher-Health Underage Drinking	2,000	2,000	0	0%
	5915.030	CREP Program Environmental Programs	0	5,000	(5,000)	-100%
	5925	MALPF Admin Fee	0	5,000	(5,000)	-100%
	5940	Intern Program Grant	10,000	10,000	0	0%
Account Class Total: - Intergovernmental - State Revenues			4,880,441	3,591,223	1,289,218	36%
Other Revenue						
	5845	Salary Reimbursement	500	500	0	0%
Account Classification Total: - Other Revenue			500	500	0	0%
Transfers In						
	5511	Casino/Local Impact Grant Funds	2,501,100	2,236,200	264,900	12%
	5975	Transfers	0	1,698,323	(1,698,323)	-100%
Account Classification Total: - Transfers In			2,501,100	3,934,523	(1,433,423)	-36%
Total General Fund Revenues			195,891,813	190,030,719	5,861,094	3%

AGENDA

WORCESTER COUNTY COMMISSIONERS

Worcester County Government Center, Room 1101, One West Market Street, Snow Hill, Maryland 21863

FISCAL YEAR 2020 Budget Meetings

Budget Work Session - Tuesday, April 2, 2019

	<u>Department #</u>
1:00 p.m. Board of Education, Mr. Louis Taylor	1505
1:30 p.m. Sheriff Dept. Matt Crisafulli	1101
2:15 p.m. Fire Marshal, Jeff McMahon Fire Training Center	1104 1105.197
2:45 p.m. Economic Development, Kathryn Gordon	1801
3:00 p.m. Commission on Aging, Rob Hart	1401
3:15 p.m. States Attorney, Kris Heiser	1004
3:30 p.m. Tourism, Lisa Challenger	1803
3:50 p.m. Development, Review & Permitting, Ed Tudor	1008
4:05 p.m. Treasurer, Phil Thompson Other General Government – Mgmt Information Systems Debt Service, Jennifer Swanton	1005 1090.025 1975

AGENDAS ARE SUBJECT TO CHANGE UNTIL THE TIME OF CONVENING

Hearing Assistance Unites Available – See Kelly Shannahan, Asst. CAO

Please be thoughtful and considerate of others.
Turn off your cell phones & pagers during the meeting!

AGENDA
WORCESTER COUNTY COMMISSIONERS

Worcester County Government Center, Room 1101, One West Market Street, Snow Hill, Maryland 21863

FISCAL YEAR 2020
Budget Meetings

<u>Budget Work Session - Tuesday, April 9, 2019</u>	<u>Department #</u>
8:30 a.m. Circuit Court, Judge Shockley	1002
8:45 a.m. Elections Board, Patti Jackson	1006
9:15 a.m. Public Works Admin, John Tustin	1203
9:20 a.m. Roads, Frank Adkins	1202
9:40 a.m. Maintenance, Ken Whited	1201
Mosquito Control	1302
10:10 a.m. Solid Waste, Jessica Wilson	
10:35 a.m. Water & Wastewater, Jessica Wilson	
11:00 a.m. Library, Jennifer Ranck	1603
11:20 a.m. Health Dept., Rebecca Jones, RN, B5N, MSN	1301
11:40 a.m. Recreation, Tom Perlozzo	1601
Parks, Tom Perlozzo	1602
Boat Landings	1204
12:00 p.m. Lunch	
1:00 p.m. Environmental Programs, Robert Mitchell	1010
1:20 p.m. Information Technology, Brian Jones	1011
Other General Government, Information Technology	1090.020
1:40 p.m. Volunteer Fire & Ambulance, Billy Birch & Jeff McMahon	1105
2:00 p.m. Emergency Services, Billy Birch	1102
2:30 p.m. Jail, Warden Donna Bounds	1103
2:50 p.m. Human Resources, Stacey Norton	1007
Benefits	1950
3:10 p.m. County Administration, Harold Higgins	1001
Orphans Court	1003
Other General Government	1090.050-.085
Extension Service	1701
Natural Resources	1702
Taxes Shared w/Towns	1901
Grants to Towns	1902
Interfund	1985
Wor-Wic Community College	1502
Social Service Groups	1402
Recreation & Culture	1604

AGENDAS ARE SUBJECT TO CHANGE UNTIL THE TIME OF CONVENING

Hearing Assistance Units Available - see Kelly Shannahan, Asst. CAO.

Please be thoughtful and considerate of others.
Turn off your cell phones & pagers during the meeting!

BOARD OF EDUCATION OF WORCESTER COUNTY

REVENUES

REVENUE SOURCE	APPROVED FY 19	REQUESTED FY 20
UNRESTRICTED REVENUES		
COUNTY		
Appropriation - Current Expense	\$86,385,293	\$88,224,330
STATE (Thornton Funding) *		
Foundation Program	6,680,664	6,925,988
Special Education	1,672,960	1,691,616
Transportation	3,104,516	3,348,939
Compensatory Education	7,257,015	7,444,750
Limited English Proficiency	380,474	398,763
OTHER		
Tuition	70,000	70,000
Other	80,000	80,000
Prior Year's Fund Balance**	567,011	567,011
Restricted Programs Reimbursements	75,452	75,452
TOTAL UNRESTRICTED REVENUE	\$106,273,385	\$108,826,849
OTHER REQUESTS - COUNTY		
RECURRING		
Appropriation - Technology	\$200,000	\$200,000
Appropriation - Capital Outlay	100,000	100,000
NONRECURRING		
Appropriation - Technology	0	0
Appropriation - School Construction	343,500	853,055
OTHER		
Appropriation - Retirement Expenses	514,482	559,284
Appropriation - County Share of Teacher Pension	***	***
TOTAL OTHER REQUESTS - COUNTY	\$1,157,982	\$1,712,339
TOTAL COUNTY APPROPRIATION	87,543,275	89,936,669
TOTAL BUDGET - ALL FUNDS	\$107,431,367	\$110,539,188
Total County Appropriation as Stated Above	87,543,275	89,936,669
County Fund Balance FY19 :Energy Mgmt Upgrades	(343,500)	0
State MOE updated Calculation 3/1/19	0	4,092
Sub-Total	87,199,775	89,940,761
Local Restricted Grants:		
Textbooks	200,000	200,000
Band Uniforms	62,000	0
Poc Middle School	0 (1)	50,000
Sub-total	262,000	250,000
County Appropriation		
87,461,775	87,461,775	90,190,761
Unrestricted Revenue State & Other	19,888,092	20,602,519
Total Board of Education Budget - All Funds	107,349,867	110,793,280
Total Budget All Funds	107,349,867	110,793,280
Board of Education Budget All Funds	107,431,367	110,539,188
Reconciliation of Unrestricted/Restricted Funds	(81,500)	254,092

(1) funded in FY19 for \$50,000 approved FY19 fund balance

RESTRICTED PROGRAMS - LOCAL, STATE AND FEDERAL

Restricted funds listed below can only be spent as authorized by the administering agency (State and Federal government). The level of funding indicated for each program is an estimate. Projects may be discontinued or reduced in scope depending upon funds allocated by the funding source.

TOTAL ANTICIPATED RESTRICTED FUNDING	\$12,752,159	
	<u>ACTUAL</u> FY 19	<u>ESTIMATED</u> FY 20
<u>FEDERAL FUNDS</u>		
Title I Educationally Disadvantaged	\$1,840,214	\$1,840,000
Title III Language Acquisition	15,722	15,000
Special Education	2,100,000	2,100,000
21st Century High School Academies	361,932	307,600
21st Century ExCEL Grant	0	TBD **
JR ROTC Program	90,000	90,000
21st Century CARE Academies	398,346	338,500
Title IIA, Systems of Support for Excellent Teaching & Leading	261,898	260,000
Career & Technology Education	84,953	87,500
Adult Education	20,059	20,000
<u>STATE FUNDS</u>		
Judy Hoyer Early Childcare And Education	330,000	250,000
Adult Education	149,766	149,000
Teachers Retirement & Pension	6,680,664	6,965,109
<u>LOCAL FUNDS</u>		
Pocomoke Middle Schol Grant	FY19 Fund Balance - 50,000	50,000
New Elementary Reading Series	Budget { 200,000	200,000
Band Uniforms	\$262,000 { 62,000	0
Donnie Williams Grant	79,450	79,450
TOTAL RESTRICTED REVENUE	<u>\$12,725,004</u>	<u>\$12,752,159</u>
	Less: Fund Balance <50,000>	0
	12,675,004	12,752,159
	General Fund Operating Budget <262,000>	<250,000>
	<u>Revised Restricted Revenue</u> 12,413,004	<u>12,502,159</u>

* FY 19 ExCEL was funded by a Donnie Williams grant, not MSDE.
 ** We will be applying for FY 20 ExCEL grant.

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HAROLD L. HIGGINS, CPA
CHIEF ADMINISTRATIVE OFFICER
MAUREEN F.L. HOWARTH
COUNTY ATTORNEY

COMMISSIONERS
DIANA PURNELL, PRESIDENT
JOSEPH M. MITRECIC, VICE PRESIDENT
ANTHONY W. BERTINO, JR.
MADISON J. BUNTING, JR.
JAMES C. CHURCH
THEODORE J. ELDER
JOSHUA C. NORDSTROM

OFFICE OF THE
COUNTY COMMISSIONERS

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET • ROOM 1103

SNOW HILL, MARYLAND

21863-1195
March 14, 2019

Worcester County Commissioners
One West Market Street
County Government Center - Room 1103
Snow Hill, MD 21863

RE: **Requested** FY2020 Enterprise Fund Operating Budgets

Commissioners:

In accordance with the County Government Article of the Code of Public Local Laws of Worcester County MD, the Worcester County Enterprise Fund Operating Budget Requests for Fiscal Year 2020 will be included in your Budget Work Session packages for your review and discussion on April 9, 2019.

Enterprise Funds

Enterprise Funds are used to account for functions of the County in which user charges are collected to cover the cost of the service being provided. The County uses enterprise funds to account for its water and wastewater and solid waste operations.

Water and Wastewater Enterprise Fund

The proposed budget contains rate adjustments for Assateague Point, Briddletown, Edgewater Acres, Landings, Lighthouse Sound, Mystic Harbor, Ocean Pines, and Riddle Farm. These adjustments are necessary in order to provide a revenue stream sufficient to support the water and wastewater operations.

Solid Waste Enterprise Fund

The only proposed change to the current tipping and permits fees is related to passenger car tires.

The accounting for the homeowner convenience stations as well as the recycling operations has been moved to the General Fund Budget for FY20.

Liquor Control Fund

The Department has submitted a Requested Budget for FY20 while awaiting the results of the pending court case. The request is in-line with the FY19 budget and provides for the continued operation of the Pocomoke retail store.

Budget Adoption Schedule

The budget review session with the Enterprise Fund Departments is scheduled for April 9, 2019. This session provides the opportunity for your detailed review of the various budget requests. Additional budget work sessions are scheduled for May 14, and May 21. May 28, 2019 is also scheduled if needed. The Public Hearings on the Requested Enterprise Fund Operating Budgets are scheduled for Tuesday, June 4, 2019 at the Government Center. The FY2020 Enterprise Fund Operating Budget will be adopted on Tuesday, June 18, 2019.

Respectfully Submitted,



Harold L. Higgins
Chief Administrative Officer

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Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET • ROOM 1103
SNOW HILL, MARYLAND
21863-1195

March 13, 2019

TO: Worcester County Commissioners
FROM: Harold L. Higgins, Chief Administrative Officer *HH*
SUBJECT: Work Session on Other Post Employment Benefits (OPEB)

As requested at your meeting on December 18, 2018, Finance Officer Phil Thompson has prepared the attached report on the current County and Board of Education Liability for Other Post Employment Benefits (OPEB) and developed a long-term funding plan to address this \$350 million liability. I met with Board of Education Superintendent Lou Taylor and Chief Financial Officer Vince Tolbert in early January to discuss this matter and invited them to attend your Work Session on the afternoon of March 19 to participate in the discussion and help us to develop a sustainable strategy to address the OPEB liability in the years to come.

We look forward to presenting this report at your work session on Tuesday afternoon. In the meantime, if you should have any questions or concerns, please feel free to contact me at this office.

CC: Jennifer Swanton, Assistant Finance Director
Kathy Whited, Budget Officer
Stacey Norton, Human Resource Director

<u>Index of Items Included</u>	<u>Page</u>
OPEB Summary Presentation	1d
General Government Actuarial Study	17
Board of Education Actuarial Study	35
Notes to Financial Statements	53

The Commissioners met with Finance Officer Phil Thompson and Chris Hall of TGM Group, LLC, Certified Public Accountants to review the County's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ending June 30, 2018. Mr. Thompson stated that this document, which County and TGM staff spent countless hours preparing, represents the County's fiscal report card, stat sheet, and fiscal state of the County, all in one document, and County staff send the CAFR to more than 100 entities the County does business with, as well as international bond rating firms, Moody's, Fitch, and Standard & Poors, which use this data to assign the County's credit rating, the financial analysts and institutions that currently hold or bid on the County's bond offerings, and most importantly make it available to the public on the County website at www.co.worcester.md.us. Mr. Thompson then announced that the County was awarded the Certificate of Achievement for Excellence in Financial Reporting for the tenth consecutive year by the Government Finance Officers Association (GFOA) of the United States and Canada for its CAFR for FY17. This award is the highest form of recognition awarded to local governments in the areas of accounting and financial reporting and assures the users of the County's financial statements that the County is complying with the most recent accounting and finance pronouncements in a format that is widely acceptable. He recognized key members of the finance team, Budget Officer Kathy Whited, Assistant Finance Officer Jennifer Swanton, Enterprise Fund Controller Jessica Wilson, and Senior Budget Accountant Kim Reynolds for the dedication and knowledge they provide and for the support and guidance that Mr. Higgins and the Commissioners have given to staff, noting that it would not be possible to accomplish this without their dedication to excellence in financial reporting.

Mr. Hall reviewed the Independent Auditors' Report, issuing Worcester County an unmodified opinion (previously referred to as a "clean opinion"), which represents the highest assurance TGM can give. He pointed out the new accounting principal that TGM was required to implement this year, Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Other Post Employment Benefits (OPEB). He then reviewed the Management's Discussion and Analysis (which provides private citizens with a snapshot of what happened during the current fiscal year along with a comparison to the prior year); Balance Sheet Governmental Funds, with a Fund Balance of roughly \$54 million, of which \$18.7 million is Assigned (planned), leaving \$35 million Unassigned for use in future years; General Fund final adopted budget of roughly \$195 million, with actual revenues generated of roughly \$200 million; Statement of Revenues, Expenses, and Changes in Fund Net Position for Business-Type Activities, with a net position of \$54.6 million at the fiscal year opening and \$57 million at the fiscal year close; and Statement of Net Position Fiduciary Funds, which includes roughly \$49.3 million for Other Post Employment Benefits (OPEB), which reflects a net increase of \$3.2 million in fair value of investments.

In response to a question by Commissioner Bertino, Mr. Hall confirmed that the OPEB Net Position for the County is \$49.3 million, with a \$31.6 million liability; and the Net Position for the Board of Education (BOE) is \$19 million, with a \$318 million liability. Mr. Hall advised that each liability reflects the projected cost for current employees and retirees.

In response to a question by Commissioner Mitrecic, Mr. Thompson confirmed that the prior report, completed two years ago, for the BOE liability was \$250 million. Ms. Swanton advised that this change reflects the new GASB 75 reporting requirements for reporting cash

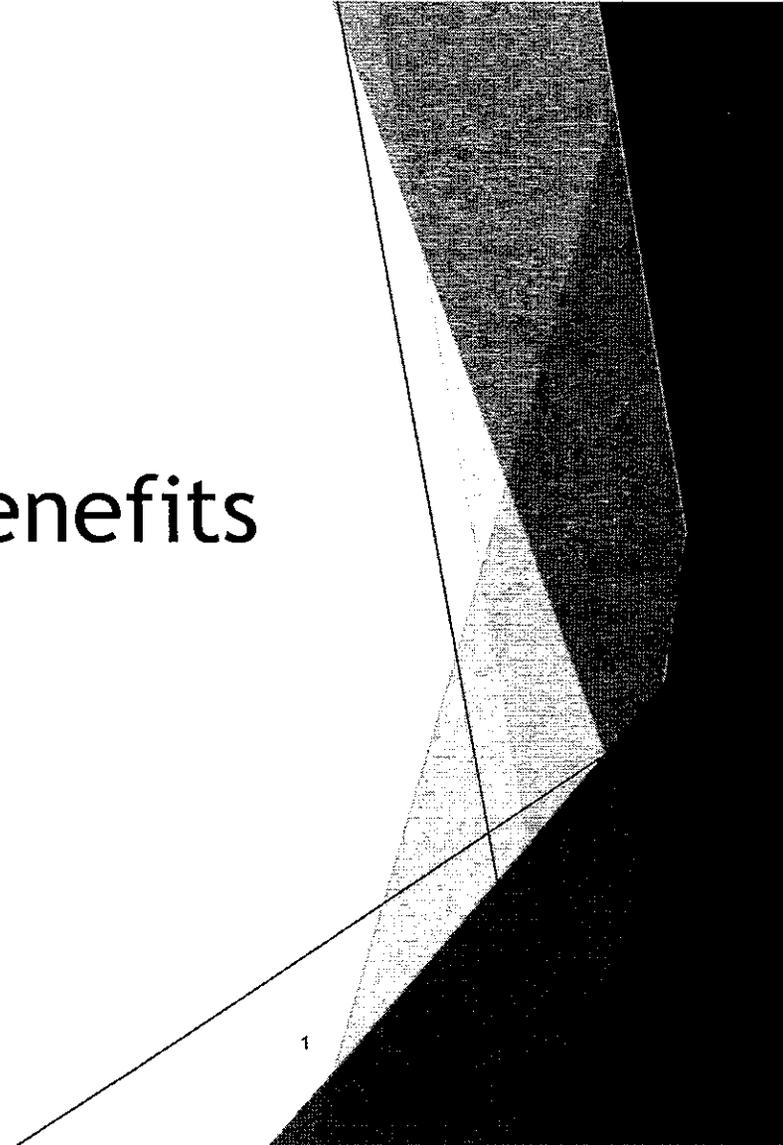
balances, which mandates projecting a lower rate of return for the BOE funds due to the level of liability in their OPEB Fund while we are able to project a higher rate of return for the County OPEB Fund which more closely resembles our recent experience. Mr. Hall stated that this is a nationwide issue for jurisdictions that pay post employment benefits. Commissioner Mitrecic stated that the Town of Ocean City developed a long-term payment plan to address their OPEB liability and urged the Commissioners to do the same. Following some discussion, the Commissioners directed staff to provide them with a full report on the current County and BOE OPEB liability and to develop a potential 30-year payment plan in order to stay ahead of the current liability and to address the full \$350 million long-term liability, and to include specific recommended funding requirements for both the County Government and the BOE to address these liabilities.

Other Post Employment Benefits

Work Session March 19, 2019



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Overview of OPEB

- Other Post Employment Benefits (OPEB) for the County include medical and prescription drug benefits for eligible retirees, their spouses, and dependents. The covered population includes the General Government as well as the Board of Education
- The County began planning for the impact of OPEB in 2005 and conducted our first actuarial study in 2006.
- Actuarial valuations of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.
- The actuarial study incorporates taking the current population including retirees and estimates the cost of providing this coverage 30 years into the future.

Covered Benefits

- Medical and prescription drug coverage for the General Government and the Board of Education.
- These benefits have been provided by Carefirst since the County began funding OPEB in 2007.
- This currently includes 499 active employees and 330 retiree subscribers for the General Government.
- The Board of Education includes 961 active employees and 712 retiree subscribers.
- The County Benefits Committee meets with our benefits consultant (PSA Insurance and Financial Services) to review the plan performance and recommend potential changes as needed.

Benefit adjustments in FY 17 and FY 18

FY 17: Effective 7/1/16

- ▶ Prescription: Mandatory Generics
- ▶ Prescription: Formulary Change

FY 18: Effective 7/1/17

- ▶ Changed Emergency Room Copay from \$100 to \$200
- ▶ Prescription: Changed copays to a 3 Tier Structure
 - ▶ Retail: \$10/\$30/\$60
 - ▶ Retail Maintenance: \$20/\$60/\$120
 - ▶ Mail Order CVS Caremark: \$10/\$30/\$60
- ▶ Prescription: Narrow Network - CVS
- ▶ New hires hired after 10/1/17: Retirees may remain on the insurance at 80/20 cost share if they have 15 years of service at the time of retirement. Their dependents may remain on the insurance but must pay 100% of the premiums.

Benefit adjustments in FY 19

FY 19 - Effective 7/1/18

- ▶ Added combined annual therapy visit limits for PT, OT, and speech therapy from unlimited to 60 visits per year for therapy
- ▶ Added X-Ray Copay of \$20
- ▶ Changed Specialist Copay from \$20 to \$30
- ▶ Prescription: Added Narrow Network (Excludes Walgreens)
- ▶ Prescription: Added Voluntary Maintenance Choice (90 day retail available at CVS retail stores)
- ▶ Prescription: Added Generic Step Therapy

Long Term Impact of Benefit Adjustments

80/20 cost sharing if hired after July 1st, 2015

- ▶ This change's effect on OPEB is estimated to be phased in from FY30 to FY54 as those contribution levels gradually increase from 10% to 20%.

The County no longer covers the dependents of retirees for employees hired after October 1st, 2017. They may remain on the plan however they must pay 100% of the premiums.

- ▶ This change's effect on OPEB is estimated to be phased in from FY32 to FY56 as the cost of covering spouses/dependents, currently @ 60% of total costs, is phased out.

Funding

- The County first began funding OPEB in FY07.
- This funding has included the Board of Education since day one and all funding to date has been divided equally between the entities.
- Trusts were created in FY09 for the purpose of holding funds for these benefits in accordance with Governmental Accounting Standards Board (GASB) Statement 45.
- We engaged Wilmington Trust Investment Advisors to manage the respective Trust Portfolios in FY12.
- Our target earnings rate for the invested funds is 7% and we have earned 6.7% over the past six years

County General Government OPEB History

	FY07 & FY08	FY09 & FY10	FY11 & FY12	FY13 & FY14	FY15 & FY16	FY17	FY18
County contributions	17,014,696	14,663,277	3,000,000	4,000,000	3,000,000	2,375,000	2,500,000
Interest/Investment returns	578,813	315,482	483,457	7,574,871	398,951	4,344,423	3,330,424
Retiree/ent fund contributions	-	69,088	1,338,758	779,799	1,193,112	674,190	803,279
Benefits pd from trust	-	(1,143,360)*	(2,892,613)	(4,078,092)	(5,026,868)	(2,874,338)	(3,069,194)
Misc/professional fees	-	(9,233)	(7,785)	(22,055)	(5,300)	(3,000)	(1,150)
Change in net assets	17,593,509	13,895,254	1,921,817	8,254,523	(440,105)	4,516,275	3,563,809
End fund balance	17,593,509	31,488,763	33,410,580	41,665,103	41,224,998	45,741,273	49,305,082
OPEB Liability (AAL < 2018)		36,710,468	51,768,790	63,963,271	51,051,706	75,459,618	80,972,130
Funded ratio		72%	61%	65%	84%	61%	61%

*2010 - first year paid from trust

Board of Education OPEB History

	FY07 & FY08	FY09 & FY10	FY11 & FY12	FY13 & FY14	FY15 & FY16	FY17	FY18
County contributions	17,014,696	14,663,278	3,000,000	4,000,000	3,000,000	2,375,000	2,500,000
Interest/Investment returns	578,813	314,771	396,557	6,213,004	398,669	2,321,209	1,582,921
Retiree contributions	-	361,297	823,707	818,664	1,105,178	609,605	663,826
Benefits pd from trust	-	(3,617,976)	(7,589,835)	(8,808,294)	(10,868,018)	(6,111,195)	(6,638,290)
Misc/professional fees	-	(9,234)	(7,750)	(22,055)	(3,150)	(3,000)	(1,150)
Change in net assets	17,593,509	11,712,136	(3,377,321)	2,201,319	(6,367,321)	(808,381)	(1,183,693)
End fund balance	17,593,509	29,305,645	25,928,324	28,129,643	21,762,322	20,953,941	19,061,248
OPEB Liability (AAL < 2018)		105,112,064	138,892,659	163,448,619	146,113,607	181,522,466	337,164,602
Funded ratio		25%	21%	17%	18%	12%	6%

*2010 - first year paid from the trust

Regional General Government Comparison

General Government	% Funded
• Worcester County	60.9%
• Wicomico County	86.3%
• Town of Ocean City	54.0%
• Somerset County	0.0%
• Dorchester County	0.8%
• Talbot County	74.3%
• Queen Anne's County	9.7%
• Carroll County	44.0%
• Cecil County	106.8%
• Kent County	1.2%
• Anne Arundel County	19.5%
• State of Maryland	3.0%

Regional Board of Education Comparison

Board of Education	% Funded
• Worcester BOE	5.7%
• Wicomico BOE	18.3%
• Somerset BOE	0.0%
• Dorchester BOE	0.0%
• Talbot BOE	0.1%
• Queen Anne's BOE	0.3%
• Kent BOE	4.9%
• Cecil BOE	20.9%
• Anne Arundel BOE	0.0%

Future Funding Proposal

Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Current multi-year funding plan*	6,000,000	6,500,000	7,000,000	7,500,000	8,000,000	8,500,000	9,000,000
Additional funding proposed (Pay-Go)	<u>3,500,000</u>	<u>7,000,000</u>	<u>7,210,000</u>	<u>7,426,300</u>	<u>7,649,089</u>	<u>7,878,562</u>	<u>8,114,919</u>
Total estimated funding needed	9,500,000	13,500,000	14,210,000	14,926,300	15,649,089	16,378,562	17,114,919

*OPEB funding totals \$5M in the current FY19 Adopted Budget.

FY 19 - FY 26 General Government OPEB Projection

	FY19	FY20	FY21	FY22*	FY23	FY24	FY25	FY26
County								
Beginning fund balance	49,305,082	55,285,831	60,530,712	67,241,003	73,837,198	79,005,802	84,536,208	90,453,742
Estimated earnings	3,451,356	3,870,008	4,237,150	4,706,870	5,168,604	5,530,406	5,917,535	6,331,762
Estimated contribution	5,008,500	3,000,000	3,250,000	1,889,325	-	-	-	-
Pay-go added to GF budget	-	1,000,000	2,000,000	2,934,307	3,097,454	3,265,956	3,440,031	3,619,601
Estimated net costs	(2,479,107)	(2,625,127)	(2,776,859)	(2,934,307)	(3,097,454)	(3,265,956)	(3,440,031)	(3,619,601)
Ending fund balance	55,285,831	60,530,712	67,241,003	73,837,198	79,005,802	84,536,208	90,453,742	96,785,504
Estimated OPEB liability	80,972,130	83,401,294	85,903,333	88,480,433	91,134,846	93,868,891	96,684,958	99,585,507
% funded	68%	73%	78%	83%	87%	90%	94%	97%

*Pay-go becomes fully funded within GF and BOE operating budgets

FY 19 - FY 26 BOE OPEB Projection

	FY19	FY20	FY21	FY22*	FY23	FY24	FY25	FY26
BOE								
Beginning fund balance	19,061,248	19,170,010	19,304,810	21,811,377	25,227,498	30,908,389	37,110,715	43,857,845
Estimated earnings	1,334,287	1,341,901	1,351,337	1,526,796	1,765,925	2,163,587	2,597,750	3,070,049
Estimated contribution	5,008,500	3,000,000	3,250,000	1,889,325	3,914,966	4,038,739	4,149,380	4,247,373
Pay-go added to BOE budget	100,000	2,500,000	5,000,000	7,497,044	7,913,879	8,344,394	8,789,151	9,247,944
Estimated net costs	(6,334,026)	(6,707,100)	(7,094,770)	(7,497,044)	(7,913,879)	(8,344,394)	(8,789,151)	(9,247,944)
Ending fund balance	19,170,010	19,304,810	21,811,377	25,227,498	30,908,389	37,110,715	43,857,845	51,175,267
Estimated OPEB liability	337,164,602	347,279,540	350,543,968	335,786,067	321,649,473	308,108,030	295,136,682	282,711,428
% Funded	6%	6%	6%	8%	10%	12%	15%	18%

*Pay-go becomes fully funded within GF and BOE operating budgets

Long Term Projections

	FY28	FY30	FY32	FY34	FY36	FY38
County						
OPEB Liability	\$ 105,650,264	\$ 112,084,365	\$ 116,056,455	\$ 117,285,247	\$ 118,527,049	\$ 119,781,999
% Funded	97%	97%	99%	100%	100%	100%
BOE						
Projected Annual Funding	\$ 18,609,117	\$ 20,133,412	\$ 21,689,637	\$ 23,279,736	\$ 24,905,772	\$ 26,569,933
OPEB Liability	\$ 278,933,555	\$ 295,920,609	\$ 306,407,562	\$ 309,651,768	\$ 312,930,323	\$ 316,243,591
% Funded	27%	35%	46%	59%	74%	92%

Conclusion

- OPEB is not going away. A proactive stance with regard to the funding and management of these benefits is critical to their future.
- Pay-go needs to be included in the operating budgets of the General Government and the Board of Education in the short term.
- An ongoing funding commitment which provides for annual increases in the OPEB contributions needs to be maintained moving forward.

Questions

MC, Inc.
Menard Consulting, Inc.
Actuaries & Consultants

Actuarial Valuation of Other Postemployment Benefits
In accordance with GASB Statements No. 74 & No. 75

For the Fiscal Year Ending June 30, 2018

Worcester County Government
Postretirement Health Plan

September 24, 2018

Menard Consulting, Inc.
1690 W. Lake Street, Suite F
Addison, IL 60101

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Executive Summary

This report details the data, assumptions, and underlying methodology used in the GASB 75 actuarial valuation for Fiscal Year 2018.

The following exhibit illustrates the Net OPEB Liability and OPEB Expense.

<u>Total OPEB Liability</u>	
Active Employees	\$30,198,864
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Inactive Employees Currently Receiving Benefits	<u>50,773,266</u>
TOTAL	\$80,972,130
Plan Fiduciary Net Position	<u>\$49,305,082</u>
Net OPEB Liability	\$31,667,048
OPEB Expense	\$7,293,486

Refer to the "Glossary" section of this report for definitions of GASB 74/75 terms.

Statement of Actuarial Opinion

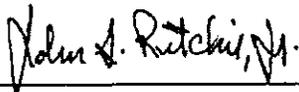
This report documents the results of an actuarial valuation for the Worcester County Government of their Postretirement Health Plan. The primary purpose of the valuation is to determine the obligations and costs for Fiscal Year 2017 in accordance with Government Accounting Standards No. 74 ("GASB 74") and No. 75 ("GASB 75"). Determinations for purposes other than meeting the Employer's financial accounting requirements may be significantly different from the results herein.

In performing the valuation, I relied on information and data regarding plan provisions, plan participants, and benefit payments provided by County personnel and their Health Care Broker. An audit of the information was not performed, but the information was reviewed for reasonableness as appropriate based on the purpose of this valuation. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information. All of the information was relied upon in drawing conclusions.

The valuation results in this report involve actuarial calculations that require assumptions about future events. The Worcester County Government is responsible for the selection of assumptions. I believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used.

To the best of my knowledge, all calculations are in accordance with requirements of applicable financial accounting standards, including GASB 74 and GASB 75, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices. I meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Opinion. There is no relationship between the Worcester County Government and Menard Consulting, Inc. that impairs objectivity.

The information contained in this report was prepared for use by the County and its auditors. It is not intended or necessarily suitable for other purposes. It is intended to be used in its entirety to avoid misrepresentations.



John S. Ritchie, ASA, MAAA
Member, American Academy of Actuaries
Membership Number: 30294
John.Ritchie@MenardConsult.com

Notes to Financial Statements

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of 6/30/2017 ⁽¹⁾	\$75,459,618	\$45,741,273	\$29,718,345
Changes for the year:			
Service Cost	\$1,608,612	0	\$1,608,612
Interest on Total OPEB Liability	5,528,825	0	5,528,825
Changes of benefit terms	0	0	0
Difference Between Expected & Actual Experience	(930,789)	41,035	(971,824)
Changes of Assumptions and Other Inputs	(972,422)	0	(972,422)
Contributions – Employer	0	2,500,000	(2,500,000)
Contributions - Non-Employer Contributing Entities ⁽²⁾	0	487,541	(487,541)
Net Investment Income	0	3,330,424	(3,330,424)
Benefit Payments ⁽³⁾	(2,753,006)	(2,753,006)	0
Administrative Expenses	0	(1,150)	1,150
Other Changes	<u>3,031,292</u>	<u>(41,035)</u>	<u>3,072,326</u>
Net Changes	\$5,512,512	\$3,563,809	\$1,948,703
Balances as of 6/30/2018	\$80,972,130	\$49,305,082	\$31,667,048

(1) Fiscal Year 2017 results calculated using a 7.00% Discount Rate as of 6/30/2017 per GASB 75 rules.

(2) Payments from the Water & Wastewater and Landfill departments.

(3) Actual benefit payments net of retiree contributions.

OPEB Expense

Service Cost	\$1,503,376
Interest on Service Cost	<u>105,236</u>
Total	\$1,608,612
Interest Cost	5,528,825
Difference Between Expected & Actual Experience	(138,979)
Changes of Assumptions and Other Inputs	<u>295,027</u>
Total	\$7,293,486

Notes to Financial Statements

(Continued)

Deferred Outflows/Inflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected & Actual Experience	\$0	\$832,845
Changes of Assumptions	2,640,678	835,845
Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	<u>0</u>	<u>0</u>
Total	\$2,640,678	\$1,668,646

Significant Assumptions

Health Care Trend Rates	
Initial Health Care Cost Trend Rate	6.00%
Ultimate Health Care Cost Trend Rate	5.00%
Fiscal Year the Ultimate Rate is Reached	Fiscal Year 2028
Additional Information	
Valuation Date	July 1, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.00%
Inflation Rate	3.00%
Salary Rate Increase	4.00%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	60.89%
Covered Payroll	Not Available
Net OPEB Liability as a Percentage of Covered Payroll	-----

Notes to Financial Statements
(Continued)

Discount Rate

A projection of cash flows was used to determine the discount rate. The analysis shows that the OPEB plan's Fiduciary Net Position is projected to be sufficient to make projected benefit payments for the lifetime of every individual in the census. As such, the discount rate used to measure the Total OPEB Liability is 7.00%, which is the long-term expected rate of return on OPEB plan investments.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	5%	0.5%
Fixed Income Investments	30%	5.7%
Equities	<u>65%</u>	8.1%
Total	100%	

Deferred Outflows/Inflows of Resources – Development

Difference Between Expected & Actual Experience (Economic & Demographic)

Net OPEB Liability, Actual Experience	\$31,667,048
Net OPEB Liability, Expected Experience	<u>32,597,837</u>
Difference	(\$930,789)
Average Expected Remaining Service Lives	7.12 years
<u>Amortization Schedule</u>	
Fiscal Years 2018 - 2024:	(\$130,772)
Fiscal Year 2025:	(\$15,387)

Changes of Assumptions

<u>Change in Health Care Trend Rates</u>	
Net OPEB Liability, New Assumption	\$31,667,048
Net OPEB Liability, Prior Assumption	<u>32,639,470</u>
Difference	(\$972,422)
Average Expected Remaining Service Lives	7.12 years
<u>Amortization Schedule</u>	
Fiscal Years 2018 - 2024:	(\$136,621)
Fiscal Year 2025:	(\$16,075)

<u>Other Changes</u>	
Net OPEB Liability, New Assumption	\$31,667,048
Net OPEB Liability, Prior Assumption	<u>28,594,722</u>
Difference	\$3,072,326
Average Expected Remaining Service Lives	7.12 years
<u>Amortization Schedule</u>	
Fiscal Years 2018 - 2024:	\$431,648
Fiscal Year 2025:	\$50,788

Deferred Outflows/Inflows of Resources – Development
 (Continued)

Net Difference Between Projected & Actual Earnings on OPEB Plan Investments

Actual Earnings	\$3,330,424
Projected Earnings	<u>3,289,389</u>
Difference	\$41,035
Amortization Period	5.00 years
<u>Amortization Schedule</u>	
Fiscal Years 2018 - 2022:	\$8,207

The difference between projected and actual earnings on OPEB plan investments should be recognized in the OPEB expense over a closed five-year period.

Future Deferred Outflows/Inflows of Resources

Fiscal Year Ending:	Outflows	Inflows
June 30, 2019	\$431,648	\$275,600
June 30, 2020	431,648	275,600
June 30, 2021	431,648	275,600
June 30, 2022	431,648	275,600
June 30, 2023	431,648	275,600
June 30, 2024	431,648	275,600
June 30, 2025	50,788	31,461

Sensitivity Testing of the Net OPEB liability

Discount Rate			
	<u>1% Increase</u>	<u>Valuation Rate</u>	<u>1% Decrease</u>
Net OPEB Liability	\$22,738,417 (28.20%)	\$31,667,048	\$42,562,268 34.41%

Health Care Trend			
	<u>1% Increase</u>	<u>Valuation Rate</u>	<u>1% Decrease</u>
Net OPEB Liability	\$43,750,977 38.16%	\$31,667,048	\$21,895,569 (30.86%)

Expected Cash Flows

<u>Fiscal Year</u>	<u>Estimated Benefit Payments</u>
2018	\$3,977,828
2019	4,170,403
2020	4,358,977
2021	4,518,346
2022	4,668,632
2023	4,891,188
2024	5,011,002
2025	5,311,478
2026	5,653,429
2027	5,626,398
2028	5,996,815

The projection of future cash flows is based on a closed group valuation. It does not take into account the impact of future new hires. It also includes the Implicit Rate Subsidy.

Actuarial Methods and Assumptions

(Continued)

Actuarial Assumptions

Discount Rate	7.00%																									
Salary Rate Increase	4.00%																									
Expected Rate of Return on Assets	Not Applicable																									
Health Care Trend	<table border="1"> <thead> <tr> <th><u>Period</u></th> <th><u>Medical + Prescrip. Drugs</u></th> </tr> </thead> <tbody> <tr> <td>FY18 – FY19</td> <td>6.00%</td> </tr> <tr> <td>FY19 – FY20</td> <td>5.89%</td> </tr> <tr> <td>FY20 – FY21</td> <td>5.78%</td> </tr> <tr> <td>FY21 – FY22</td> <td>5.67%</td> </tr> <tr> <td>FY22 – FY23</td> <td>5.56%</td> </tr> <tr> <td>FY23 – FY24</td> <td>5.44%</td> </tr> <tr> <td>FY24 – FY25</td> <td>5.33%</td> </tr> <tr> <td>FY25 – FY26</td> <td>5.22%</td> </tr> <tr> <td>FY26 – FY27</td> <td>5.11%</td> </tr> <tr> <td>FY27 – FY28</td> <td>5.00%</td> </tr> <tr> <td>Subsequent</td> <td>5.00%</td> </tr> </tbody> </table>		<u>Period</u>	<u>Medical + Prescrip. Drugs</u>	FY18 – FY19	6.00%	FY19 – FY20	5.89%	FY20 – FY21	5.78%	FY21 – FY22	5.67%	FY22 – FY23	5.56%	FY23 – FY24	5.44%	FY24 – FY25	5.33%	FY25 – FY26	5.22%	FY26 – FY27	5.11%	FY27 – FY28	5.00%	Subsequent	5.00%
<u>Period</u>	<u>Medical + Prescrip. Drugs</u>																									
FY18 – FY19	6.00%																									
FY19 – FY20	5.89%																									
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FY23 – FY24	5.44%																									
FY24 – FY25	5.33%																									
FY25 – FY26	5.22%																									
FY26 – FY27	5.11%																									
FY27 – FY28	5.00%																									
Subsequent	5.00%																									
Retiree Contribution Trend	Same as Health Care Trend																									
Mortality	RP-2014 Combined Annuitant Mortality Table for males and females.																									
Disability Rates	None																									

Actuarial Methods and Assumptions
 (Continued)

Retirement Rates	<u>Age</u>	<u>County</u>
	55-59	0%
	60-61	5%
	62-64	30%
	65	15%
	66-69	35%
	70+	100%
Withdrawal Rates	Table T-4 from the Pension Actuary's Handbook	
	<u>Age</u>	<u>County</u>
	20	5.48%
	25	5.34%
	30	5.11%
	35	4.75%
	40	4.29%
	45	3.78%
	50	2.90%
	55	1.82%
60	1.72%	
Coverage Status	Active employees are assumed to continue into retirement at their current coverage level. If an employee has waived active medical coverage they are assumed not to participate in the retiree medical plan. Actual coverage status is used for retirees.	

Actuarial Methods and Assumptions

(Continued)

Starting Per Capita Costs	Medical + Prescription Drugs		
	<u>Age</u>	<u>Retiree</u>	<u>Spouse</u>
	55	\$11,470	\$19,815
	57	12,525	21,639
	60	14,294	24,693
	62	15,609	26,966
	64	17,045	29,447
	65	5,646	5,646
	67	5,990	5,990
	70	6,514	6,514
	75	7,298	7,298
	80	7,862	7,862
	85+	8,470	8,470

Retiree Contributions	Pre-Medicare		Medicare Eligible	
	<u>Retiree</u>	<u>Spouse</u>	<u>Retiree</u>	<u>Spouse</u>
Pre 7/1/15 Hires	\$807	\$1,393	\$719	\$719
7/1/15 & Subsequ, Hires	1,613	2,787	1,438	1,438
Spouse Pay-All		13,934		7,190

Morbidity	<u>Age</u>	<u>Rate Per Age</u>
	Under 65	
65 – 69		3.00%
70 – 74		2.50%
75 – 85		1.50%
86 and older		0.00%

Election at Retirement	100% of active employees are assumed to elect coverage at retirement.
Marital Status	60% of active employees electing retiree coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

Actuarial Methods and Assumptions

(Continued)

Starting Per Capita Costs Development

Starting per capita costs for pre-Medicare retirees are based on premium equivalent rates. The same rates are charged for actives and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for retirees as if they were rated on a stand-alone basis. They were then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age (i.e., Morbidity).

Starting per capita costs for Medicare eligible retirees are also based upon premium equivalent rates. Medical costs do not exhibit the active/retiree subsidization as seen for pre-Medicare medical so are not adjusted.

Retiree medical contributions are based on unadjusted premium equivalent rates.

Retiree dental and vision coverages are provided on a pay-all basis. Unlike medical costs, these costs do not exhibit active/retiree subsidization. In particular, the mix and type of services typically vary by age but costs generally do not. It is assumed that retirees pay the entire costs for these coverages and the County has no liability. This approach follows generally accepted actuarial practice.

Summary of Eligibility & Coverage

Eligibility Provisions

Employees hired before November 1, 2007, who retire with a minimum of 5 years of Worcester County service and employees hired on or after November 1, 2007, who retire with a minimum of 15 years of Worcester County service under the Maryland State Retirement and Pension System or Worcester County Pension Plan, immediately upon leaving County Service are eligible to continue participation in the health insurance plan by paying a percentage of the required insurance premium set by resolution of the County Commissioners.

Employees who are not enrolled in the County's health and prescription drug insurance plan on their last day of County employment are not eligible to enroll after retirement. Once a retiree leaves the County's health and prescription drug insurance plan for any reason, the retiree and/or the retiree's dependents cannot re-enroll in the County's health and prescription drug insurance plan.

As long as prescription drug benefits of the Worcester County health and prescription drug insurance plan for retirees over 65 has a greater benefit at a lower cost than Medicare part D, retirees who enroll in Medicare Part D and their dependents are not eligible to participate in the Worcester County health and prescription drug insurance plan.

Effective July 1, 2015, any employee who as of August 31, 2013 or thereafter, has applied for disability retirement and has the minimum number of years, may remain on the County health insurance on a cost share basis, until a final determination is made on their disability retirement request by the Maryland State Retirement System or Worcester County Pension Plan, as applicable. If the disability retirement request is approved, then the employee is eligible to continue participation in the health insurance plan by paying a percentage of the required insurance premium set by resolution of the County Commissioners. If the employee's disability retirement is denied, then the insurance will terminate on the first day of the month immediately following the date of final denial.

Medical & Prescription Drug Benefits

For employees hired prior to July 1, 2015, the County pays 90% of the cost of coverage for the retiree and their eligible spouse. The coverage level is 80% for employees hired on or after July 1, 2015. For employees hired on or after October 1, 2017, spouse must pay the entire premium for retiree medical coverage and the County will continue to pay 20% of the cost for retirees. Coverage may continue upon Medicare eligibility given that contributions continue to be paid.

Dental & Vision Benefits

Coverage is offered on a pay-all basis for the retiree and their eligible spouse. The County does not pay any portion of the cost. Coverage may continue upon Medicare eligibility given that contributions continue to be paid.

Comments

The Actuarial Cost Method was changed to comply with the GASB 74 and GASB 75 standards.

The liability as of 6/30/2017 reflects the starting Fiscal Year 2018 balance under GASB 75 rules.

Glossary

Total OPEB liability

The Total OPEB liability the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. It is the liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan. This item was referred to as the Actuarial Accrued Liability in the GASB 45 Statement.

Active Employees – Individuals employed at the end of the reporting or measurement period.

Inactive Employees Entitled to But Not Yet Receiving Benefits – Individuals no longer employed by an employer in the OPEB plan or the beneficiaries of those individuals who have accumulated benefits under the terms of an OPEB plan but are not yet receiving benefit payments.

Inactive Employees Currently Receiving Benefits – Individuals no longer employed by an employer in the OPEB plan or the beneficiaries of those individuals who have accumulated benefits under the terms of an OPEB plan and are currently receiving benefits.

Fiduciary Net Position

OPEB plan assets held in a GASB-compliant Trust.

Net OPEB Liability

Total OPEB Liability minus Fiduciary Net Position. This item was referred to as the Unfunded Actuarial Accrued Liability in the GASB 45 Statement.

Deferred Outflows/Inflows of Resources

Changes in the Net OPEB Liability that have not been included in OPEB Expense are required to be reported as Deferred Outflows of Resources or Deferred Inflows of Resources related to OPEB.

Entry Age Actuarial Cost Method

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s).

Other Postemployment Benefits (OPEB)

Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

Service Cost

The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

MC, Inc.
Menard Consulting, Inc.
Actuaries & Consultants

Actuarial Valuation of Other Postemployment Benefits
In accordance with GASB Statements No. 74 & No. 75

For the Fiscal Year Ending June 30, 2018

Worcester County Board of Education
Postretirement Health Plan

September 24, 2018

Menard Consulting, Inc.
1690 W. Lake Street, Suite F
Addison, IL 60101

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Executive Summary

This report details the data, assumptions, and underlying methodology used in the GASB 75 actuarial valuation for Fiscal Year 2018.

The following exhibit illustrates the Net OPEB Liability and OPEB Expense.

<u>Total OPEB Liability</u>	
Active Employees	\$201,455,950
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Inactive Employees Currently Receiving Benefits	<u>135,708,651</u>
TOTAL	\$337,164,602
Plan Fiduciary Net Position	<u>\$19,061,248</u>
Net OPEB Liability	\$318,103,354
OPEB Expense	\$21,582,650

Refer to the "Glossary" section of this report for definitions of GASB 74/75 terms.

Statement of Actuarial Opinion

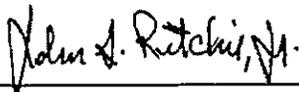
This report documents the results of an actuarial valuation for the Worcester County Board of Education ("BOE") of their Postretirement Health Plan. The primary purpose of the valuation is to determine the obligations and costs for Fiscal Year 2017 in accordance with Government Accounting Standards No. 74 ("GASB 74") and No. 75 ("GASB 75"). Determinations for purposes other than meeting the Employer's financial accounting requirements may be significantly different from the results herein.

In performing the valuation, I relied on information and data regarding plan provisions, plan participants, and benefit payments provided by County personnel and their Health Care Broker. An audit of the information was not performed, but the information was reviewed for reasonableness as appropriate based on the purpose of this valuation. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information. All of the information was relied upon in drawing conclusions.

The valuation results in this report involve actuarial calculations that require assumptions about future events. The Worcester County BOE is responsible for the selection of assumptions. I believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used.

To the best of my knowledge, all calculations are in accordance with requirements of applicable financial accounting standards, including GASB 74 and GASB 75, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices. I meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Opinion. There is no relationship between the Worcester County BOE and Menard Consulting, Inc. that impairs objectivity.

The information contained in this report was prepared for use by the BOE and its auditors. It is not intended or necessarily suitable for other purposes. It is intended to be used in its entirety to avoid misrepresentations.



John S. Ritchie, ASA, MAAA
Member, American Academy of Actuaries
Membership Number: 30294
John.Ritchie@MenardConsult.com

Notes to Financial Statements

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of 6/30/2017 ⁽¹⁾	\$335,432,205	\$20,953,941	\$314,478,264
Changes for the year:			
Service Cost	\$14,629,936	0	\$14,629,936
Interest on Total OPEB Liability	9,394,241	0	9,394,241
Changes of benefit terms	0	0	0
Difference Between Expected & Actual Experience	(15,957,568)	28,645	(15,986,213)
Changes of Assumptions and Other Inputs	199,538	0	199,538
Contributions – Employer	0	2,500,000	(2,500,000)
Contributions - Non-Employer Contributing Entities	0	0	0
Net Investment Income	0	1,582,921	(1,582,921)
Benefit Payments ⁽²⁾	(5,974,464)	(5,974,464)	0
Administrative Expenses	0	(1,150)	1,150
Other Changes	<u>(559,286)</u>	<u>(28,645)</u>	<u>(530,641)</u>
Net Changes	\$1,732,397	(\$1,892,693)	\$3,625,090
Balances as of 6/30/2018	\$337,164,602	\$19,061,248	\$318,103,354

(1) Fiscal Year 2017 results calculated using a 3.143% Discount Rate as of 6/30/2017 per GASB 75 rules.

(2) Actual benefit payments net of retiree contributions.

OPEB Expense

Service Cost	\$14,205,703
Interest on Service Cost	<u>424,233</u>
Total	\$14,629,936
Interest Cost	9,394,241
Difference Between Expected & Actual Experience	(2,392,014)
Changes of Assumptions and Other Inputs	<u>(49,513)</u>
Total	\$21,582,650

Notes to Financial Statements

(Continued)

Deferred Outflows/Inflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected & Actual Experience	\$0	\$13,594,199
Changes of Assumptions	5,526,004	5,807,594
Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	<u>0</u>	<u>0</u>
Total	\$5,526,004	\$19,401,794

Significant Assumptions

Health Care Trend Rates	
Initial Health Care Cost Trend Rate	6.00%
Ultimate Health Care Cost Trend Rate	5.00%
Fiscal Year the Ultimate Rate is Reached	Fiscal Year 2028
Additional Information	
Valuation Date	July 1, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Discount Rate	2.986%
Inflation Rate	3.00%
Salary Rate Increase	4.00%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	5.65%
Covered Payroll	Not Available
Net OPEB Liability as a Percentage of Covered Payroll	-----

Notes to Financial Statements

(Continued)

Discount Rate

The discount rate is calculated by a projection of cash flows to determine the Crossover Date. The Crossover, or Depletion, Date is the measurement period where plan assets and expected future contributions are no longer sufficient to pay expected future benefit payments. The Crossover Date was found to be 2021. This date is used to determine the Single Equivalent Discount Rate which represents a blended interest rate based on a long-term rate-of-return for those payments prior to the Crossover Date and a 20-year high grade municipal bond index for all remaining payments after such a Crossover Date. The rates used are a long rate of return of 7.00% and the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2018 of 2.98%. The single equivalent discount rate was found to be 2.986%. As such, the discount rate used to measure the Total OPEB Liability is 2.986%.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	5%	0.5%
Fixed Income Investments	30%	5.7%
Equities	<u>65%</u>	8.1%
Total	100%	

Deferred Outflows/Inflows of Resources – Development

Difference Between Expected & Actual Experience (Economic & Demographic)

Net OPEB Liability, Actual Experience	\$318,103,354
Net OPEB Liability, Expected Experience	<u>334,060,922</u>
Difference	(\$15,957,568)
Average Expected Remaining Service Lives	6.69 years
<u>Amortization Schedule</u>	
Fiscal Years 2018 - 2023:	(\$2,386,285)
Fiscal Year 2024:	(\$1,639,857)

Changes of Assumptions

<u>Change in Discount Rate</u>	
Net OPEB Liability, New Assumption	\$318,103,354
Net OPEB Liability, Prior Assumption	<u>311,605,693</u>
Difference	\$6,497,661
Average Expected Remaining Service Lives	6.69 years
<u>Amortization Schedule</u>	
Fiscal Years 2018 - 2023:	\$971,656
Fiscal Year 2024:	\$667,723

<u>Change in Health Care Trend Rates</u>	
Net OPEB Liability, New Assumption	\$318,103,354
Net OPEB Liability, Prior Assumption	<u>324,401,476</u>
Difference	(\$6,298,123)
Average Expected Remaining Service Lives	6.69 years
<u>Amortization Schedule</u>	
Fiscal Years 2018 - 2023:	(\$941,817)
Fiscal Year 2024:	(\$647,218)

Deferred Outflows/Inflows of Resources – Development
(Continued)

<u>Other Changes</u>	
Net OPEB Liability, New Assumption	\$318,103,354
Net OPEB Liability, Prior Assumption	<u>318,633,995</u>
Difference	(\$530,641)
Average Expected Remaining Service Lives	6.69 years
<u>Amortization Schedule</u>	
Fiscal Years 2018 - 2023:	(\$79,352)
Fiscal Year 2024:	(\$54,531)

Net Difference Between Projected & Actual Earnings on OPEB Plan Investments

Actual Earnings	\$1,582,921
Projected Earnings	<u>1,554,276</u>
Difference	\$28,645
Amortization Period	6.69 years
<u>Amortization Schedule</u>	
Fiscal Years 2018 - 2022:	\$5,729

The difference between projected and actual earnings on OPEB plan investments should be recognized in the OPEB expense over a closed five-year period.

Future Deferred Outflows/Inflows of Resources

Fiscal Year Ending:	Outflows	Inflows
June 30, 2019	\$971,656	\$3,413,183
June 30, 2020	971,656	3,413,183
June 30, 2021	971,656	3,413,183
June 30, 2022	971,656	3,413,183
June 30, 2023	971,656	3,413,183
June 30, 2024	667,723	2,341,605

Sensitivity Testing of the Net OPEB liability

Discount Rate			
	<u>1% Increase</u>	<u>Valuation Rate</u>	<u>1% Decrease</u>
Net OPEB Liability	\$267,977,291 (15.76%)	\$318,103,354	\$381,904,296 20.06%

Health Care Trend			
	<u>1% Increase</u>	<u>Valuation Rate</u>	<u>1% Decrease</u>
Net OPEB Liability	\$371,368,514 16.74%	\$318,103,354	\$277,499,941 (12.76%)

Expected Cash Flows

<u>Fiscal Year</u>	<u>Estimated Benefit Payments</u>
2018	\$7,063,485
2019	7,903,727
2020	8,703,392
2021	9,542,624
2022	10,241,710
2023	11,149,123
2024	11,941,326
2025	12,538,590
2026	13,278,121
2027	13,921,723
2028	14,712,169

The projection of future cash flows is based on a closed group valuation. It does not take into account the impact of future new hires. It also includes the Implicit Rate Subsidy.

Actuarial Methods and Assumptions
(Continued)

Actuarial Assumptions

Discount Rate	2.986%																								
Salary Rate Increase	4.00%																								
Expected Rate of Return on Assets	Not Applicable																								
Health Care Trend	<table border="1"> <thead> <tr> <th><u>Period</u></th> <th><u>Medical + Prescrip. Drugs</u></th> </tr> </thead> <tbody> <tr> <td>FY18 – FY19</td> <td>6.00%</td> </tr> <tr> <td>FY19 – FY20</td> <td>5.89%</td> </tr> <tr> <td>FY20 – FY21</td> <td>5.78%</td> </tr> <tr> <td>FY21 – FY22</td> <td>5.67%</td> </tr> <tr> <td>FY22 – FY23</td> <td>5.56%</td> </tr> <tr> <td>FY23 – FY24</td> <td>5.44%</td> </tr> <tr> <td>FY24 – FY25</td> <td>5.33%</td> </tr> <tr> <td>FY25 – FY26</td> <td>5.22%</td> </tr> <tr> <td>FY26 – FY27</td> <td>5.11%</td> </tr> <tr> <td>FY27 – FY28</td> <td>5.00%</td> </tr> <tr> <td>Subsequent</td> <td>5.00%</td> </tr> </tbody> </table>	<u>Period</u>	<u>Medical + Prescrip. Drugs</u>	FY18 – FY19	6.00%	FY19 – FY20	5.89%	FY20 – FY21	5.78%	FY21 – FY22	5.67%	FY22 – FY23	5.56%	FY23 – FY24	5.44%	FY24 – FY25	5.33%	FY25 – FY26	5.22%	FY26 – FY27	5.11%	FY27 – FY28	5.00%	Subsequent	5.00%
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Subsequent	5.00%																								
Retiree Contribution Trend	Same as Health Care Trend																								
Mortality	RP-2014 Combined Annuitant Mortality Table for males and females.																								
Disability Rates	None																								

Actuarial Methods and Assumptions
 (Continued)

Retirement Rates	<table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>BOE</u></th> </tr> </thead> <tbody> <tr> <td>55-59</td> <td>15%</td> </tr> <tr> <td>60-61</td> <td>20%</td> </tr> <tr> <td>62-64</td> <td>35%</td> </tr> <tr> <td>65</td> <td>25%</td> </tr> <tr> <td>66-69</td> <td>35%</td> </tr> <tr> <td>70+</td> <td>100%</td> </tr> </tbody> </table>	<u>Age</u>	<u>BOE</u>	55-59	15%	60-61	20%	62-64	35%	65	25%	66-69	35%	70+	100%								
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Withdrawal Rates	Table T-1 from the Pension Actuary's Handbook																						
	<table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>BOE</u></th> </tr> </thead> <tbody> <tr> <td>20</td> <td>5.47%</td> </tr> <tr> <td>25</td> <td>4.77%</td> </tr> <tr> <td>30</td> <td>3.54%</td> </tr> <tr> <td>35</td> <td>2.24%</td> </tr> <tr> <td>40</td> <td>1.14%</td> </tr> <tr> <td>45</td> <td>0.57%</td> </tr> <tr> <td>50</td> <td>0.72%</td> </tr> <tr> <td>55</td> <td>1.13%</td> </tr> <tr> <td>60</td> <td>1.69%</td> </tr> </tbody> </table>	<u>Age</u>	<u>BOE</u>	20	5.47%	25	4.77%	30	3.54%	35	2.24%	40	1.14%	45	0.57%	50	0.72%	55	1.13%	60	1.69%		
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Coverage Status	Active employees are assumed to continue into retirement at their current coverage level. If an employee has waived active medical coverage they are assumed not to participate in the retiree medical plan. Actual coverage status is used for retirees.																						

Actuarial Methods and Assumptions
(Continued)

Starting Per Capita Costs		Medical + Prescription Drugs	
<u>Age</u>	<u>Retiree</u>	<u>Spouse</u>	
55	\$11,470	\$19,815	
57	12,525	21,639	
60	14,294	24,693	
62	15,609	26,966	
64	17,045	29,447	
65	5,646	5,646	
67	5,990	5,990	
70	6,514	6,514	
75	7,298	7,298	
80	7,862	7,862	
85+	8,470	8,470	

Retiree Contributions	Pre-Medicare		Medicare Eligible	
	<u>Retiree</u>	<u>Spouse</u>	<u>Retiree</u>	<u>Spouse</u>
Pre 7/1/15 Hires	\$807	\$1,393	\$719	\$719
7/1/15 & Subsequ, Hires	1,613	2,787	1,438	1,438
Spouse Pay-All		13,934		7,190

Morbidity	<u>Age</u>	<u>Rate Per Age</u>
	Under 65	4.50%
65 – 69	3.00%	
70 – 74	2.50%	
75 – 85	1.50%	
86 and older	0.00%	

Election at Retirement	100% of active employees are assumed to elect coverage at retirement.
Marital Status	60% of active employees electing retiree coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

Actuarial Methods and Assumptions

(Continued)

Starting Per Capita Costs Development

Starting per capita costs for pre-Medicare retirees are based on premium equivalent rates. The same rates are charged for actives and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for retirees as if they were rated on a stand-alone basis. They were then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age (i.e., Morbidity).

Starting per capita costs for Medicare eligible retirees are also based upon premium equivalent rates. Medical costs do not exhibit the active/retiree subsidization as seen for pre-Medicare medical so are not adjusted.

Retiree medical contributions are based on unadjusted premium equivalent rates.

Retiree dental and vision coverages are provided on a pay-all basis. Unlike medical costs, these costs do not exhibit active/retiree subsidization. In particular, the mix and type of services typically vary by age but costs generally do not. It is assumed that retirees pay the entire costs for these coverages and the BOE has no liability. This approach follows generally accepted actuarial practice.

Summary of Eligibility & Coverage

Eligibility Provisions

Employees hired before November 1, 2007, who retire with a minimum of 5 years of Worcester County BOE service and employees hired on or after November 1, 2007, who retire with a minimum of 15 years of Worcester County BOE service under the Maryland State Retirement and Pension System or Worcester County Pension Plan, immediately upon leaving BOE Service are eligible to continue participation in the health insurance plan by paying a percentage of the required insurance premium set by resolution of the County Commissioners.

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Comments

The Discount Rate and Actuarial Cost Method were changed to comply with the GASB 74 and GASB 75 standards.

The liability as of 6/30/2017 reflects the starting Fiscal Year 2018 balance under GASB 75 rules.

Glossary

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Inactive Employees Currently Receiving Benefits – Individuals no longer employed by an employer in the OPEB plan or the beneficiaries of those individuals who have accumulated benefits under the terms of an OPEB plan and are currently receiving benefits.

Fiduciary Net Position

OPEB plan assets held in a GASB-compliant Trust.

Net OPEB Liability

Total OPEB Liability minus Fiduciary Net Position. This item was referred to as the Unfunded Actuarial Accrued Liability in the GASB 45 Statement.

Deferred Outflows/Inflows of Resources

Changes in the Net OPEB Liability that have not been included in OPEB Expense are required to be reported as Deferred Outflows of Resources or Deferred Inflows of Resources related to OPEB.

Entry Age Actuarial Cost Method

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s).

Other Postemployment Benefits (OPEB)

Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

Service Cost

The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans (continued)

The normal cost is calculated for the plan as a whole by allocating the difference between the actuarial present value of projected benefits, including prior years' gains and losses, less the actuarial value of assets and the present value of future employee contributions, on a level basis over the future salaries of active plan participants.

Information regarding the plan's funding status for plan fiscal years 2018 - 2016 is as follows:

	2018	2017	2016
Net assets available for pension benefits	\$ 6,331,144	\$ 6,378,143	\$ 6,603,752
Pension obligation	\$ 5,544,167	\$ 5,338,749	\$ 4,824,474
Percentage funded	114%	119%	137%
Net pension assets	\$ 786,977	\$ 1,039,394	\$ 1,779,278
Annual covered payroll	\$ 1,972,979	\$ 2,020,907	\$ 2,046,383
Assets in excess of pension obligation as a percentage of covered payroll	40%	51%	87%
Employer contributions	\$ 352,188	\$ 212,882	\$ 129,742
Employer contributions as a percentage of covered payroll	18%	11%	6%

Note 8. Other Post-Employment Benefits

Worcester County

Plan Description

The Worcester County Post-Retirement Medical Benefits Plan (the "Plan") is an agent multiple-employer defined benefit healthcare plan administered by the County. The Plan provides medical and prescription drug benefits to eligible retirees, their spouses, and eligible dependents. All classes of employees are eligible to participate in the Plan upon retirement. Participants must meet the following eligibility requirements of the Maryland State Retirement System to be eligible for benefits:

- 1) Age 55 and 15 years of service, or
- 2) Age 62 and 5 years of service (if hired prior to November 1, 2007), or
- 3) 30 years of service at any age

Eligible spouses and dependents desiring coverage through the eligible retiree's plan must be enrolled in the Plan immediately prior to the retiree's effective date of retirement. As of July 1, 2017, the date of the last actuarial valuation, the following numbers of employees were receiving or were potentially eligible to receive future benefits:

Inactive employees or beneficiaries currently receiving benefit payments	<u>County</u> 330
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>499</u>
	<u>829</u>

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

Separate financial statements are not issued for the Other Post-Employment Benefit ("OPEB") Trust.

Funding Policy

The County provides basic major medical insurance (Medicare supplemental program for those over 65) and a prescription drug plan for its retired employees. It is the County's policy to pay 90% of the cost of such benefits for eligible retirees, dependents, and spouses hired prior to July 1, 2015. For employees hired between June 30, 2015 and September 30, 2017, the County will pay 80% of the cost of benefits for retirees, their spouses, and their dependents. For employees hired subsequent to October 1, 2017, the County will pay 80% of the cost of the benefits for retirees only. The County's OPEB Trust currently pays for the cost of these benefits on a pay-as-you-go basis. For the year ended June 30, 2018, the OPEB Trust paid for coverage of 330 retirees at a total cost, net of retiree contributions, of approximately \$2,753,000.

The County created the Retiree Benefit Trust of Worcester County and the Retiree Benefit Trust of the Board of Education of Worcester County (collectively the "Trust") in order to arrange for the establishment of a reserve to pay promised future health and drug benefits for employee services that have already occurred. Employee and retiree contributions are not permitted and an actuarially determined contribution is not calculated for the plan. The trustees of each Trust consist of a five-member board that has final authority in all matters pertaining to the Trust.

The Trust prohibits any part of the Trust to be used for or diverted to purposes other than providing benefits to participants and beneficiaries under the Plan. The Trust provides that in no event will the assets of the Trust be transferred to an entity that is not a state, a political subdivision, or an entity the income of which is excluded from taxation under Internal Revenue Code Section 115.

Net OPEB Liability

The County's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	4.00%, average, including inflation
Discount rate	7.00%
Healthcare cost trend rates	6.00% for fiscal year 2018, decreasing .11% per year to an ultimate rate of 5.00% for fiscal year 2028 and later years
Mortality	RP-2014 Combined Annuitant Mortality Table for males and females

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

Investments

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	5%	0.5%
Fixed income investments	30%	5.7%
Equities	65%	8.1%
Total	100%	

Discount rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the County's contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The periods of projected benefit payments were fiscal years 2018 through 2028.

The annual OPEB expense under GASB Statement No. 75 is equal to the change in the unfunded actuarial accrued liability from the prior year's measurement date to the current year measurement date, with some of the liability changes being deferred to future years. Changes in the actuarial accrued liability due to experience gains or losses or changes in assumptions are recognized over the expected future working lifetime of all plan participants, including retirees.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

The County's net OPEB liability is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The following table shows the components of the County's net OPEB liability, fiduciary net position, and the resulting net OPEB liability as of June 30, 2018:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at 6/30/2017	\$ 75,459,618	\$ 45,741,273	\$ 29,718,345
Changes for the year:			
Service cost	1,608,612	-	1,608,612
Interest cost	5,528,825	-	5,528,825
Differences between expected and actual experience	(930,789)	41,035	(971,824)
Changes of assumptions and other inputs	(972,422)	-	(972,422)
Contributions - employer	-	2,500,000	(2,500,000)
Contributions - non-employer contributing entities	-	487,541	(487,541)
Net investment income	-	3,330,424	(3,330,424)
Benefit payments	(2,753,006)	(2,753,006)	-
Administrative expense	-	(1,150)	1,150
Other changes	3,031,292	(41,035)	3,072,327
Net changes	5,512,512	3,563,809	1,948,703
Balances at 6/30/2018	\$ 80,972,130	\$ 49,305,082	\$ 31,667,048

Funding Status and Funding Progress

As of July 1, 2017, the most recent actuarial valuation date, the total OPEB liability for benefits was \$80,972,130, with \$49,305,082 in plan Fiduciary net position, resulting in an unfunded OPEB liability of \$31,667,048. The covered employee payroll was \$24,859,390, and the ratio of the net OPEB liability to the covered payroll was 127%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of net OPEB liability, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the net OPEB liability is increasing or decreasing over time relative to the total OPEB liability for benefits.

Additional information as of the latest actuarial valuation is as follows:

- *Measurement date* – The County selected a June 30, 2018 measurement date for fiscal year-end 2018. The measurement date can be any date between the last day of the prior fiscal year and the last day of the current fiscal year.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

- *Cost method* – This valuation uses the Entry Age Normal Funding Method calculated on an individual basis with level percentage of payroll.

Sensitivity of the Total and Net OPEB Liability

The following table presents the County's total and net OPEB liability using the discount rate of 7.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate		Net OPEB Liability
1% decrease	6.00%	\$	42,562,268
Current discount Rate	7.00%	\$	31,667,048
1% increase	8.00%	\$	22,738,417

The following table presents the County's net OPEB liability using the health care trend rate of 6%, decreasing to 5%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% point lower or 1% point higher than the current rate:

	Health Care Cost Trend Rate		Net OPEB Liability
1% decrease	5% decreasing to 4%	\$	21,895,569
Current discount Rate	6% decreasing to 5%	\$	31,667,048
1% increase	7% decreasing to 6%	\$	43,750,977

OPEB Expense and Deferred Inflows/Outflows of Resources related to OPEB

For the fiscal year ended June 30, 2018, the County recognized an OPEB expense of \$3,476,671 on the government-wide statements. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 832,845
Changes of assumptions	2,640,678	835,845
Total	\$ 2,640,678	\$ 1,668,690

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

Amounts reported as deferred outflows and inflows of resources related to the OPEB plan will be amortized and expensed over the expected average remaining service life of participants as follows:

Year Ended June 30,	Outflows	Inflows
2019	\$ 431,648	\$ 275,600
2020	431,648	275,600
2021	431,648	275,600
2022	431,648	275,600
2023	431,648	275,600
2024	431,648	275,600
2025	50,790	15,090

Changes in assumptions in the most recent actuarial valuation included the health care trend rate (a decrease from 6.50% to 6.00%) and actuarial cost method changes, the starting per capita costs were updated using most recent premiums, and the health care trend rates were reset based on recent experience.

Board of Education of Worcester County

Plan Description and benefits provided

The Worcester County Public Schools Post-Retirement Medical Benefits Plan (the "Plan") is an agent multiple employer defined benefit healthcare plan administered by the Board. The Plan provides medical and prescription drug benefits to eligible retirees, their spouses and eligible dependents. All classes of employees are eligible to participate in the Plan upon retirement. Participants must meet the eligibility requirements of the Maryland State Teachers' pension system described below:

For members hired before July 1, 2011, the earliest retirement eligibility is the earlier of:

- Age 55 with 15 years of service,
- Age 62 with 5 years of service,
- Age 63 with 4 years of service,
- Age 64 with 3 years of service,
- Age 65 with 2 years of service, or
- 30 years of service, regardless of age.

For members hired after July 1, 2011, the earliest retirement eligibility is the earlier of

- Rule of 90 (age plus service is at least 90),
- Age 65 with 10 years of service,
- Age 60 with 15 years of service

In addition, eligible spouses and dependents desiring coverage through the eligible retiree's plan must be enrolled in the Plan immediately prior to the retiree's effective date of retirement.

As of July 1, 2017, the date of the last actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	712
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	961
	1,673

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

Funding Policy

The Board provides basic major medical insurance (medicare supplemental program for those over 65) and a prescription drug plan for its retired employees. It is the Board's policy to pay 90% of the cost of such benefits for eligible retirees, dependents and spouses hired prior to July 1, 2015, 80% for retirees, dependents, and spouses for July 1, 2015 to September 30, 2017 hires, and 80% for employees hired after October 1, 2017. The Board's OPEB Trust currently pays for the cost of these benefits on a pay as you go basis. For the year ended June 30, 2018, the OPEB Trust paid for coverage of approximately 712 retirees at a total cost, net of retiree contributions, of approximately \$6,000,000. For the year ended June 30, 2018, Worcester County Commissioners funded the trust in the amount of \$2,500,000 to fund future benefits.

On behalf of the Board, the Worcester County Commissioners created the Retiree Benefit Trust of the Board of Education of Worcester County (the "Trust") in order to arrange for the establishment of a reserve to pay promised future health and drug benefits for employee services that have already occurred. The Board intends the contributions to the Trust will qualify as "contributions in relation to the actuarially determined contribution" within the meaning of GASB Statement Number 75 and that the Trust will qualify as a "trust or equivalent arrangement" within the meaning of GASB Statement 75.

Contributions by the Board are solely dependent on the governmental entities that provide funding for the Board. Employee and retiree contributions are not permitted. The trustees of the Trust consist of a five member board who have final authority in all matters pertaining to the Trust.

The Trust prohibits any part of the Trust to be used for or diverted to purposes other than providing benefits to participants and beneficiaries under the Plan. The Trust provides that in no event will the assets of the Trust be transferred to an entity that is not a state, a political subdivision, or an entity the income of which is excluded from taxation under Section 115 of the IRS Code.

Net OPEB Liability

The Board's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	4.00%, average, including inflation
Discount rate	2.986%
Healthcare cost trend rates	6.00% for fiscal year 2018, decreasing .11% per year to an ultimate rate of 5.00% for fiscal year 2028 and later years
Mortality	RP-2014 Combined Annuitant Mortality Table for males and females

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

Investments

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	5%	0.5%
Fixed income investments	30%	5.7%
Equities	65%	8.1%
Total	100%	

Discount rate

The discount rate used to measure the total OPEB liability was 2.986%. The projection of cash flows used to determine the discount rate assumed that the Board's contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The periods of projected benefit payments were fiscal years 2018 through 2028.

The annual OPEB expense under GASB Statement No. 75 is equal to the change in the unfunded actuarial accrued liability from the prior year's measurement date to the current year measurement date, with some of the liability changes being deferred to future years. Changes in the actuarial accrued liability due to experience gains or losses or changes in assumptions are recognized over the expected future working lifetime of all plan participants, including retirees.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

The Board's net OPEB liability is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The following table shows the components of the Board's net OPEB liability, fiduciary net position, and the resulting net OPEB liability as of June 30, 2018:

	Increase (Decrease)		
	Total OPEB Liability	Plan	Net OPEB Liability
		Fiduciary Net Position	
(a)	(b)	(a) - (b)	
Balance at 6/30/2017	\$ 335,432,205	\$ 20,953,941	\$ 314,478,264
Changes for the year:			
Service cost	14,629,936	-	14,629,936
Interest cost	9,394,241	-	9,394,241
Differences between expected and actual experience	(15,957,568)	28,645	(15,986,213)
Changes of assumptions and other inputs	199,538	-	199,538
Contributions - employer	-	2,500,000	(2,500,000)
Net investment income	-	1,582,921	(1,582,921)
Benefit payments	(5,974,464)	(5,974,464)	-
Administrative expense	-	(1,150)	1,150
Other changes	(559,286)	(28,645)	(530,641)
Net changes	1,732,397	(1,892,693)	3,625,090
Balances at 6/30/2018	\$ 337,164,602	\$ 19,061,248	\$ 318,103,354

Funding Status and Funding Progress

As of July 1, 2017, the most recent actuarial valuation date, the total OPEB liability for benefits was \$337,164,602, with \$19,061,248 in plan Fiduciary net position, resulting in an unfunded OPEB liability of \$318,103,354. The covered employee payroll was \$62,892,100, and the ratio of the net OPEB liability to the covered payroll was 505.79%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of net OPEB liability, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the net OPEB liability is increasing or decreasing over time relative to the total OPEB liability for benefits.

Additional information as of the latest actuarial valuation is as follows:

- *Measurement date* – The Board selected a June 30, 2018 measurement date for fiscal year-end 2018. The measurement date can be any date between the last day of the prior fiscal year and the last day of the current fiscal year.
- *Cost method* – This valuation uses the Entry Age Normal Funding Method calculated on an individual basis with level percentage of payroll.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

Sensitivity of the Total and Net OPEB Liability

The following table presents the Board's total and net OPEB liability using the discount rate of 2.986%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate	Board's Net OPEB Liability
1% decrease	1.986%	\$ 381,904,296
Current discount Rate	2.986%	\$ 318,103,354
1% increase	3.986%	\$ 267,977,291

The following table presents the Board's net OPEB liability using the health care trend rate of 6%, decreasing to 5%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% point lower or 1% point higher than the current rate:

	Health Care Cost Trend Rate	Board's Net OPEB Liability
1% decrease	5% decreasing to 4%	\$ 277,499,941
Current discount Rate	6% decreasing to 5%	\$ 318,103,354
1% increase	7% decreasing to 6%	\$ 371,368,514

OPEB Expense and Deferred Inflows/Outflows of Resources related to OPEB

For the fiscal year ended June 30, 2018, the Board recognized an OPEB expense of \$17,500,879 on the government-wide statements. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,594,199
Changes of assumptions	5,526,004	5,807,594
Total	\$ 5,526,004	\$ 19,401,793

Amounts reported as deferred outflows and inflows of resources related to the OPEB plan will be amortized and expensed over the expected average remaining service life of participants as follows:

Year Ended June 30,	Outflows	Inflows
2019	\$ 971,656	\$ 3,413,183
2020	971,656	3,413,183
2021	971,656	3,413,183
2022	971,656	3,413,183
2023	971,656	3,413,183
2024	667,724	2,335,878

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

Changes in assumptions in the most recent actuarial valuation included the discount rate (a decrease from 7% to 2.986%) and actuarial cost method changes, the starting per capita costs were updated using most recent premiums, and the health care trend rates were reset based on recent experience.

Note 9. Deferred Compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all eligible full-time County employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency; as approved by the County Commissioners.

The County funds all compensation deferred under the plan, at the direction of the covered employee, through investments underwritten by Security Benefits.

All amounts of compensation deferred under the plan; all property and rights purchased with those amounts; and all income attributable to those amounts, property, or rights are solely the property and rights of the plan participants and are not subject to the claims of the County's general creditors.

The County has no liability for losses under the plan but does have the duty of care that would be required of an ordinary prudent investor.

Note 10. Commitments and Contingencies

The County is a defendant in several lawsuits. After considering all relevant facts and the opinion of legal counsel, it is management's opinion that such litigation will not, in the aggregate, have a material adverse effect on the financial position of the County.

The County regularly enters into contracts for services during the normal course of operations. The contracts often extend over fiscal years.

Enterprise Funds

The County entered into a contract with Allan Myers MD, Inc. on October 5, 2017 in the amount of \$11,727,777 (modified in 2018 down to \$11,534,714) for the construction of landfill cell 5 at the Worcester County central landfill facility. Also, on September 28th, 2017 the County entered into an agreement with EA Engineering, Science, and Technology, Inc. PBC to provide the construction management services on a time and materials bases with an estimated cost of \$421,337. Total project costs are anticipated at \$12,728,000 and will be funding from \$2,035,000 in 2015 Bonds, \$7,365,000 in landfill enterprise funds set aside, and \$3,328,000 in anticipated 2019 future bonds.

On October 3, 2018 the County modified a contract with Somerset Well Drilling Company, Inc. at a total price of \$705,586 to complete work on the Mystic Harbour Effluent disposal project.

General Fund

The County approved a proposal on June 20, 2017 with Gipe Associates, Inc. for engineering design and contract administration for the Worcester County Jail HVAC Renovation Project in the amount of \$283,000. An additional contract for up to \$16,000 plus 10% for direct out-of-pocket expenses was signed on October 31st, 2018. Funding for the first phase of this project has been allocated in the assigned fund balance.

On June 28th, 2018 the County entered into an agreement with The Whiting-Turner Contracting Company for construction management services on the Worcester County Court House HVAC renovation project up to \$39,200.