

AGENDA

WORCESTER COUNTY COMMISSIONERS

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

The public is invited to view this meeting live online at - <https://worcestercountymd.swagit.com/live>

November 15th, 2022

	Item #
9:00 AM - Vote to Meet in Closed Session in Commissioners' Meeting Room – Room 1101 Government Center, One West Market Street, Snow Hill, Maryland	
9:01 - Closed Session: Discussion regarding a request to hire an IT Technician in the Department of Information Technology and certain personnel matters with human resources, receiving legal advice, and performing administrative functions	
10:00 - Call to Order, Prayer (Reverend Mary Haggard), Pledge of Allegiance	
10:01 - Report on Closed Session; Review and Approval of Minutes from November 1 st , 2022 Meeting	
10:02 - Proclamation for Runaway Prevention Month	
	1
10:05 - Consent Agenda (Out of State Travel Request, Maryland Sports Grant, Cost Estimate Software Purchase, Solid Waste Equipment Leases, Cyber Security Software Purchase, Request to Bid FY24 LMB Programs, Request for Public Hearing on Riverview Mobile Home Park, Approval of 2023 Budget and Meeting Calendars)	
	2-9
10:10 - Chief Administrative Officer: Administrative Matters (Solid Waste Wet Well Repairs, Newark Water Tower Cellular Lease, Tri-County Executive and Full Board Appointments, Board Appointments, 2022 Bond Sale)	
	10-14
12:00- Questions from the Press; County Commissioner's Remarks	
 Lunch	
1:00 PM - Chief Administrative Officer: Administrative Matters (if necessary)	

AGENDAS ARE SUBJECT TO CHANGE UNTIL THE TIME OF CONVENING

Hearing Assistance Units Available – see County Administration Office
Please be thoughtful and considerate of others. ***Turn OFF all cell phones and notification during the meeting!***

DRAFT

Minutes of the County Commissioners of Worcester County, Maryland

November 1, 2022

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

Following a motion by Commissioner Nordstrom, seconded by Commissioner Elder, the commissioners unanimously voted to meet in closed session at 9:00 a.m. in the Commissioners' Meeting 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 Weston Young, Deputy Chief Administrative Officer Candace Savage, County Attorney Roscoe Leslie, Public Information Officer Kim Moses, Human Resources Director Stacey Norton, Recreation and Parks Director Kelly Rados, and Parks Superintendent Jacob Stephens. Topics discussed and actions taken included the following: rehiring Larry Lynch as a natural resources inspector II within Environmental Programs; advertising to fill the position of Human Resources deputy director; reviewing a personnel summary update and certain personnel matters; acquisition of real property for a public purpose; receiving legal advice from counsel; and performing administrative functions, including receiving an FY22 monthly financial update and discussing potential board appointments.

Following a motion by Commissioner Bertino, seconded by Commissioner Nordstrom, the commissioners unanimously voted to adjourn their closed session at 9:24 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 Reverend Mary Haggard, senior pastor of the Snow Hill-Newark United Methodist Church Circuit, 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 October 18, 2022 meeting as presented.

The commissioners presented a years-of-service commendation to Anne C. Turner who is retiring following 24 years of service to the Worcester County Circuit Court.

The commissioners presented a proclamation to Worcester County Department of Social Services staff recognizing November as National Adoption Month to raise awareness of County youth in foster care who need stable homes and to honor those who have dedicated their lives to serving these children.

DRAFT

In a related matter, the commissioners also presented a commendation to Christine Brown to honor her and her husband, Michael, for being named the 2022 Worcester County Adoptive Parents of the Year by DSS.

The commissioners presented a proclamation recognizing November 13-19, 2022 as American Education Week to Worcester County Teachers Association President Beth Shockley Lynch and Board of Education (BOE) Superintendent Louis H. Taylor.

The commissioners presented a proclamation to Lauren Blair of Coastal Hospice recognizing November as Coastal Hospice Month and honored this outstanding group of healthcare professionals for providing four decades of care to County residents and their families.

Upon a motion by Commissioner Bertino, the commissioners unanimously approved by consent agenda item numbers 2-4 as follows: out-of-state travel for three Recreation and Parks staff members to attend the National Recreation and Parks Association Event Management School in Wheeling, West Virginia; awarding the low bid of \$5,170 to rehabilitate a house in Berlin to Poseidon Plumbing and Home Services, contingent upon approval of a waiver from the Department of Housing and Urban Development; bid documents for consulting services to implement a public engagement program as part of the State-mandated update to the Worcester County Comprehensive Plan.

The commissioners met with Mr. Taylor to review the BOE's proposed FY24 Capital Improvement Program (CIP) request, which includes planning and design funding for Buckingham Elementary School (BES) and future roof replacement projects for Snow Hill Middle School and Cedar Chapel Special School, Pocomoke Elementary School, and Worcester Technical High School. Mr. Taylor stated that verification that the commissioners have approved the FY24 CIP must be submitted to the Maryland Interagency Committee for Public School Construction (IAC) no later than November 30, 2022. He further advised that the CIP is consistent with the Worcester County CIP and incorporates all prior recommendations of the commissioners regarding future school construction needs.

In response to questions by Commissioner Bunting, Mr. Taylor advised that they will develop a stakeholders committee for the BES project. Commissioner Bunting noted how well the stakeholders committee worked during the Showell Elementary School replacement project and expressed interest in serving on the BES stakeholders committee. Following some discussion and upon a motion by Commissioner Bunting, the commissioners unanimously approved the BOE FY24 CIP as presented.

The commissioners met with Mr. Thompson to review a proposed bond resolution. Upon a motion by Commissioner Bertino, the commissioners unanimously adopted Resolution No. 22-26, approving the County Commissioners of Worcester County, Maryland Consolidated Public Improvement Bonds, 2022 Series, which provide \$28,625,000 to finance all or a portion of the costs of construction of the Stephen Decatur Middle School addition project, phase 2 improvements to the Worcester County Jail, public safety logistical storage facility, and Ocean Pines Service Area belt filter press. Mr. Thompson advised that the bond sale will occur two

DRAFT

weeks from November 1, 2022. In response to questions by Commissioner Bertino, Mr. Thompson advised that it is likely the County will secure an interest rate of about 4.5% based on current rates.

Pursuant to the recommendation of Environmental Programs Director Bob Mitchell and upon a motion by Commissioner Nordstrom, the commissioners unanimously authorized Commission President Mitrecic to sign the Agreement of Sale for the purchase of a Rural Legacy Area (RLA) easement between Truitts Landing Farm, LLC (Seller) and the County Commissioners of Worcester County, Maryland (Buyer), with FY21 Coastal Bays RLA funds to cover the cost of an easement on approximately 90.44 acres of land located on the northeast side of Truitts Landing Road in Snow Hill and identified on Tax Map 80 as Parcel 10. This property, is to be purchased at a cost of \$2,302 per acre. Mr. Mitchell stated that the property is located in the Chincoteague Bay watershed and is nearly surrounded by adjacent protected farmlands, and the owner will surrender all subdivision and development rights, save the boundary line adjustment removing 1.7 acre, which will be added to Parcel 53.

The commissioners reviewed and discussed various board appointments.

Upon a nomination by Commissioner Elder, the commissioners unanimously agreed to appoint Kerrie Bunting to the Local Development Council for the Ocean Downs Casino.

The commissioners answered questions from the press, after which they adjourned to meet again on November 15, 2022.

TEL: 410-632-1194
 FAX: 410-632-3131
 WEB: www.co.worcester.md.us



OFFICE OF THE
 COUNTY COMMISSIONERS

Worcester County

GOVERNMENT CENTER
 ONE WEST MARKET STREET • ROOM 1103

SNOW HILL, MARYLAND

21863-1195

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

WESTON S. YOUNG, P.E.
 CHIEF ADMINISTRATIVE OFFICER
 JOSEPH E. PARKER, III
 DEPUTY CHIEF ADMINISTRATIVE OFFICER
 ROSCOE R. LESLIE
 COUNTY ATTORNEY

PROCLAMATION

WHEREAS, this November, National Runaway Prevention Month, we highlight the work of Fenix Youth Project Inc. for raising awareness, providing support, and equipping vulnerable youth to develop their creative potential and the life skills needed to become active contributors within our Eastern Shore communities; and

WHEREAS, runaway youth are often expelled from their homes, have experienced trauma, struggle to meet basic needs, and are at increased danger of falling into high-risk situations, including human trafficking. The Fenix Youth Project is part of the National Runaway Safeline, the federally-designated national crisis and communication system for youth ages 12 to 21 who have run away, are considering leaving home, or are experiencing homelessness.

NOW, THEREFORE, we the County Commissioners of Worcester County, Maryland, do hereby recognize November 2022 as **National Runaway Prevention Month** and encourage all residents to partner with Fenix Youth Project Inc., which creates safe spaces grounded in social justice for young people to learn and to use their creative talents to impact social change, thus transforming lives and communities.

Executed under the Seal of the County of Worcester, State of Maryland, this 15th day of November, in the Year of Our Lord Two Thousand Twenty-Two.



 Joseph M. Mitrecic, President

 Theodore J. Elder, Vice President

 Anthony W. Bertino, Jr.

 Madison J. Bunting, Jr.

 James C. Church

 Joshua C. Nordstrom

 Diana Purnell

Citizens and Government Working Together



Worcester County Recreation & Parks

6030 Public Landing Road | Snow Hill MD 21863 | (410) 632-2144 | www.PlayMarylandsCoast.org

TO: Weston S. Young, Chief Administrative Officer
 Candace Savag, Deputy Chief Administrative Officer

FROM: Kelly Rados, Director of Recreation & Parks

DATE: November 4, 2022

RE: Out of State Travel Request - Sports ETA Symposium

Out of State Travel Request

Recreation	2	100.1601.400.7000.100
Department	# of Attendees	GL Account Code
Kansas City, MO	5/8/2023	5/12/2023
Destination	Depart	Return

Purpose of Travel: I am requesting authorization for Recreation staff to attend the Sports ETA (Entertainment, Toursim Association) Symposium to be held in Kansas City, MO May 8 - 11, 2023. Sports ETA is the most essential resource for sports desitnations such as Worcester County, Maryland's Coast. The conference will allow us to attend educational sessions, network with industry experts, and meet face-to face with sports event owners during pre-scheduled, one-on-one appointments. Funding was reserved in the FY23 budget for this conference.

Estimated Costs: Airfare	\$1,200
Lodging	\$1,800
Meals	\$400
Registration Fees	\$2,390
Car Rental	0
Other Transportation	\$100
Other	
Total	\$5,890



Worcester County Recreation & Parks

6030 Public Landing Road | Snow Hill MD 21863 | (410) 632-2144 | www.PlayMarylandsCoast.org

MEMORANDUM

TO: Weston S. Young, Chief Administrative Officer
Candace Savage, Deputy Chief Administrative Officer
FROM: Kelly Rados, Director of Recreation & Parks
DATE: November 4, 2022
SUBJECT: Maryland Sports Grant

The Recreation & Parks Department, in accordance with Mid-Atlantic Amateur Sports Alliance (MAASA), received a Youth and Amateur Sports Grant through the Maryland Sports office within the Maryland Stadium Authority. We are asking for permission to accept this grant, and for your review and approval signature in order to move forward.

Worcester County Recreation & Parks Department will be awarded \$4,320 which will be used to offset bid fees paid for the USSSA World Series 2022 event. Our financial contribution for the 2022 event was \$16,256.58.

MAASA will be receiving a total of \$44,765 from this Youth and Amateur Sports grant. All funds are to offset bid fees promised to event organizers per individual event contracts. These MAASA events include the We Build You Play volleyball tournaments for 2023 (AAAU Grand Prix, Beachfest, and Eastern Shore Showdown) and the 2021 USSSA World Series. Any remaining funds after the 2023 We Build You Play tournaments would be re-allocated to MAASA partners based on percentages of hotel pick-up or used towards an additional MAASA amateur youth sports event in calendar 2023.

The purpose of the Youth & Amateur Sports Grant program is to provide grants to bring new youth and amateur sporting event to Maryland, as well as maintain and enhance annual sporting tourism events and attract sports fans, participants, and tourists. The focus is support of high quality youth and amateur sporting event that benefit Maryland's economy.

Should you have any questions, please feel free to reach out at your convenience.

Attachments

**Maryland Sports
Youth and Amateur Sports Grants Program**

GRANT AGREEMENT

This Grant Agreement (this “**Agreement**”) is entered into this ___ day of _____, 20___, by and between MARYLAND SPORTS (“**Maryland Sports**”), an office within the Maryland Stadium Authority (“**MSA**”), a body corporate and politic and an instrumentality of the State of Maryland, and the Mayor and City Council of Ocean City, Maryland; a municipal corporation organized and existing under the laws of the State of Maryland; Worcester County, Maryland a body corporate and politic of the State of Maryland and Wicomico County, Maryland a body corporate and politic of the State of Maryland (“**Grantee**”).

- A. Maryland Sports administers the Youth and Amateur Sports Grants Program (the “**Program**”) to provide grants to bring new youth and amateur sporting events to Maryland and attract sports fans, participants, and tourists.
- B. Grant funds are provided through the Michael Erin Busch Sports Fund (the “**Fund**”) established by House Bill 1659 (2020 Regular Session) and enrolled as Chapter 33 of the Acts of 2021 (as the same may be codified and amended, the “**Act**”).
- C. In accordance with the terms of the Act, Maryland Sports has adopted policies and procedures for the Program as approved by MSA on July 6, 2021 and posted on Maryland Sports’ website (the “**Policies**”).
- D. In accordance with the terms of the Act and the Policies, Maryland Sports has approved a grant under the Program to Grantee.

Therefore, Maryland Sports and Grantee agree as follows:

- 1. Term. This Agreement is effective as the date set forth above and, unless sooner terminated in accordance with this Agreement, shall expire on July 31, 2023.
- 2. Purpose. Grantee is the organizer *[or other appropriate term]* of We Build You Play’s AAU Grand Prix; Eastern Shore Showdown; Beachfest Volleyball; and the United States Specialty Sports Association’s Eastern National Championships. (the “**Event**”).
Subject to the terms of the Act, the Policies, and this Agreement, Grantee may only use Grant funds for the costs and expenses of the Event (the “**Authorized Use**”).
- 3. Grant. In accordance with the Act and the Policies, Maryland Sports approved a grant (the “**Grant**”) in the maximum amount of \$ \$44,765.00 (the “**Maximum Grant Amount**”) to be used by Grantee for the Authorized Use.
- 4. Maximum Share Funded by the Grant. In accordance with the budget for the Event approved by Maryland Sports, the amounts paid for with the Grant shall not exceed thirty percent (30%) of the total costs and expenses of the Event.

5. Termination or Reduction of Authorization. Maryland Sports, in its sole discretion, may terminate the Grant or reduce the Maximum Grant Amount if:

- (a) No part of the Event is under contract by July 31, 2023;
or
- (b) the Event is abandoned.

In addition, Maryland Sport's authorization of the Grant shall terminate automatically with respect to any of the Grant that is (1) unencumbered (or uncommitted) by July 31, 2023, or (2) unexpended by July 31, 2023.

6. Limitations on Use. Maryland Sports may, in its sole discretion, disapprove requests for disbursement or expenditure of Grant funds that are (i) not consistent with or are not specifically related to the Authorized Use; or (ii) contrary to the Act, the Policies, or this Agreement. In addition, Grantee certifies and covenants that it has not and will not use any of the Grant or any of its own funds allocated to the Event:

- (a) To further sectarian religious instruction;
- (b) In connection with the design, acquisition, or construction of any building used or to be used as a place of sectarian religious worship or instruction;
- (c) In connection with any program or department of divinity for any religious denomination; or
- (d) To pay (or promise to pay) any legislative agent, lawyer, or lobbyist for any services to obtain the Grant or any other grant from Maryland Sports (or MSA generally).

7. Disbursement of Grant. Subject to the availability of money in the Fund and approval by MSA's executive director or chief financial officer, Maryland Sports's executive director may periodically authorize payment of Grant funds to, or on behalf of, Grantee in an amount not to exceed the Maximum Grant Amount. Unless otherwise specifically agreed by Maryland Sports in writing, Maryland Sports shall not be obligated to disburse more than fifty percent (50%) of the Maximum Grant Amount prior to the Event.

8. Requests for Payment Generally. After providing satisfactory proof of the expenditure Grantee's funds as required under this Agreement, Grantee may request disbursement of Grant funds by submitting the evidence identified below under a cover letter on Grantee's letterhead indicating the total amount requested, subtotals for each party to be paid (if more than one), and the federal identification number(s) of the party or parties to be paid.

- (a) For payments to be made directly to vendors on behalf of the Grantee, submit a schedule (chronological listing) of invoice(s) to be paid, original vendor invoice(s), and federal identification number(s) of vendor(s).
- (b) For reimbursements to be made to Grantee for invoices that Grantee has already paid, submit a schedule (chronological listing) of paid invoice(s) and the

corresponding payment method(s) (including check number(s) if paid by check), copies of the vendor invoice(s), evidence satisfactory to Maryland Sports that the invoice(s) have been paid) (e.g., copies of the fronts and backs of canceled checks), and Grantee's federal identification number.

- (c) For amounts to be disbursed to Grantee in advance of required payments (e.g., for salaries or other operating costs to be incurred by Grantee as part of the Authorized Use), submit a schedule (chronological or otherwise as appropriate) of amounts to be paid and copies of the contracts under which such amounts are to be paid. Maryland Sports shall determine a disbursement schedule (consisting of one or more installments) that will ensure that Grant funds are provided reasonably in advance of when such amounts will become due and payable. Within thirty (30) days (or such other amount of time permitted by Maryland Sports) after the date scheduled for disbursement, Grantee shall provide evidence reasonably satisfactory to Maryland Sports that the Grant funds have been expended consistent with Grantee's request. Maryland Sports may require Grantee to return any disbursed Grant funds for which Maryland Sports has not received satisfactory evidence of appropriate expenditure.
9. After the Event. Within forty-five (45) days after the conclusion of the Event, Grantee shall submit to Maryland Sports:
- (a) A Post-Event Reimbursement Report that includes a complete and accurate accounting of the Event's financial activity. Such report shall show that the Event's financial activity was consistent with the budget approved by Maryland Sports upon award of the Grant or shall contain an explanation of any discrepancies in form and content satisfactory to Maryland Sports.
 - (b) Copies of all invoices, receipts, cancelled checks, and credit card statements for payment of all approved expenses in accordance with the approved budget and the approved allocation of such expenses to the Grant and local, organizational, and/or private funding. All invoices and cancelled checks must be in the name of Grantee.
 - (c) Economic impact data based on criteria provided by Maryland Sports or its economic consultant.
 - (d) Photos, videos, and social and/or traditional media coverage of any signage or other acknowledgment at the Event that the Event was funded in part by a grant from the Michael Erin Busch Sports Fund through Maryland Sport's Youth and Amateur Sports Grants Program.

Maryland Sports shall not be obligated to disburse any Grant funds after the Event unless and until Grantee has submitted the foregoing in form and content satisfactory to Maryland Sports.

10. Reports:
 - (a) Section 7-402 of the State Finance and Procurement Article, Annotated Code of Maryland, requires Grantee to submit a verified report that fully and accurately accounts for appropriate Grant expenditures. Documents submitted in accordance with Paragraphs 8 and 9 of this Agreement shall be deemed to comply with such requirement.
 - (b) Grantee shall submit other reports or information as Maryland Sports may periodically require, including project status reports and certified audit reports.
11. Inspection and Retention of Records. Grantee shall permit any duly authorized representative of Maryland Sports to inspect and audit all records and documents of Grantee relating to the Grant. Grantee shall retain such records for at least three years after this Agreement expires or terminates.
12. Disposition of Property. Grantee may not sell, lease, exchange, give away, or otherwise transfer or dispose of any interest in real or personal property acquired or improved with Grant funds (“**Grant-Funded Property**”) unless Maryland Sports gives prior written consent. This includes transfer or disposition to a successor or the merger, dissolution, or other termination of the existence of Grantee. Grantee shall give Maryland Sports written notice at least sixty (60) days before any proposed transfer or disposition. When consenting to a transfer or disposition, Maryland Sports may, in its sole discretion, require the grantee to repay a percentage of the proceeds that are reasonably allocable to the Grant.
13. Insurance.
 - (a) For any item of Grant-Funded Property that has an original fair market value of \$5,000 or more, Grantee shall, at its own expense and for the reasonable useful life of that item, obtain and maintain all risk of fire and extended coverage insurance or such similar insurance coverage as may be appropriate for the full value of the item or in amounts as may be commercially reasonable under the circumstances. Grantee’s insurer must be authorized to issue the policy in the State. Each such policy shall by its terms:
 - (i) Name Maryland Sports and MSA as additional loss payees thereunder.
 - (ii) Be considered primary and non-contributory with respect to any other insurance, if any, provided by Maryland Sports or MSA.
 - (iii) Be cancelable only on at least 30 days written notice to Grantee and Maryland Sports.
 - (b) On request, Grantee shall, provide Maryland Sports with satisfactory evidence of insurance.

- (c) Proceeds of insurance required by this Paragraph may be applied as Maryland Sports, in its sole discretion, shall determine toward replacement of Grant-Funded Property or toward repayment of the Grant to Maryland Sports.
 - (d) Maryland Sports, in its sole discretion, may determine that Grantee may self-insure Grant-Funded Property if Grantee has adequate financial resources.
- 14. Indemnification. Grantee is responsible for, and shall defend, indemnify, and hold harmless Maryland Sports and MSA, and their respective officers, agents, and employees (whether or not Maryland Sports or MSA be deemed contributorily negligent) from all suits, actions, liability, or claims of liability (including reasonable attorneys' fees) arising out of:
 - (a) The Event or the Authorized Use;
 - (b) Any negligent, intentionally tortious, or other act or omission of Grantee or any of its agents, contractors, servants, employees, subtenants, licensees, or invitees in connection with the Authorized Use;
 - (c) Grantee's construction, use, occupancy, operation, management or, any other activity by Grantee in connection with, Grant-Funded Property; or
 - (d) Any injury to or death of any person or damage to any property occurring in, on, or as a direct or indirect result of construction, use, occupancy, operation, or management of Grant-Funded Property.
- 15. Default. A default is Grantee's breach of any of the covenants, agreements, or certifications contained in this Agreement.
- 16. Remedies Upon Default.
 - (a) Upon the occurrence of any default, Maryland Sports, in its sole discretion, may do one or more of the following:
 - (i) Require Grantee to repay the Grant, in whole or in part;
 - (ii) Recoup the amount of the Grant already paid from funds due Grantee from any other current or future grant or loan by Maryland Sports (or MSA generally) to Grantee or from any other funds otherwise due and owing to Grantee from Maryland Sports (or MSA generally);
 - (iii) Withhold further payments under this Agreement; or
 - (iv) Terminate this Agreement.
 - (b) In addition to the rights and remedies contained in this agreement, Maryland Sports may at any time proceed to protect and enforce all rights available to it. All rights and remedies survive the expiration or termination of this Agreement.

17. Communications. Communications must be addressed as follows:

To Maryland Sports:

Maryland Sports
333 West Camden Street, Suite 500
Baltimore, Maryland 21201
Attention: Executive Director

To Grantee:

Wicomico County, Maryland
Attn: Kristen Goller
8480 Ocean Hwy, Delmar, MD 21875

18. Organization. Grantee has been duly organized and is validly existing as a Mayor and City Council of Ocean City, Maryland; a municipal corporation organized and existing under the laws of the State of Maryland; Worcester County, Maryland a body corporate and politic of the State of Maryland and Wicomico County, Maryland a body corporate and politic of the State of Maryland and is in good standing under the laws of the state of its formation, organization, or incorporation (as applicable) as of the date hereof.
19. Compliance with Applicable Law. Grantee hereby represents and warrants that it:
- (a) Is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
 - (b) Is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the Grant term;
 - (c) Shall comply with all federal, State, and local laws, regulations, and ordinances applicable to its activities and obligations under this Grant.
 - (d) Shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Grant.
20. Registration as a Charitable Organization. Unless otherwise stated below, Grantee is a charitable organization registered with the Maryland Secretary of State in accordance with the Annotated Code of Maryland (Business Regulation Article or Corporations and

Association Article, as applicable) and has filed all required reports with the Maryland Secretary of State.

Check if YES ___

Check if NOT APPLICABLE x and explain:

Government Agency

21. Commercial and Employment Nondiscrimination. Grantee shall:

- (a) Not discriminate in the selection, hiring, or treatment of any employee, employment applicant, vendor, supplier, subcontractor, or commercial customer on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or any other unlawful use of characteristics unrelated to performance.
- (b) Include a clause similar to sub-paragraph (a) in any contract under this Grant.
- (c) Post, and cause contractors to post, in conspicuous places notices setting forth the nondiscrimination policy.

22. Drug and Alcohol Policy. Grantee certifies that it shall make a good faith effort to eliminate illegal drug use and alcohol and drug abuse from its workplace. Specifically, Grantee shall:

- (a) Prohibit the unlawful manufacture, distribution, dispensation, possession, or use of drugs in its workplace.
- (b) Prohibit its employees from working under the influence of alcohol or drugs.
- (c) Not hire or assign to work on an activity funded in whole or part with State funds, anyone whom it knows, or in the exercise of due diligence should know, currently abuses alcohol or drugs and is not actively engaged in a bona fide rehabilitation program.
- (d) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if it or its employee has observed the violation or otherwise has reliable information that a violation has occurred.
- (e) Notify employees that drugs and alcohol abuse are banned in the workplace, impose sanctions on employees who abuse drugs and alcohol in the workplace, and institute steps to maintain a drug-free and alcohol-free workplace.

23. Non-Debarment. Neither Grantee nor any of its officers, directors, or any of its employees directly involved in obtaining or performing grants or contracts with public bodies has:
 - (a) Been convicted of bribery, attempted bribery, or conspiracy to bribe in violation of any state or federal law.
 - (b) Been convicted under any state or federal statute of any offense enumerated in St. Fin. & Proc. § 16-203.
 - (c) Been found civilly liable under any state or federal antitrust statute as provided in St. Fin. & Proc. § 16-203.
24. Non-Collusion. Neither Grantee nor any of its officers, directors, or any of its employees directly involved in obtaining or performing grants or contracts with public bodies has:
 - (a) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in obtaining or performing this Grant.
 - (b) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of any bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with this Grant.
25. Financial Disclosure. Grantee is aware of, and will comply with, St. Fin. & Proc. § 13-221 which requires that every business that enters into contracts, leases, or other agreements with the State or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases or other agreements reaches \$100,000, file with the Maryland Secretary of State certain specified information to include disclosure of beneficial ownership of the business.
26. Political Contributions. Grantee is aware of, and will comply with, Title 14 of the Election Law Article, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$200,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.
27. No Contingent Fees. Grantee has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for Grantee, to solicit or secure the Grant. Grantee has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of the Grant.
28. No Lobbying Fees. Grantee certifies that no State money has been paid or promised to any legislative agent, lawyer, or lobbyist for any service to obtain the legislation establishing the Grant program or to obtain approval of the Grant by MSA.

29. Non-Hiring of State Employees. No State employee whose duties as such employee include matters relating to or affecting the subject matter of the Grant, shall, while so employed, become or be an employee of Grantee.
30. Maryland Law. Maryland laws govern the interpretation and enforcement of this Agreement.
31. Entire Agreement. This Agreement represents the complete and final understanding of the parties. No other understanding or representations, oral or written, regarding the subject matter of this Agreement, shall be deemed to exist or to bind the parties at the time the parties sign this Agreement.
32. Amendment. This Agreement may be amended only in a writing signed by the parties.
33. Assignment. Grantee may not assign this Agreement without the prior written approval of Maryland Sports. If Maryland Sports approves an assignment, this Agreement shall bind Grantee's successors and assigns.
34. Electronic Signatures and Records. To the fullest extent permitted by applicable law, including, but not limited to, the Federal Electronic Signatures in Global and National Commerce Act and the Maryland Uniform Electronic Transactions Act, the parties agree that (i) this Agreement may be electronically signed, (ii) an electronic signature to this Agreement shall be as effective as a handwritten signature for purposes of validity, enforceability, authentication, and admissibility, and (iii) an electronic record of this Agreement shall be as effective as a paper record for purposes of authentication and admissibility.
35. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and together shall constitute one and the same instrument.

By their signatures, the parties so agree:

WITNESS:

GRANTEE:

By: _____
 Name: John Psota
 Title: Acting Wicomico County Executive

WITNESS:

GRANTEE: Mayor and City Council of Ocean
 City, Maryland

By: _____
Name: Terry McGean
Title: City Manager

WITNESS:

GRANTEE: Worcester County, Maryland

By: _____
Name: Joseph M. Mitrecic
Title: Commissioner President

WITNESS:

MARYLAND SPORTS:

By: _____
Name: _____
Title: _____

Approved for form and legal sufficiency:

Assistant Attorney General

October 11th, 2022

Dear Kristen,

On behalf of Maryland Sports Commission, thank you for your interest in the Maryland Sports Youth & Amateur Sports Grant and Michael Erin Busch Fund. In the sixth year of the grant program, we received over 75 applications requesting a total of \$2.2 million against the available \$1million. After many discussions and analyzing your application and all provided materials in your grant application, we have awarded **Wicomico \$28,800** for the **USSSA Eastern Nationals (MAASA Bid Fee Support)**.

The intent of this letter is to inform you of the status of your grant application, as well as making sure **Ocean City, Wicomico and Worcester** are aware of the grantee responsibilities listed within Maryland Sports' grant guidelines and to (re)inform the DMO/County of the event being awarded funds in their jurisdiction:

- If funds are used to support or enhance an event, then 30 days prior to the event, the organization must provide proof of insurance, which lists Maryland Sports Commission as additional insured, with a minimum liability coverage of \$1,000,000 per occurrence.
- Recipients **must** complete the Grant Agreement in order to receive funding.
- Recipients **must** complete the Post Event Report - includes complete and accurate accounting of the event's financial activity- no more than **45 days** after the completion of the event. We have you event listed as ending on **7/12/2022**.
- Grantees shall acknowledge **Maryland Sports Commission and/or Youth & Amateur Sports Grant and Michael Erin Busch Fund** in all promotional materials where applicable.
- Grantees **must** share b-roll and photography taken during the event.
- Maryland Sports signage, collateral or giveaways **must** be present at the event(s) and be given sponsorship benefits as per the value of the grant (or televised commercials/mentions where necessary) if appropriate.
- All events receiving funds from the grant will be **required** to submit economic impact data based on criteria established by Maryland Sports' economist of record, Crossroads Consulting. Events selected agree to allow an economic impact study surveying to take place, if warranted.

Please do not hesitate to contact Maryland Sports with any additional questions or concerns. We are excited for your event and look forward to working with you!

Sincerely,



Terrance Hasseltine
Executive Director



Ashley Harper Cottrell
Grant Manager

MISSION: Enhance Maryland's economy, image & quality of life through the attraction, promotion, retention and development of regional, national & international sporting events.

October 11th, 2022

Dear Cole,

On behalf of Maryland Sports Commission, thank you for your interest in the Maryland Sports Youth & Amateur Sports Grant and Michael Erin Busch Fund. In the sixth year of the grant program, we received over 75 applications requesting a total of \$2.2 million against the available \$1million. After many discussions and analyzing your application and all provided materials in your grant application, we have awarded **Wicomico \$11,250** for the **Beachfest; We Build You Play**.

The intent of this letter is to inform you of the status of your grant application, as well as making sure **Wicomico & Ocean City (Worcester)** are aware of the grantee responsibilities listed within Maryland Sports' grant guidelines and to (re)inform the DMO/County of the event being awarded funds in their jurisdiction:

- If funds are used to support or enhance an event, then 30 days prior to the event, the organization must provide proof of insurance, which lists Maryland Sports Commission as additional insured, with a minimum liability coverage of \$1,000,000 per occurrence.
- Recipients **must** complete the Grant Agreement in order to receive funding.
- Recipients **must** complete the Post Event Report - includes complete and accurate accounting of the event's financial activity- no more than **45 days** after the completion of the event. We have you event listed as ending on **5/5/2023**.
- Grantees shall acknowledge **Maryland Sports Commission and/or Youth & Amateur Sports Grant and Michael Erin Busch Fund** in all promotional materials where applicable.
- Grantees **must** share b-roll and photography taken during the event.
- Maryland Sports signage, collateral or giveaways **must** be present at the event(s) and be given sponsorship benefits as per the value of the grant (or televised commercials/mentions where necessary) if appropriate.
- All events receiving funds from the grant will be **required** to submit economic impact data based on criteria established by Maryland Sports' economist of record, Crossroads Consulting. Events selected agree to allow an economic impact study surveying to take place, if warranted.

Please do not hesitate to contact Maryland Sports with any additional questions or concerns. We are excited for your event and look forward to working with you!

Sincerely,



Terrance Hasseltine
Executive Director



Ashley Harper Cottrell
Grant Manager

MISSION: Enhance Maryland's economy, image & quality of life through the attraction, promotion, retention and development of regional, national & international sporting events.

TEL: 410-632-5623
 FAX: 410-632-1753
 WEB: co.worcester.md.us



Worcester County
DEPARTMENT OF PUBLIC WORKS
 6113 TIMMONS ROAD
 SNOW HILL, MD 21863

DALLAS BAKER JR., P.E.
 DIRECTOR

CHRISTOPHER CLASING, P.E.
 DEPUTY DIRECTOR

TO: Weston Young P.E., Chief Administrative Officer
Candace Savage, Deputy Chief Administrative Officer
FROM: Dallas Baker Jr., P.E., Director *Dallas Baker Jr*
DATE: November 7, 2022
SUBJECT: Cost Estimating Software

Public Works is requesting Commissioner approval to purchase cost estimating software RS Means for \$5,016 from Public Works Administration account 100.1203.200.6110.080, Computer Repairs and Supplies. The purchase would result in a \$4,716.00 over expenditure of the account, however it will be offset at the end of the fiscal year by under spending account 100.1203.200.6530.040, Consulting Services which has a \$50,000 balance.

The goal is to use the software to develop budgetary & planning level construction cost estimates in-house instead of using a consultant or requesting quotes from a contractor. Some vendors have expressed "quote fatigue", others are unresponsive when quotes are requested. The software provides a way to develop cost estimates that does not involve going to an external consultant or contractor. RS Means has been used in the construction industry for 80+ years. Originally it started in a book format with quarterly updates mailed out to make sure costs were current. The software version automatically updates with today's market estimates to help provide more accurate cost estimates.

The software comes with a 1-year term and is prorated, so it can be tailored to expire on June 30th to coincide with the fiscal year and we wouldn't be charged the full amount. This is a trial run of the software. If it proves as useful as expected, purchasing additional licenses may be included in future budget requests.

Please let me know if there are any questions.

Attachments

cc: Chris Clasing
 Brian Jones

RSMeans Company, LLC

Fed Tax ID: 042 848 934
 PO Box 74008495
 Chicago, IL 60674-8495
 United States

RSMeans data
 from **GORDIAN**

QUOTE #: Q-166844-1**Valid Until: 11/17/2022****Bill To:**

Worcester County Public Works Maintenance Division
 , Maryland
 United States

Ship To:

, Maryland
 United States

Prepared By:

Amy Cuff
 a.cuff@gordian.com

Purchase Order #:**One-Time**

PRODUCT	SKU	LIST PRICE	QTY	NET TOTAL (USD)
Virtual RSMeans Online Training	18112VD	USD 890.00	1.00	USD 890.00
December 14-15 1PM to 4PM				

Recurring

PRODUCT	SKU	LIST PRICE	QTY	NET TOTAL (USD)
Complete Subscription	COMPLETE	USD 0.00	1.00	USD 0.00
mhutchinson@co.worcester.md.us				
1 Year Annual License				
Full Library	66150P	USD 4,126.00	1.00	USD 4,126.00
All the data available in the RSMeans data library.				

List Total: USD 5,016.00**THIS IS A QUOTE / THIS IS NOT A FINAL INVOICE**

TEL: 410-632-5623
 FAX: 410-632-1753
 WEB: co.worcester.md.us



Worcester County
DEPARTMENT OF PUBLIC WORKS
 6113 TIMMONS ROAD
 SNOW HILL, MD 21863

DALLAS BAKER JR., P.E.
 DIRECTOR

CHRISTOPHER CLASING, P.E.
 DEPUTY DIRECTOR

MEMORANDUM

TO: Weston Young, P.E., Chief Administrative Officer
 FROM: Dallas Baker Jr., P.E., Public Works Director *Dallas Baker Jr*
 DATE: November 7, 2022
 SUBJECT: Solid Waste Division - Landfill Compactor and Dozer Lease

Public Works Solid Waste Division is requesting Commissioner approval to lease the following two new pieces of landfill equipment:

1. 2023 Caterpillar Landfill Compactor for a 5-year term at a total price of \$1,394,825 (\$27,452.71 monthly for 60 months at 6.99% interest rate)
2. 2023 Caterpillar D-6 Dozer for a 5-year term at a total price of \$699,750 (\$13,852.59 monthly for 60 months at 6.99% interest rate)

Partial funding is currently budgeted in the FY 23 Solid Waste Capital Leases Payable budget covering monthly payment amounts of \$23,538.25 for the Compactor and \$11,641.52 for the Dozer. Pricing has increased over the last year due to supply chain issues and increased demand for these pieces of equipment. Public Works proposes to program the additional funding to cover the full monthly payments into the FY 24 Solid Waste Capital Leases Payable budget. It should be noted that no lease payments are due until receipt of the pieces of equipment which is an estimated one-year lead time if the lease agreements were approved today.

The quotes for the Caterpillar Landfill Compactor and Dozer reflect the competitively bid Sourcewell Contract 032119-CAT which is accompanied by a \$552,797.00 total price discount. Attached are both lease proposals from Carter Caterpillar. If approval is granted, signature from an authorizing official of Worcester County is required on Page 2 of the Finance Proposal document in each quotation packet. The lease of a new compactor and dozer is vital to the continued, daily operations of the Solid Waste Division in the handling and processing of waste at the Central Site Landfill.

Please let me know if there are any questions.

Attachments

CC: Chris Clasing
 David Candy
 Mike McClung
 Barbara Hitch

CARTER MACHINERY COMPANY, INC.

Date Nov 04, 2022

Sales Rep Cronshaw, Jeffrey

Carter

PO BOX 3096, SALEM, VA 24153 PHONE 540.387.1111 TOLL FREE 800.768.4200

Sales Order

PURCHASER S O L D T O	ADDRESS		WORCESTER COUNTY COMMISSIONERS C/O TREASURER'S OFFICE		<SAME>		
	CITY/STATE		NEWARK, MD		COUNTY WORCESTER		
	ZIP CODE		21841		PHONE NO. (410) 632-0686		
	CUSTOMER CONTACT: DAVE CANDY						
	CUSTOMER NUMBER		5199600		SALES TAX EXEMPTION # (if applicable) N/A		
PURCHASER PO				F.O.B. Customer Site			
TERMS OF SALE:							
NET PAYMENT ON RECEIPT OF INVOICE		☐		COD		☐	
FINANCIAL SERVICES		☐		CSC		☒ LEASE	
PAYMENT WITH ORDER		\$0.00		BALANCE TO FINANCE		\$1,394,825.00	
INTEREST RATE		6.99		NUMBER OF PAYMENTS		60	
OPTIONAL BUY-OUT				PAYMENT PERIOD		MONTHLY	
PAYMENT AMOUNT		\$27,452.71					
DESCRIPTION OF EQUIPMENT ORDERED / PURCHASED							
MAKE: CAT		MODEL: 826K		YEAR: 2023		NEW ☒ USED ☐	
ID #: TBD		SERIAL NUMBER: TBD		SMU: TBA			
826K LANDFILL COMPACTOR HRC		376-5010		FILM, AM-NORTH		504-1365	
LANE 3 ORDER		0P-9003		PACK, DOMESTIC TRUCK		0P-0443	
ENGINE + SOUND SUPPRESSION		376-5040		Semi Annual Maintenance Fee for Basic Inspection of Fire Suppression			
PRECLEANER, DUAL		377-0851		Ansul LVS Fire Suppression System			
AXLES, NO-SPIN FRONT + REAR		376-5099		Sitech GPS Items Revised 11-3-22 by Brian			
HYDRAULICS		386-2300		12,500 Hour CVA with Filters, Fluids, Labor, Semi annual belly pan cleaning, Travel & Mileage Includ			
LIGHTS, LED		528-9817		Sourcewell Contract #032119-CAT			
PRODUCT LINK, SATELLITE PLE631		528-5690		Caron Wheels & Tips in lieu of CAT Combination 48" Wheels #420-3478			
STAIRWAY, FIXED		382-1989					
STRIKER BARS		477-3887					
WHEELS, 48" COMBINATION TIPS		420-3478					
FILMS, ANSI		593-8293					
BLADE, SEMI-U		398-1102					
PREMIUM CORP RADIO (12V)		452-1394					
GUARD, REAR FAN + GRILL		364-7648					
YEAR	TRADE-IN EQUIPMENT	SERIAL NO.	AGREED VALUE	SELL PRICE		\$1,579,325.00	
2018	CAT 826K	23206345	\$5185,000.00	EXT WARRANTY		Included	
				CSA		Included	
				LESS TRADE ALLOWANCE		(\$185,000.00)	
				NET BALANCE DUE		\$1,394,325.00	
				AFTER TAX BALANCE		\$1,394,325.00	
				DOCUMENT FEE		\$500.00	
PURCHASER WARRANTS THAT TRADE-IN CONDITION UPON DELIVERY TO CARTER WILL BE MATERIALLY THE SAME AS THE CONDITION WHEN INSPECTED BY CARTER. TRADE-IN DISASSEMBLY REQUIRED BY PURCHASER FOR TRANSPORTATION.							
TOTAL TRADE VALUE				185,000.00			
PAYOFF TO				AMOUNT \$			
CUSTOMER TO PAY ☐				CARTER TO PAY ☒			
BILL OF SALE: FOR VALUE RECEIVED, PURCHASER HEREBY BARGAINS AND SELLS, GRANTS AND DELIVERS UNTO CARTER MACHINERY CO., INC., GRANTEE, ALL OF PURCHASER'S RIGHTS, TITLE AND INTEREST IN THE USED EQUIPMENT DESCRIBED ABOVE OFFERED IN TRADE ON EQUIPMENT PURCHASED BY THIS ORDER. PURCHASER WARRANTS IT TO BE FREE AND CLEAR OF ALL CLAIMS, LIENS, ENCUMBRANCES AND SECURITY INTEREST EXCEPT AS SHOWN ABOVE.							
☒ CATERPILLAR EQUIPMENT WARRANTY				INITIAL			
WARRANTY AND EXTENDED COVERAGE ON THE EQUIPMENT COVERED BY THIS ORDER, IF ANY, HAS BEEN EXPLAINED TO PURCHASER. THE WARRANTY COVERAGE IS OUTLINED BELOW AND INDICATED BY THE BOX CHECKED HEREON. WARRANTY APPLICABLE INCLUDING EXPIRATION DATE WHERE NECESSARY:							
12 Months/Unlimited Hours							
60 Months/12,500 Hours Premier Warranty with Travel time & Mileage included							
☐ USED EQUIPMENT COVERAGE				INITIAL			
WHEN THE EQUIPMENT COVERED BY THIS ORDER IS USED EQUIPMENT, THE PURCHASER IS BUYING THE EQUIPMENT AS-IS, WHERE-IS AND WITH NO REPRESENTATIONS OR WARRANTIES, UNLESS OTHERWISE SPECIFIED BELOW.							
COVERAGE APPLICABLE:							

THE UNDERSIGNED WARRANTS THAT HE/SHE HAS AUTHORITY TO EXECUTE THIS SALES ORDER AND TO BIND SAID COMPANY TO THE TERMS CONTAINED HEREIN. PAYMENTS ARE TO BE IN ACCORDANCE WITH THE TERMS SET FORTH ON INVOICES AND SHALL BE DUE TO CARTER MACHINERY CO., INC. AT ITS OFFICE ADDRESS AS LISTED ABOVE. SEE ATTACHED TERMS AND CONDITIONS, PARAGRAPH 5. PRICE WILL BE ADJUSTED BASED ON PRICE IN EFFECT ON DATE OF SHIPMENT. THIS ORDER SUBJECT TO ACCEPTANCE BY AN OFFICER OF CARTER MACHINERY.

SEE ATTACHED FOR TERMS AND CONDITIONS WHICH ARE A PART HEREOF.

Carter Machinery Co., Inc.

Accepted By: _____ Date: _____
 Title: Executive Vice President

Accepted By:

WORCESTER COUNTY COMMISSIONERS C/O TREASURER'S OFFICE

Date:

Signed

Title:

FOR OFFICE USE: SALES MGR

FIVE:

Corporation Partnership Individual Other

SALES ORDER TERMS AND CONDITIONS

This Sales Order, together with Carter's **Standard Warranties and Disclaimers** and any Application for Credit/Financing and addenda thereto, constitutes the "Agreement" between you and Carter Machinery Company, Inc. and its wholly owned subsidiaries (collectively, "Carter") relating to the matters set forth herein and identified on the front page. As used herein, the term "Products" refers to the machinery, equipment, parts, and services that are the subject of this Agreement. Notwithstanding anything to the contrary in any other document, the terms of this Agreement control over all conflicting terms provided by you, whether before or after this Agreement and whether or not signed or acknowledged by Carter.

1. Warranties and Disclaimers. ALL ORDERS ARE SUBJECT TO THE SEPARATE WRITTEN STATEMENT OF CARTER'S STANDARD WARRANTIES AND DISCLAIMERS ATTACHED HERETO AND INCORPORATED HEREIN. The same is available on Carter's website. EXCEPT AS PROVIDED IN THE SEPARATE WRITTEN STATEMENT, THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. No testing or examination of any Product by Carter constitutes or creates any type of warranty for that Product.

2. Limitation of Damages and Remedies. Carter shall not be liable for any indirect, consequential, incidental, special, punitive, lost profit, or cover damages of any nature whatsoever. The remedies provided herein are Customer's exclusive remedies.

3. Compliance with Laws; Indemnification. Customer assumes, at its own cost, the entire responsibility for complying with all laws, rules, regulations, codes, standards, requirements, and manufacturer's specifications pertaining to the Products, including the Occupational Safety and Health Act and the Federal Coal Mine Health and Safety Act. Customer acknowledges that Products may require additional safety guards or devices before they can be used and Customer assumes the entire responsibility for determining and installing such safety guards and devices. Customer shall indemnify, defend, and hold harmless Carter, its subsidiaries, affiliates, officers, directors, employees, agents, successors, and assigns, from and against all claims, suits, demands, injuries, fines, fees, losses, or damages of any kind, including attorneys' fees, whether to person or property (including death), actually or allegedly caused by or arising from, directly or indirectly, in whole or in part, any Product and/or any failure by Customer to comply with this Agreement, except that Customer is not obligated to indemnify Carter for injury or damage caused by or resulting solely from Carter's own negligence.

4. Prices, Shipping, and Taxes. Except as otherwise provided herein, prices of parts, supplies, and services are the prices established by Carter in effect at the time of delivery. Customer is responsible for, and shall reimburse Carter for, all shipping, transportation, and other delivery charges, including special order charges. In addition to any sales price, Customer shall also pay all excise, privilege, sales, use, and other taxes and tariffs when due.

5. Payment and Default. All invoices are due and payable according to the payment terms contained therein, or, if any invoice does not contain payment terms, upon receipt. In the event of nonpayment of any indebtedness when due, Carter may charge Customer a late charge of 2% per month computed on the unpaid indebtedness (or if prohibited by applicable law, the maximum lesser amount allowed by law). Failure to pay any amount when due or to otherwise comply with any term of this Agreement constitutes default. If Customer defaults, Customer shall pay Carter all costs and expenses incurred by Carter in enforcing this Agreement, including reasonable attorneys' fees (minimum 25% of any unpaid balance).

6. Time of Delivery, Force Majeure, and Risk of Loss. Carter makes no guaranty or warranty of the availability date of any Product and any such date specified in this Agreement or any quote is merely an estimated date of shipment or delivery. Performance by Carter is subject to "Force Majeure," which means all circumstances and actions whatsoever beyond the direct and immediate control of Carter, including but not limited to: Acts of God; war and riot; intervention of authorities or agencies of government, including for environmental preservation; embargoes; pandemics; epidemics; government-mandated quarantines, work stoppages, or import/export controls; vandalism; sabotage; strikes; lockouts; shortages or delays in the supply of fuel, power, raw materials, or component parts; any mechanical, electronic, or communications failure that prevents transmission or receipt of data; and any other cause beyond Carter's reasonable control. Carter shall not be liable for any loss or damage caused to Customer, nor shall Customer be entitled to cancel an order, for any failure of performance by Carter due to Force Majeure. Risk of loss passes to Customer upon delivery of a Product to Customer or to a common or contract carrier. Ownership of any Product passes to Customer only after initial payment is received.

7. Credit and Security Interest. Except as otherwise provided herein, prices of parts, supplies, and services are the prices established by Carter in effect at the time of delivery. Customer is responsible for, and shall reimburse Carter for, all shipping, transportation, and other delivery charges, including special order charges. In addition to any sales price, Customer shall also pay all excise, privilege, sales, use, and other taxes and tariffs when due.

8. Data Governance. Customer agrees that the collection, sharing, and use of data concerning Customer's personal information and the Products, for purposes of, at minimum, ordinary diagnosing, servicing, and repair of Products, providing services to Customer and others, enabling Cat® Connect and other digital offerings, and for general business purposes, is subject to the Data Governance Consent Statement of Caterpillar, Inc., which is available at www.cat.com/data_governance_statement and incorporated herein. Customer agrees to allow, and hereby grants, a worldwide, perpetual, fully paid up, non-exclusive, irrevocable license, including the right to grant and authorize sublicenses through multiple levels, to Caterpillar, Inc. and its subsidiaries and affiliates (collectively, "Caterpillar") and each of their respective licensors, service providers, dealers, suppliers, subcontractors and/or distributors to use, access, process, manipulate, modify, transfer all data that is collected, transmitted or processed in accordance with the Data Governance Consent Statement, and to compile it with other data or works and/or create derivative works out of it. Such license applies retroactively to the date such data was collected, and the foregoing grant by Customer is made notwithstanding any more limited rights granted in any other agreements or understandings, including in any product manuals or other documentation related to Assets (as that term is defined in the Data Governance Statement). To the extent the Products are equipped with a telematics system or similar device (e.g., Product Link), Caterpillar may, from time to time, remotely access and program telematics or other installed devices for any purpose, including installation of updates and upgrades to software, firmware, or operating systems, introduction of new features, and changes to the type and/or frequency of data being transmitted from the Products. Caterpillar cannot, and does not, guarantee that user preferences and configuration settings will be preserved following such remote access and programming. To the extent not prohibited by law, Caterpillar may perform such activities without further notification to Customer. Customer may withdraw its consent to the installation of updates and upgrades at any time, or make other related requests to Caterpillar, by contacting Caterpillar at CatConnectSupport@cat.com. In the event Customer transfers ownership, lease, use, or operation of any Product or Asset to anyone else, Customer should notify Carter of the transfer, and also notify the transferee of the terms and location of the Data Governance Statement.

9. Miscellaneous. In the event Customer transfers ownership, lease, use, or operation of any Product or Asset to anyone else, Customer should notify Carter of the transfer, and also notify the transferee of the terms and location of the Data Governance Statement. All contractors shall abide by the requirements of 29 CFR 471 Appendix A to Subpart A, 41 CFR 60.1.4(a), 60-300.5(a) and 60-741.5(a) and comparable state law, as applicable. These and state regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability. These and state regulations also require that contractors take affirmative action to employ and advance in employment individuals without regard to any such discriminatory bases. This Agreement is governed by Virginia law (without regard to conflict of law rules) and entered in Virginia. You agree that any dispute or claim that in any way relates to or arises from this Agreement or any order with Carter will be resolved exclusively in the state or federal courts in Norfolk or Roanoke, Virginia, and irrevocably submit to such jurisdiction and venue. YOU WAIVE ANY RIGHT TO JURY TRIAL and any defenses of lack of personal jurisdiction or forum non-conveniens. A facsimile or electronic signature is valid as an original.

INITIALS

Rev. 09/2020

Caterpillar Financial Services Corporation

Finance Proposal

CUSTOMER

Name: WORCESTER COUNTY

Address _____
 City _____
 State _____

Good if:

Acknowledged by _____ Dec-3-2022

Funded by _____ Dec-3-2022

DEALER

CARTER MACHINERY COMPANY,
INCORPORATED

Sales person _____ Cronshaw B010, Jeff
 Dealer contact _____ Megan Weber D100
 Telephone _____

Quote number _____ 4460914

Fax Number _____

Quote Date _____ 03-Nov-22

Quote Time _____ 11:15:05 AM

FINANCE PROPOSAL

This is Caterpillar Financial Services Corporation's confirmation of the following finance proposal. This is a proposal only and is subject to credit approval, execution of documentation, and execution and approval of the application survey.

Finance Type _____ Governmental Lease
 Number of Payments _____ 60 Monthly
 Payments _____ in Arrears

Quoted By _____ Megan Weber D100
 Report Created By _____ Megan Weber D100

	Model	Ann. Hours	Qty	Sale Price	Amount Financed	Payment	Balloon	Fixed Rate
New	826K	2500	1	1,394,325.00	1,394,825.00	See Amort. Schedule	1.00	6.9900%

Special Conditions:

826K

NEW SITECH NON-CAT ACCESSORIES S/N

Serial Number - , Model Year - 2023, Industrial Environment;

Major Attachments-Wheels Other Manufacturer, U Blade; Blades/Buckets/Rippers-;

Manual Configuration and Work Tools:

Payment Structure - Asset
 60 Monthly payment(s) 27,612.61
 1 Stub payment(s) 1.00

	Model	Insurance	Payment w/Insurance
New	826K	1,556.80	Amort. Sch.

The estimate for insurance is provided through Caterpillar Insurance Company (Provided by Westchester Insurance Company in Rhode Island) and is not an offer to contract for insurance.

CONDITIONS

Insurance: The customer must provide evidence of physical damage and liability insurance in an amount and from an insurance carrier satisfactory to CFSC. CFSC must be named on the policies, as loss payee and additional insured, as applicable, and a certificate of insurance, in form and substance acceptable to CFSC, must be provided to CFSC.

Taxes: All taxes are the responsibility of the customer and may or may not be included in the above payment amount.

Equipment: The equipment cannot be delivered until all documents are executed by CFSC. All equipment must reside in the United States at all times.

Approval: This proposal is subject to, among other things, final pricing, credit approval and document approval by CFSC.

The terms and conditions outlined herein are not all-inclusive and are based upon information provided to date. This proposal may be withdrawn or modified by Lessor at anytime. This proposal does not represent an offer or commitment by CFSC to enter into a transaction or to provide financing and does not create any obligation for CFSC. A commitment to enter into the transaction described herein may only be extended by CFSC after this transaction has been approved by all appropriate credit and other authorities within CFSC.

Caterpillar Financial Services Corporation
 2120 West End Avenue, Nashville, TN 37203
 (615)-341-1000

We appreciate the opportunity to provide you a proposal for this transaction.

Proposed by:

Caterpillar Financial Services Corporation

Acknowledged by:

WORCESTER COUNTY

Date



Nov 04, 2022

**WORCESTER COUNTY COMMISSIONERS C/O
TREASURER'S OFFICE**
Worcester County Solid Waste Division
Newark, Maryland 21841

Attention: DAVE CANDY

RE: Quote 170961-05

Dear David,

On behalf of Carter Machinery Company, Inc., thank you for the opportunity to offer this quote for your consideration.
Cat Model: 826K Wheel Dozer & Compactors with all standard equipment in addition to the additional specifications

ID# : TBD SERIAL NUMBER : TBD YEAR : 2023 HOURS :

MACHINE SPECIFICATIONS

Description	Reference No
826K LANDFILL COMPACTOR HRC	376-5010
ENGINE + SOUND SUPPRESSION	376-5040
PRECLEANER, DUAL	377-0851
AXLES, NO-SPIN FRONT + REAR	376-5099
HYDRAULICS	386-2300
LIGHTS, LED	528-9817
PRODUCT LINK, SATELLITE PLE631	528-5690
STAIRWAY, FIXED	382-1989
STRIKER BARS	477-3887
WHEELS, 48" COMBINATION TIPS	420-3478
FILMS, ANSI	593-8293
BLADE, SEMI-U	398-1102
PREMIUM CORP RADIO (12V)	452-1394
GUARD, REAR FAN + GRILL	364-7648
FILM, AM-NORTH	504-1365

MACHINE LIST PRICE	\$1,361,437.00
SOURCEWELL DISCOUNT CONTRACT 032119-CAT	<u>(-\$365,203.00)</u>
MACHINE SELL PRICE AFTER DISCOUNT	\$996,234.00
<u>Additional requested items not subject to discount</u>	
DELIVERY AND FREIGHT	\$3,300.00
EXT WARRANTY (see below)	\$170,545.00
CSA (see below)	\$121,210.00
Ansul Fire X Semi Annual PM Service Contract	\$7,250.00
Ansul Fire X Suppression Installation	\$28,975.00
Sitech GPS Installation Equipment	\$40,437.00
Caron Wheels & Tips Installed in lieu of CAT wheels 48" Combination Tips #420-3478	\$211,374.00
BALANCE DUE	\$1,579,325.00

Page 1 of 2

ITEM 5

Trade in of CAT 826K #23206345

(-\$185,000.00)

TOTAL BALANCE DUE AFTER TRADE

\$1,394,325.00

TRADE-INS

Model	Make	Serial Number	Year	Trade Allowance
826K	CAT (AA)	23206345	2018	\$185,000.00

WARRANTY/EXTENDED COVERAGE

Extended Warranty:

60 Months/12,500 Hours Premier Warranty with Travel time & Mileage included
12,500 Hour CVA with Filters, Fluids, Labor, Semi annual belly pans cleaning, 2 Hyd
Oil Changes, Travel & Mileage at 500 hour intervals Included

CSA

F.O.B/TERMS : Customer Site

PLEASE NOTE: DUE TO MARKET VOLATILITY, RATES CANNOT BE GUARANTEED AT THIS TIME. ABOVE RATES REFLECT CURRENT RATES. QUOTED PRICE IS SPECIFIC TO THIS UNIT AND ITS PENDING AVAILABILITY. FUTURE UNITS QUOTED COULD ALSO BE SUBJECT TO FUTURE PRICE OR INTEREST RATE INCREASES.

Carter Machinery will offer a Guarantee Buy Back for 5 years or 12,500 hours maximum at a value of \$250,000.00 with machine in running condition after date of sale.

PAYMENT TERMS

Lease Terms

CASH WITH ORDER	BALANCE TO LEASE	TERM	MONTHLY PAYMENT	RATE	OPTIONAL BUY-OUT
\$0.00	\$1,394,825.00	60(monthly)	\$27,452.71	6.99	

The above lease is based on the following:

- Taxes are extra on the monthly payments and the buy-out
- If the machine is not purchased at the end, then it must be returned in average condition with normal wear-and-tear
- The customer is responsible for all maintenance and repairs on the machine using genuine Cat parts only
- Tires, undercarriage, and all ground engaging tools (i.e. teeth, cutting edges) must be at 50% remaining, minimum, if the unit is not purchased at the end of the lease
- The above is subject to approval by Caterpillar Finance

Thank you for the opportunity to provide you a quote for your equipment needs. This quotation is valid for 30 days. All machines are subject to prior sale. If there are any questions, please do not hesitate to contact me.
Sincerely,

Jeffrey Cronshaw
Machine Sales Representative
443-783-8248

CARTER MACHINERY COMPANY, INC.

Date Nov 04, 2022

Sales Rep Cronshaw, Jeffrey

Carter**Sales Order**

PO BOX 3096, SALEM, VA 24153 PHONE 540.387.1111 TOLL FREE 800.768.4200

PURCHASER S O L D T O	WORCESTER COUNTY COMMISSIONERS C/O TREASURER'S OFFICE WORCESTER COUNTY SOLID WASTE DIVISION 7091 CENTRAL SITE LN NEWARK, MD COUNTY WORCESTER 21841 PHONE NO. (410) 632-0686 CUSTOMER CONTACT: David Candy	<SAME> S H I P T O			
CUSTOMER NUMBER	5199600	SALES TAX EXEMPTION # (if applicable)	N/A	PURCHASER PO	F.O.B. Felton
TERMS OF SALE: NET PAYMENT ON RECEIPT OF INVOICE ☐ COD ☐ FINANCIAL SERVICES ☐ CSC ☒ LEASE					
PAYMENT WITH ORDER \$0.00		BALANCE TO FINANCE \$699,750.00		INTEREST RATE 6.99	
PAYMENT PERIOD MONTHLY		PAYMENT AMOUNT \$13,852.59		NUMBER OF PAYMENTS 60	
OPTIONAL BUY-OUT					
DESCRIPTION OF EQUIPMENT ORDERED / PURCHASED					
MAKE: CAT		MODEL: D6		YEAR: 2023	
ID #: TBD		SERIAL NUMBER: TBD		SMU: TBA	
				NEW ☒ USED ☐	
D6 LGP VPAT TRACTOR		464-5711	REAR CAMERA	577-8623	GUARD, LIGHTS, PREMIUM, VPAT
90 inch gauge. 8 roller track frame.			PREMIUM CORP RADIO (12V)	579-5779	COUNTERWEIGHT, REAR
10 roller track frame optional					
Up to 30 inch track shoes available.			GRADE 3D W/ASSIST	587-7163	VPAT DOZER PACKAGE
CONFIG ARR 20B, LUC, VPAT, 30"		624-6411	JOYSTICK, ARO/GRADE, VPAT	435-5759	BLADE, LGP VPAT
WASTE HANDLING ARR, VPAT		464-5592	DOZER CTL, ARO/GRADE, VPAT	594-7760	Ansul LVS Fire Suppression System
FINAL DRIVE, 90" (2286 MM), GRD		464-5187	PROD LINK, PLE683/PLE783 RADIO	577-7698	12,500 Hour CVA with Filters, Fluids, Labor, Travel & Mileage at 500 hour intervals Included
ENGINE, LUC, THERMAL SHIELD		464-5202	FUEL TANK, BASIC	522-7680	Semi Annual Maintenance Fee for Basic Inspection of Fire Suppression
OIL CHANGE SYSTEM, HIGH SPEED		460-4580	GUARD, BOTTOM, HD, VPAT	471-6558	D6 Radio Installation of Trimble 900MHz Revised 11-2-22
UNDERCARRIAGE, ABR, FULL GDE		464-5418	ENCLOSURE, ENGINE, VPAT	471-0418	Customer Hose & Guarding added by Felton Shop
TRACK, 30" ES, ABR		596-7522	STRIKER BOX	513-6215	Sourcewell Contract #032119-CAT
FAN, REVERSING, VPAT		471-0420	NO WATER JACKET HEATER	594-8215	
HYDRAULICS, VPAT		464-5464	FLUIDS, STD OIL, -35F	464-5283	
CONTROL, RIPPER		464-5459	FILM, WARNING, ANSI	555-5500	
LIGHTS, 12, LED, PREMIUM VPAT		571-6187	RADIO, CB (READY)	589-3552	
SEAT, HEATED & VENTILATED		560-9088	GUARD, FUEL TANK	522-7670	
YEAR	TRADE-IN EQUIPMENT	SERIAL NO.	AGREED VALUE	SELL PRICE \$844,250.00	
2017	CAT D6T	JNM00382	\$145,000.00	EXT WARRANTY Included	
				CSA Included	
				LESS TRADE ALLOWANCE (\$145,000.00)	
				NET BALANCE DUE \$699,250.00	
				AFTER TAX BALANCE \$699,250.00	
				DOCUMENT FEE \$500.00	
PURCHASER WARRANTS THAT TRADE-IN CONDITION UPON DELIVERY TO CARTER WILL BE MATERIALLY THE SAME AS THE CONDITION WHEN INSPECTED BY CARTER. TRADE-IN DISASSEMBLY REQUIRED BY PURCHASER FOR TRANSPORTATION. TOTAL TRADE VALUE 145,000.00 PAYOFF TO _____ AMOUNT \$ _____ CUSTOMER TO PAY ☐ CARTER TO PAY ☒				BILL OF SALE: FOR VALUE RECEIVED, PURCHASER HEREBY BARGAINS AND SELLS, GRANTS AND DELIVERS UNTO CARTER MACHINERY CO., INC., GRANTEE, ALL OF PURCHASER'S RIGHTS, TITLE AND INTEREST IN THE USED EQUIPMENT DESCRIBED ABOVE OFFERED IN TRADE ON EQUIPMENT PURCHASED BY THIS ORDER. PURCHASER WARRANTS IT TO BE FREE AND CLEAR OF ALL CLAIMS, LIENS, ENCUMBRANCES AND SECURITY INTEREST EXCEPT AS SHOWN ABOVE.	
☒ CATERPILLAR EQUIPMENT WARRANTY				☐ USED EQUIPMENT COVERAGE	
INITIAL _____ WARRANTY AND EXTENDED COVERAGE ON THE EQUIPMENT COVERED BY THIS ORDER, IF ANY, HAS BEEN EXPLAINED TO PURCHASER. THE WARRANTY COVERAGE IS OUTLINED BELOW AND INDICATED BY THE BOX CHECKED HEREON. WARRANTY APPLICABLE INCLUDING EXPIRATION DATE WHERE NECESSARY: 12 Months/Unlimited Hours 60 Months/12,500 Hours Premier Warranty with Travel time & Mileage included				WHEN THE EQUIPMENT COVERED BY THIS ORDER IS USED EQUIPMENT, THE PURCHASER IS BUYING THE EQUIPMENT AS-IS, WHERE-IS AND WITH NO REPRESENTATIONS OR WARRANTIES, UNLESS OTHERWISE SPECIFIED BELOW. COVERAGE APPLICABLE: _____ _____ _____	

THE UNDERSIGNED WARRANTS THAT HE/SHE HAS AUTHORITY TO EXECUTE THIS SALES ORDER AND TO BIND SAID COMPANY TO THE TERMS CONTAINED HEREIN. PAYMENTS ARE TO BE IN ACCORDANCE WITH THE TERMS SET FORTH ON INVOICES AND SHALL BE DUE TO CARTER MACHINERY CO., INC. AT ITS OFFICE ADDRESS AS LISTED ABOVE. SEE ATTACHED TERMS AND CONDITIONS, PARAGRAPH 5.
 PRICE WILL BE ADJUSTED BASED ON PRICE IN EFFECT ON DATE OF SHIPMENT. THIS ORDER SUBJECT TO ACCEPTANCE BY AN OFFICER OF CARTER MACHINERY.

SEE ATTACHED FOR TERMS AND CONDITIONS WHICH ARE A PART HEREOF.

Carter Machinery Co., Inc.

Purchaser

Accepted By:

Date:

Accepted By:

WORCESTER COUNTY COMMISSIONERS C/O TREASURER'S OFFICE

Title: Executive Vice President

Date:

FOR OFFICE USE: SALES MGR

FIN#:

Signed

ITEM 5

Title:

Corporation Partnership Individual Other

SALES ORDER TERMS AND CONDITIONS

This Sales Order, together with Carter's **Standard Warranties and Disclaimers** and any Application for Credit/Financing and addenda thereto, constitutes the "Agreement" between you and Carter Machinery Company, Inc. and its wholly owned subsidiaries (collectively, "Carter") relating to the matters set forth herein and identified on the front page. As used herein, the term "Products" refers to the machinery, equipment, parts, and services that are the subject of this Agreement. Notwithstanding anything to the contrary in any other document, the terms of this Agreement control over all conflicting terms provided by you, whether before or after this Agreement and whether or not signed or acknowledged by Carter.

1. **Warranties and Disclaimers.** ALL ORDERS ARE SUBJECT TO THE SEPARATE WRITTEN STATEMENT OF **CARTER'S STANDARD WARRANTIES AND DISCLAIMERS** ATTACHED HERETO AND INCORPORATED HEREIN. The same is available on Carter's website. EXCEPT AS PROVIDED IN THE SEPARATE WRITTEN STATEMENT, **THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** No testing or examination of any Product by Carter constitutes or creates any type of warranty for that Product.

2. **Limitation of Damages and Remedies.** Carter shall not be liable for any indirect, consequential, incidental, special, punitive, lost profit, or cover damages of any nature whatsoever. The remedies provided herein are Customer's exclusive remedies.

3. **Compliance with Laws; Indemnification.** Customer assumes, at its own cost, the entire responsibility for complying with all laws, rules, regulations, codes, standards, requirements, and manufacturer's specifications pertaining to the Products, including the Occupational Safety and Health Act and the Federal Coal Mine Health and Safety Act. Customer acknowledges that Products may require additional safety guards or devices before they can be used and Customer assumes the entire responsibility for determining and installing such safety guards and devices. Customer shall indemnify, defend, and hold harmless Carter, its subsidiaries, affiliates, officers, directors, employees, agents, successors, and assigns, from and against all claims, suits, demands, injuries, fines, fees, losses, or damages of any kind, including attorneys' fees, whether to person or property (including death), actually or allegedly caused by or arising from, directly or indirectly, in whole or in part, any Product and/or any failure by Customer to comply with this Agreement, except that Customer is not obligated to indemnify Carter for injury or damage caused by or resulting solely from Carter's own negligence.

4. **Prices, Shipping, and Taxes.** Except as otherwise provided herein, prices of parts, supplies, and services are the prices established by Carter in effect at the time of delivery. Customer is responsible for, and shall reimburse Carter for, all shipping, transportation, and other delivery charges, including special order charges. In addition to any sales price, Customer shall also pay all excise, privilege, sales, use, and other taxes and tariffs when due.

5. **Payment and Default.** All invoices are due and payable according to the payment terms contained therein, or, if any invoice does not contain payment terms, upon receipt. In the event of nonpayment of any indebtedness when due, Carter may charge Customer a late charge of 2% per month computed on the unpaid indebtedness (or if prohibited by applicable law, the maximum lesser amount allowed by law). Failure to pay any amount when due or to otherwise comply with any term of this Agreement constitutes default. If Customer defaults, Customer shall pay Carter all costs and expenses incurred by Carter in enforcing this Agreement, including reasonable attorneys' fees (minimum 25% of any unpaid balance).

6. **Time of Delivery, Force Majeure, and Risk of Loss.** Carter makes no guaranty or warranty of the availability date of any Product and any such date specified in this Agreement or any quote is merely an estimated date of shipment or delivery. Performance by Carter is subject to "Force Majeure," which means all circumstances and actions whatsoever beyond the direct and immediate control of Carter, including but not limited to: Acts of God; war and riot; intervention of authorities or agencies of government, including for environmental preservation; embargoes; pandemics; epidemics; government-mandated quarantines, work stoppages, or import/export controls; vandalism; sabotage; strikes; lockouts; shortages or delays in the supply of fuel, power, raw materials, or component parts; any mechanical, electronic, or communications failure that prevents transmission or receipt of data; and any other cause beyond Carter's reasonable control. Carter shall not be liable for any loss or damage caused to Customer, nor shall Customer be entitled to cancel an order, for any failure of performance by Carter due to Force Majeure. Risk of loss passes to Customer upon delivery of a Product to Customer or to a common or contract carrier. Ownership of any Product passes to Customer only after initial payment is received.

7. **Credit and Security Interest.** Except as otherwise provided herein, prices of parts, supplies, and services are the prices established by Carter in effect at the time of delivery. Customer is responsible for, and shall reimburse Carter for, all shipping, transportation, and other delivery charges, including special order charges. In addition to any sales price, Customer shall also pay all excise, privilege, sales, use, and other taxes and tariffs when due.

8. **Data Governance.** Customer agrees that the collection, sharing, and use of data concerning Customer's personal information and the Products, for purposes of, at minimum, ordinary diagnosing, servicing, and repair of Products, providing services to Customer and others, enabling Cat® Connect and other digital offerings, and for general business purposes, is subject to the Data Governance Consent Statement of Caterpillar, Inc., which is available at www.cat.com/data_governance_statement and incorporated herein. Customer agrees to allow, and hereby grants, a worldwide, perpetual, fully paid up, non-exclusive, irrevocable license, including the right to grant and authorize sublicenses through multiple levels, to Caterpillar, Inc. and its subsidiaries and affiliates (collectively, "Caterpillar") and each of their respective licensors, service providers, dealers, suppliers, subcontractors and/or distributors to use, access, process, manipulate, modify, transfer all data that is collected, transmitted or processed in accordance with the Data Governance Consent Statement, and to compile it with other data or works and/or create derivative works out of it. Such license applies retroactively to the date such data was collected, and the foregoing grant by Customer is made notwithstanding any more limited rights granted in any other agreements or understandings, including in any product manuals or other documentation related to Assets (as that term is defined in the Data Governance Statement). To the extent the Products are equipped with a telematics system or similar device (e.g., Product Link), Caterpillar may, from time to time, remotely access and program telematics or other installed devices for any purpose, including installation of updates and upgrades to software, firmware, or operating systems, introduction of new features, and changes to the type and/or frequency of data being transmitted from the Products. Caterpillar cannot, and does not, guarantee that user preferences and configuration settings will be preserved following such remote access and programming. To the extent not prohibited by law, Caterpillar may perform such activities without further notification to Customer. Customer may withdraw its consent to the installation of updates and upgrades at any time, or make other related requests to Caterpillar, by contacting Caterpillar at CatConnectSupport@cat.com. In the event Customer transfers ownership, lease, use, or operation of any Product or Asset to anyone else, Customer should notify Carter of the transfer, and also notify the transferee of the terms and location of the Data Governance Statement.

9. **Miscellaneous.** In the event Customer transfers ownership, lease, use, or operation of any Product or Asset to anyone else, Customer should notify Carter of the transfer, and also notify the transferee of the terms and location of the Data Governance Statement. **All contractors shall abide by the requirements of 29 CFR 471 Appendix A to Subpart A, 41 CFR 60.1.4(a), 60-300.5(a) and 60-741.5(a) and comparable state law, as applicable. These and state regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability. These and state regulations also require that contractors take affirmative action to employ and advance in employment individuals without regard to any such discriminatory bases. This Agreement is governed by Virginia law (without regard to conflict of law rules) and entered in Virginia. You agree that any dispute or claim that in any way relates to or arises from this Agreement or any order with Carter will be resolved exclusively in the state or federal courts in Norfolk or Roanoke, Virginia, and irrevocably submit to such jurisdiction and venue. YOU WAIVE ANY RIGHT TO JURY TRIAL and any defenses of lack of personal jurisdiction or forum non-conveniens. A facsimile or electronic signature is valid as an original.**

Carter

Nov 04, 2022

**WORCESTER COUNTY COMMISSIONERS C/O
TREASURER'S OFFICE
WORCESTER COUNTY SOLID WASTE DIVISION
Newark, Maryland 21841**

Attention: David Candy**RE: Quote 170964-06**

Dear Dave

On behalf of Carter Machinery Company, Inc., thank you for the opportunity to offer this quote for your consideration.
Cat Model: D6 Track Type Tractors with all standard equipment in addition to the additional specifications

ID# : TBD **SERIAL NUMBER :** TBD **YEAR :** 2023 **HOURS :**

MACHINE SPECIFICATIONS

Description	Reference No
D6 LGP VPAT TRACTOR	464-5711
90 inch gauge. 8 roller track frame. 10 roller track frame optional	
Up to 30 inch track shoes available.	
CONFIG ARR 20B, LUC, VPAT, 30"	624-6411
WASTE HANDLING ARR, VPAT	464-5592
FINAL DRIVE, 90"(2286 MM), GRD	464-5187
ENGINE, LUC, THERMAL SHIELD	464-5202
OIL CHANGE SYSTEM, HIGH SPEED	460-4580
UNDERCARRIAGE, ABR, FULL GDE	464-5418
TRACK, 30" ES, ABR	596-7522
FAN, REVERSING, VPAT	471-0420
HYDRAULICS, VPAT	464-5464
CONTROL, RIPPER	464-5459
LIGHTS, 12, LED, PREMIUM VPAT	571-6187
SEAT, HEATED & VENTILATED	560-9088
REAR CAMERA	577-8623
PREMIUM CORP RADIO (12V)	579-5779
GRADE 3D W/ASSIST	587-7163
JOYSTICK, ARO/GRADE, VPAT	435-5759
DOZER CTL, ARO/GRADE, VPAT	594-7760
PROD LINK, PLE683/PLE783 RADIO	577-7698
FUEL TANK, BASIC	522-7680
GUARD, BOTTOM, HD, VPAT	471-6558
ENCLOSURE, ENGINE, VPAT	471-0418
STRIKER BOX	513-6215
NO WATER JACKET HEATER	594-8215
FLUIDS, STD OIL, -35F	464-5283
FILM, WARNING, ANSI	555-5500
RADIO, CB (READY)	589-3552

ITEM 5

Description	Reference No
GUARD, FUEL TANK	522-7670
GUARD, LIGHTS, PREMIUM, VPAT	606-4162
COUNTERWEIGHT, REAR	528-4038
VPAT DOZER PACKAGE	538-1329
BLADE, LGP VPAT	538-1334
Customer Hose & Guarding added by Felton Shop	

MACHINE LIST PRICE	\$818,805.00
SOURCEWELL DISCOUNT CONTRACT 032119-CAT	<u>(-\$187,594.00)</u>
MACHINE SELL PRICE AFTER DISCOUNT	\$631,211.00
Additional requested items not subject to discount	
DELIVERY AND FREIGHT	\$4,324.00
EXT WARRANTY (see below)	\$79,611.00
CSA (see below)	\$107,854.00
Ansul Fire X Semi Annual PM Service Contract	\$7,250.00
Ansul Fire X Suppression Installation	<u>\$14,000.00</u>
BALANCE DUE	\$844,250.00
Trade in of D6T Dozer 2017 year #JNM00382	<u>(-\$145,000.00)</u>
TOTAL BALANCE DUE	\$699,250.00

TRADE-INS

Model	Make	Serial Number	Year	Trade Allowance
D6T	CAT (AA)	JNM00382	2017	\$145,000.00

WARRANTY/EXTENDED COVERAGE

Extended Warranty:	60 Months/12,500 Hours Premier Warranty with Travel time & Mileage included
CSA	12,500 Hour CVA with Filters, Fluids, Labor, Drop Belly Pans Semi Annually, Travel & Mileage at 500 hour intervals Included

F.O.B/TERMS : Customer Site

PLEASE NOTE: DUE TO MARKET VOLATILITY, RATES CANNOT BE GUARANTEED AT THIS TIME. ABOVE RATES REFLECT CURRENT RATES. QUOTED PRICE IS SPECIFIC TO THIS UNIT AND ITS PENDING AVAILABILITY. FUTURE UNITS QUOTED COULD ALSO BE SUBJECT TO FUTURE PRICE OR INTEREST RATE INCREASES.

Carter Machinery will offer a Guarantee Buy Back for 5 years or 12,500 hours maximum at a value of \$170,000.00 with machine in running condition and 50% undercarriage life left on tracks after date of new sale.

PAYMENT TERMS**Lease Terms**

CASH WITH ORDER	BALANCE TO LEASE	TERM	MONTHLY PAYMENT	RATE	OPTIONAL BUY-OUT
\$0.00	\$699,750.00	60(monthly)	\$13,852.59	6.99	

The above lease is based on the following:

- Taxes are extra on the monthly payments and the buy-out
- If the machine is not purchased at the end, then it must be returned in average condition with normal wear-and-tear
- The customer is responsible for all maintenance and repairs on the machine using genuine Cat parts only
- Tires, undercarriage, and all ground engaging tools (i.e. teeth, cutting edges) must be at 50% remaining, minimum, if the unit is not purchased at the end of the lease
- The above is subject to approval by Caterpillar Finance

Thank you for the opportunity to provide you a quote for your equipment needs. This quotation is valid for 30 days. All machines are subject to prior sale. If there are any questions, please do not hesitate to contact me.

Sincerely,

Jeff Cronshaw
Machine Sales Representative
443-783-8248

Caterpillar Financial Services Corporation

Finance Proposal

CUSTOMER

Name: COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

1 WEST MARKET STREET #1105, ATTN:
Address LIZA BIDDLE
City SNOW HILL
State MD

Good if:
Acknowledged by Dec-3-2022
Funded by Dec-3-2022

DEALER

CARTER MACHINERY COMPANY,
INCORPORATED

Sales person Cronshaw B010, Jeff
Dealer contact Megan Weber D100
Telephone

Quote number 4460981
Fax Number
Quote Date 03-Nov-22
Quote Time 11:42:35 AM

FINANCE PROPOSAL

This is Caterpillar Financial Services Corporation's confirmation of the following finance proposal. This is a proposal only and is subject to credit approval, execution of documentation, and execution and approval of the application survey.

Finance Type Governmental Lease Quoted By Megan Weber D100
Number of Payments 60 Monthly Report Created By Megan Weber D100
Payments in Arrears

	Model	Ann. Hours	Qty	Sale Price	Amount Financed	Payment	Balloon	Fixed Rate
New	D6VP	2500	1	699,250.00	699,750.00	See Amort. Schedule	1.00	6.9900%

Special Conditions:
D6VP

Serial Number - , Model Year - 2023, Industrial Environment;
Major Attachments-6VPAT Blade, Air Conditioning, Cab, Rear Counterweight, Steel Tracks, Waste Handling Package; Blades/Buckets/Rippers-Cat
3D Grade Control;
Manual Configuration and Work Tools:

Payment Structure – Asset
60 Monthly payment(s) 13,852.57
1 Stub payment(s) 1.00

	Model	Insurance	Payment w/Insurance
New	D6VP	780.77	Amort. Sch.

The estimate for insurance is provided through Caterpillar Insurance Company (Provided by Westchester Insurance Company in Rhode Island) and is not an offer to contract for insurance.

CONDITIONS

Insurance: The customer must provide evidence of physical damage and liability insurance in an amount and from an insurance carrier satisfactory to CFSC. CFSC must be named on the policies, as loss payee and additional insured, as applicable, and a certificate of insurance, in form and substance acceptable to CFSC, must be provided to CFSC.

Taxes: All taxes are the responsibility of the customer and may or may not be included in the above payment amount.

Equipment: The equipment cannot be delivered until all documents are executed by CFSC. All equipment must reside in the United States at all times.

Approval: This proposal is subject to, among other things, final pricing, credit approval and document approval by CFSC.

The terms and conditions outlined herein are not all-inclusive and are based upon information provided to date. This proposal may be withdrawn or modified by Lessor at anytime. This proposal does not represent an offer or commitment by CFSC to enter into a transaction or to provide financing and does not create any obligation for CFSC. A commitment to enter into the transaction described herein may only be extended by CFSC after this transaction has been approved by all appropriate credit and other authorities within CFSC.

Caterpillar Financial Services Corporation
2120 West End Avenue, Nashville, TN 37203
(615)-341-1000

We appreciate the opportunity to provide you a proposal for this transaction.

Proposed by:

Acknowledged by:

Caterpillar Financial Services Corporation

COUNTY COMMISSIONERS OF Date
WORCESTER COUNTY, MARYLAND



Worcester County Government

One West Market Street | Room 1103 | Snow Hill MD 21863-1195

(410) 632-1194 | (410) 632-3131 (fax) | admin@co.worcester.md.us | www.co.worcester.md.us

MEMORANDUM

TO: Worcester County Commissioners
FROM: Nicholas W. Rice, Procurement Officer
DATE: November 15, 2022
RE: Request to Bid – FY24 Local Management Board Programs

Attached for your review and approval are proposal documents for fiscal year 2024 programs through the Local Management Board. Once the Commissioners have had the opportunity to review these documents, it is requested that authorization be provided to solicit proposals for these programs.

The Worcester County Local Management Board is making available \$296,272 for children, youth and family programs with implementation expected to begin July 1, 2023.

Should you have any questions, please feel free to contact me.



Worcester County's Initiative to Preserve Families
The Local Management Board
FY 2024 Request for Proposals

Contents

Introduction	3
Executive Summary	4
Proposal Specifics	5
Timeline	6
Evaluation Process	6
Submission Details	7
Evaluation Rubric	9
Budget	10
Worcester County's Standard Terms and Conditions	12
Attachments	16

Introduction

Local Management Boards (Boards) were established in the 1990s as part of a State/local collaboration committed to improving the well-being of Maryland's children, youth, and families. The Boards were created to promote improved, coordinated local decision-making that focuses on results and accountability. The premise was, and continues to be, that health, education, economic, and social outcomes are more likely to be improved if decisions about programs and strategies are made by local jurisdictions with the funding, support, guidelines, and accountability managed by the State.

The jurisdictions, through their Boards, bring the knowledge of local needs, resources, and strengths. The Boards bring together public and private agencies, local government, faith-based and civic organizations, families, youth, and community members to develop, implement, and review a community plan. The plan includes strategies to improve outcomes for one or more of the priorities, results and indicators in the State of Maryland. In FY 2023 Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYV) identified the following as priority areas:

- Reducing the impact of parental incarceration on children, youth, families, and communities;
- Reducing youth experiencing homelessness;
- Improving outcomes for disconnected/opportunity youth;
- Reducing childhood hunger;
- Increasing opportunities for community-based programs and services for youth (including, but not limited to juvenile justice diversion programs); and,
- Preventing out-of-State placements.

Additionally, GOCPYV identified the following child well-being results and indicators as priorities in Maryland:

- Babies Born Healthy
 - Infant Mortality
 - Low Birth Weight
 - Births to Adolescents
 - Women with Prenatal Care in the First Trimester
- Healthy Children
 - Immunizations
 - Obesity
 - Hospitalizations: Nonfatal Injury for Self-Inflicted Injuries to Children 0-21
 - Health Insurance Coverage
 - Public School Students in Grade 6-8 and 9-12 Reporting:
 - Depressive Episode (6-8)
 - Depressive Episode (9-12)
 - Electronic Vapor Product Use (6-8)
 - Electronic Vapor Product Use (9-12)
 - Physical Activity for 60 Minutes in Last 7 Days (6-8)
 - Physical Activity for 60 Minutes in Last 7 Days (9-12)
- Children Enter School Ready to Learn
 - Kindergarten Readiness Assessment
- Children are Successful in School
 - Maryland Comprehensive Assessment Program (MCAP)
 - Multi-State Alternative Assessment (MSAA)
 - Chronic Absenteeism
- Youth Will Complete School
 - Four-Year Graduation Rate
 - Program Completion of Students with Disabilities
 - Educational Attainment

- Youth Have Opportunities for Employment of Career Readiness
 - Youth Employment
 - Youth Disconnection
 - High School Graduates Who Complete a Career and Technology Education
- Communities are Safe for Children, Youth and Families
 - Juvenile Felony Offenses
 - Child Maltreatment
 - Crime
 - Hospitalizations Rate for Assault Injuries
 - Lead Levels
 - Out-of-Home Placements
- Families are Economically Stable
 - Homelessness
 - Child Poverty

For state data and more information related to the results and indicators above, please visit:

<https://goc.maryland.gov/wellbeingscorecard/>

For purposes of this Request for Proposal, Worcester County's Initiative to Preserve Families (Worcester County Local Management Board) and the Board of Directors are seeking proposals for Fiscal Year 2024 from providers able to develop and implement evidence-based or best practice programs that will impact one or more of the priorities areas as well as the results and indicators identified as a need in Worcester County.

Executive Summary

Worcester County's Initiative to Preserve Families' office is in the central part of Worcester County in Snow Hill, Maryland. The Worcester County Local Management Board, Board of Directors is composed of five (5) ex officio members and four (4) at-large members; all of whom are committed to improving the well-being and outcomes for children, youth and families in Worcester County.

Mission of the Worcester County Local Management Board

The mission of the Worcester County LMB is to achieve a comprehensive system of education, health and human services that effectively and responsibly addresses the needs of Worcester County children and families through public and private interagency collaboration.

Vision of the Worcester County Local Management Board

The Worcester County Local Management Board envisions a caring, compassionate, inclusive community with leadership and government that fosters an environment which empowers all children, youth, and families to thrive.

The Worcester County Local Management Board's (LMB) held a strategic planning session on September 21, 2022 at the Worcester County Technical High School. Utilizing quantitative data available and a robust discussion, the Board of Directors determined the following areas of focus in Worcester County for fiscal year 2024 as it relates to the GOCPYV's results and indicators:

- Healthy Children
 - Depressive Episode (6-8)
 - Depressive Episode (9-12)
 - Electronic Vapor Product Use (6-8)
 - Electronic Vapor Product Use (9-12)
 - Substance Use (Local Indicator)
 - Physical Activity for 60 Minutes in Last 7 Days (6-8)
 - Physical Activity for 60 Minutes in Last 7 Days (9-12)

- Communities are Safe for Children Youth and Families
 - Child Maltreatment
 - Vehicle Safety (Local Indicator)
- Youth Will Complete School
 - Four-Year Graduation Rate
- Children are Successful in School
 - Chronic Absenteeism
 - Bullying and Harassment (Local Indicator)
- Youth Have Opportunities for Employment of Career Readiness
 - Youth Employment
 - Youth Disconnection
- Families are Economically Stable
 - Homelessness
 - Child Poverty

*Data, including trends, can be found on Attachment D.

Proposal Specifics

The LMB Board of Directors is asking that interested parties develop a robust, succinct, and concise proposal based on county and state data to impact areas in Worcester County using an evidence-based approach.

Program implementation will be expected to begin July 1, 2023, and run through June 30, 2024. For this 12-month program, the minimum amount funded will be \$25,000 and maximum amount available is \$200,000. The total amount expected to be available is \$296,272. The grant period for this funding is from the awarding of this grant through June 30, 2023, with a possibility of an extension into fiscal year 2025.

The LMB reserves the right to negotiate the proposed budget with the chosen vendor. Additionally, the LMB reserves the right to award a lesser amount than requested. If a lesser amount is awarded, the applicant will have the opportunity to adjust the scope of the proposal and/or decline funding.

ALL FUNDING IS CONTINGENT UPON AVAILABILITY OF FUNDS AND MAY BE AMENDED TO REFLECT CHANGES IN THE FINAL BUDGET APPROPRIATION BY THE GENERAL ASSEMBLY.

Proposals should consider the following:

- Proposed program should be a community based with a focus on serving children, youth and/or families in Worcester County.
- Programs should be strength based in philosophy, modality and design.
- Proposals should include a detailed description and programmatic outline of how they will provide a comprehensive and engaging evidence-based or best practice program to fit the identified need in Worcester County.
- Proposals must include a detailed and robust recruitment plan.
- Priority will be given to proposals that have a location within Worcester County; the selected vendor could potentially have a main office within a neighboring jurisdiction.
- Proposals that demonstrate better outcome achievement through outreach to multiple community organizations and local agencies will also receive priority.
- Proposals for specific individuals or families will not be considered.
- Proposals received after the due date and time will not be considered.

The LMB reserves the right to discontinue funding if the program is not meeting deliverables or if funding is withdrawn from the Children's Cabinet.

The LMB does not discriminate based on race, color, sex, age, national origin, religion, disability or sexual orientation in matters affects employment or in providing access to programs.

Timeline

County Commissioner's Meeting for Approval for Release
Tuesday, November 15, 2022

Pre-Proposal Meeting

Wednesday, December 7, 2022, 11:00am – 12:00pm

Google Meet joining info

Video call link: <https://meet.google.com/bhi-vort-mce>

Or dial: (US) +1 650-487-0343 PIN: 429 956 966#

More phone numbers: <https://tel.meet/bhi-vort-mce?pin=4419719527684>

Proposals Due

Monday, January 9, 2023, at 2:30pm

Interested parties must submit one (1) original and five (5) copies of their proposal to the Worcester County Government by the established deadline. All copies of the Proposal Documents and any other documents required to be submitted with the Proposal Documents will be enclosed in a sealed envelope and will be identified with the project name: **WORCESTER COUNTY'S LOCAL MANAGEMENT BOARD FY 2024 REQUEST FOR PROPOSALS**. The Worcester County Government will ensure that all proposals received by the deadline are given to the LMB. Proposals should be addressed and mailed or hand carried to:

**Office of the County Commissioners
Procurement Officer
Worcester County Government Center
One West Market Street, Room 1103
Snow Hill, MD 21863**

Evaluation Meeting

Friday, January 13, 2023

Commissioner's meeting for approval of proposal(s)

Tuesday, February 21, 2023

Notification

The vendor(s) chosen will be notified by LMB staff by Friday, February 24, 2023. A follow up meeting will then be scheduled. Vendors are expected to be ready for implementation by July 1, 2022.

Evaluation Process

The LMB will utilize an Evaluation Committee to review and evaluate each proposal submitted by the guidelines established on the provided evaluation criteria. A total of five members will serve on the RFP panel. The panel will be assigned a facilitator who will assist the group through the process but will not have a vote. Members of the RFP panel will receive all proposals once they have been received from the County Administrator. Agencies that are submitting a proposal cannot be part of the panel that reviews the proposals. This would prohibit past/present employees of the agency; persons with a current conflict of interest with an applying agency, and present/past board members of an applying agency. This will limit the number of available volunteers in this small community. Examples of persons/agencies we may draw from could include:

- The Worcester Commission on Aging
- LMB Directors from other jurisdictions
- Clergy

- Representatives from civic groups
- Representatives from SU School of Social Work or professor(s) from Wor Wic and/or UMES
- Pediatricians
- Representatives from the United Way
- Representatives from the Eastern Shore Community Foundation

The top three (3) proposals (those receiving the highest scores) may be invited to be interviewed by a subset of the panel. This interview will be for the purpose of gathering additional information and negotiating terms of a potential agreement.

Following the rating and rankings and/or the interviews, the panel will meet to obtain consensus on the proposals submitted. Scoring details and notes regarding proposals will be forwarded to LMB staff.

The LMB staff will present the proposals to the Board of Directors for final discussion and considerations to move forward with presenting the selected proposal to the Worcester County Commissioners. Board members can call a motion to recommend changes for the program vendor to consider, but any such change would require a unanimous vote of support by the full Board.

After the LMB Board of Directors has voted to support the selected program vendor, the LMB will then move to follow the Worcester County procurement policy where the selected vendor information will be presented to the Commissioners of Worcester County for approval.

Agencies wanting to appeal a decision reached for this RFP may do so in writing to the LMB Executive Committee within one week of the panel priorities being announced. The Executive Committee will either deny the appeal and inform the petitioner or forward the appeal for consideration by the full Board. To reverse an earlier decision concerning the RFP made by the panel it will require a unanimous vote by the full Board.

Once the Board of Directors and County Commissioners have approved the selected proposal, the LMB staff will notify all vendors of their status with the proposal. The LMB will contact the selected vendor to meet and prepare program plans and implementation strategies.

Submission Details

All proposals are limited to no more than 15 pages, double spaced, not including title page, abstract, budget, and/or appendices. All proposals should contain the following components:

1. Proposal Cover Sheet (Attachment A).
2. Abstract
 - a. Summarize the proposal in one paragraph and should not exceed 500 words. Abstract must clearly identify which the priority population that the grantee intends to serve.
3. Organizations Capacity
 - a. History of the applicant's operation (specific to the proposed project), and demonstrated experience in developing and implementing projects of a similar nature.
4. Discussion of Need
 - a. Proposals must clearly identify and define the problem(s). Applications submitted for funding must clearly address the identified priority population and explain the need in Worcester County.
 - b. All proposals must clearly indicate that all activities will directly impact children, youth and families of Worcester County.
5. Narrative
 - a. Proposals must propose a solution to the problem or need based on an evidence based or best practices model.

- b. Proposals should indicate how the project aligns with the proposed population. Proposals must include which priority population the project will impact. Additionally, the proposal must specify result and indicator their project will help “turn-the-curve”.
 - c. Timetable for implementation and set expectations all funds will be exhausted by June 30, 2024.
 - d. Clearly indicate what partners are involved in making this program successful.
 - e. Clearly describe a robust and comprehensive outreach plan.
 - f. Proposals are required to clearly define plans for sustainability. Include how the ongoing project will be funded after the grant expires and include in the proposal documentation of the ongoing financial commitment.
- 6. Racial and Ethnic Disparities (R/ED)
 - a. Proposals should include a description of short- and long-term strategies that will be incorporated to reduce/eliminate R/ED issues amongst the target population(s).
 - b. Discussion on how R/ED efforts will support and inform planning, assessment implementation, evaluation of the program.
 - c. A description of the most recent R/ED data for the jurisdiction.
- 7. Adverse Childhood Experiences (ACEs) and Trauma-Informed Practices (TIP)
 - a. Proposals should include incorporation of intentional efforts to impact ACEs and increase TIPs. Examples could include a discussion of how the program will:
 - i. Increase awareness of ACEs and TIPs among State- and community-level prevention professionals, emphasizing the relevance of ACEs and TIPs to behavioral health disciplines;
 - ii. Include ACEs and TIPs among the primary risk and protective factors, if engaging in prevention planning efforts;
 - iii. Address ACEs and trauma, including efforts focusing on reducing intergenerational transmission of ACEs; and,
 - iv. Use ACEs and trauma research and local data to identify groups of people who may be at higher risk for behavioral health concerns and conduct targeted prevention efforts.
- 8. Two-Generation:
 - a. The program/strategy should propose a clearly articulated and well-constructed two-generation approach, with simultaneous interventions directed at both the parent(s) and their child(ren)/youth; demonstrate a clear effort to remove silos and/or create new strategies that involve collaboration and communication between agencies serving different members of the family.
- 9. Budget
 - a. Proposals must include projected expenses for a 12-month program beginning in July 1, 2023 running through June 30, 2024. These expenses should include those that are ordinary, necessary and reasonable to the implementation of the award. All other revenue or in-kind support must be explained. Please include budget line items such as personnel costs, operating expenses associated with daily functions, equipment/supplies, staff support and training.
 - b. Complete and accurate budget forms that include a detailed budget narrative for each proposed line item must be included. The budget narrative must include a description of the cost and show the calculation of how the cost was derived.
 - c. Please refer to the Policies and Procedures Manual for Local Management Boards, Section V for unallowable costs: <http://goccp.maryland.gov/wp-content/uploads/LMB-Manual-07-01-2021.pdf>
 - d. Cost(s) incurred prior to the award of the grant will not be funded.
 - e. Two (2) extra points will be assigned by the evaluation committee if the budget for the program/strategy demonstrates a cash match of 25% or more of the total funding request for the program/strategy. Eligible cash match does not include in-kind support or funds that are paid/awarded to the program vendor or another third party in support of the program/strategy.
- 10. References (Attachment B)
- 11. Conflict of interest affidavit and disclosure (Attachment C)

<u>Evaluation Criteria Categories</u>	Maximum Score
Organizations Capacity: Has the organization clearly articulated their capacity and history of developing, implementing and operating projects of a similar nature?	2
Discussion of Need: Is the problem clearly defined? Is the need clearly identified? Is the target population clearly identified? Will this program directly impact the children, youth and families in Worcester County?	8
Narrative: Is there clear discussion on how the program will utilize an evidence-based or best practice model in development? Is there a clear indication of how the program will impact the target population Is there a detailed and comprehensive programmatic plan, spanning from start to finish? Is there a robust and comprehensive outreach plan? Are partners identified? Is there an obtainable timeline for implementation, including usage of funds? Are sustainability plans discussed?	14
Worcester: Is the agency located within Worcester County? Is there clear discussion on how the agency will provide services to all areas of Worcester County?	4
Race Equity: Is there a commitment to providing an equitable program across all races, genders and demographics? Is there a clear discussion of how a focus on racial equity will inform implementation and outcomes based upon local data?	4
ACES/Trauma Informed Practices: Is there a commitment to incorporate intentional efforts to decrease ACES and include trauma informed practices?	2
Two-Generation: Does the program clearly articulate how the program/strategy will provide interventions directed at both the parent(s) and their child(ren)/youth? Does the program demonstrate a clear effort to remove silos and/or create new strategies that involve collaboration and communication between agencies serving different members of the family?	4
Budget: Does the budget include projected expenses? Is there a budget narrative that includes a description of the cost and the calculation of how the cost was derived? Cash Match?	6
Total	44

Budget

The LMB is looking to fund multiple programs with a minimum of \$25,000 and a maximum of \$200,000.

Proposals must include projected expenses for a 12-month program beginning in July 1, 2023 running through June 30, 2024. The grant period for this funding is from the awarding of this grant through June 30, 2024, with a possibility of an extension. Monies not expended or committed by the end of the funding period will not be transferable to other line items and will be subject to return to the LMB.

Proposals must include a detailed budget narrative with description of the cost and show the calculation of how the cost was derived. Detailed budget narrative:

- Salaries: \$15,000 (Coordinator 40hrs a week, at \$7.20 an hr for 52 weeks (40hr x \$7.20 x 52 weeks)
- Utilities: \$6,000 (Telephones \$203 a month (12 x 203) Electricity \$297 a month (12 x 297))

The LMB reserves the right to negotiate the proposed budget with the chosen vendor. Additionally, the LMB reserves the right to award a lesser amount than requested. If a lesser amount is awarded, the applicant will have the opportunity to adjust the scope of the proposal and/or decline funding.

Two (2) extra points will be assigned by the evaluation committee if the budget for the program/strategy demonstrates a cash match of 25% or more of the total funding request for the program/strategy. Eligible cash match does not include in-kind support or funds that are paid/awarded to the program vendor or another third party in support of the program/strategy.

ALL FUNDING IS CONTINGENT UPON AVAILABILITY OF FUNDS AND MAY BE AMENDED TO REFLECT CHANGES IN THE FINAL BUDGET APPROPRIATION BY THE GENERAL ASSEMBLY.

FY24 Proposed Budget				
	LMB Budget	Non-LMB funds that Directly Support the Project (Cash Only)	Total	Detailed Budget Narrative Show Calculations that Support How Expenses Were Derived
Budget for FY24 Program:				
Salaries			\$0	
Fringe Costs			\$0	
Communications			\$0	
Postage			\$0	
Business Travel			\$0	
Training			\$0	
Conferences/Conventions			\$0	
Utilities			\$0	
Advertising			\$0	
Accounting/Auditing			\$0	
Legal			\$0	
Consultant (other than Legal & Accounting/Auditing)			\$0	
Supplies			\$0	
Equipment			\$0	
Insurance			\$0	
Rent/Mortgage			\$0	
Printing/Duplication			\$0	
Professional Dues/Publications/Subscriptions			\$0	
IT Systems/Repairs/Maintenance			\$0	
Vehicle Operating (other than Insurance)			\$0	
TOTAL Budget				

WORCESTER COUNTY MARYLAND
STANDARD TERMS AND CONDITIONS

The provisions below are applicable to all Worcester County ("County") contracts. These provisions are not a complete agreement. These provisions must be attached to an executed document that identifies the work to be performed, compensation, term, incorporated attachments, and any special conditions ("Contract"). If the Standard Terms and any other part of the Contract conflict, then the Standard Terms will prevail.

1. **Amendment.** Amendments to the Contract must be in writing and signed by the parties.
2. **Bankruptcy.** If a bankruptcy proceeding by or against the Contractor is filed, then:
 - a. The Contractor must notify the County immediately; and
 - b. The County may cancel the Contract or affirm the Contract and hold the Contractor responsible for damages.
3. **Compliance with Law.** Contractor must comply with all applicable federal, state, and local law. Contractor is qualified to do business in the State of Maryland. Contractor must obtain, at its expense, all licenses, permits, insurance, and governmental approvals needed to perform its obligations under the Contract.
4. **Contingent Fee Prohibition.** The Contractor has not directed anyone, other than its employee or agent, to solicit the Contract and it has not promised to pay anyone a commission, percentage, brokerage fee, contingent fee, or other consideration contingent on the making of the Contract.
5. **Counterparts and Signature.** The Contract may be executed in several counterparts, each of which may be an original and all of which will be the same instrument. The Contract may be signed in writing or by electronic signature, including by email. An electronic signature, a facsimile copy, or computer image of the Contract will have the same effect as an original signed copy.
6. **Exclusive Jurisdiction.** All legal proceedings related to this Contract must be exclusively filed, tried, and maintained in either the District Court of Maryland for Worcester County, Maryland or the Circuit Court of Worcester County, Maryland. The parties expressly waive any right to remove the matter to any other state or federal venue and waive any right to a jury trial.
7. **Force Majeure.** The parties are not responsible for delay or default caused by fire, riot, acts of God, County-declaration-of-emergency, or war beyond their reasonable control. The parties must make all reasonable efforts to eliminate a cause of delay or default and must, upon cessation, diligently pursue their obligations under the Contract.
8. **Governing Law.** The Contract is governed by the laws of Maryland and the County.
9. **Indemnification.** The Contractor must indemnify the County and its agents from all liability, penalties, costs, damages, or claims (including attorney's fees) resulting from personal injury, death, or damage to property that arises from or is connected to the performance of the work or failure to perform its obligations under the Contract. All indemnification provisions will survive the expiration or termination of the Contract.
10. **Independent Contractor.**
 - a. Contractor is an "Independent Contractor", not an employee. Although the County may determine the delivery schedule for the work and evaluate the quality of the

work, the County will not control the means or manner of the Contractor's performance.

- b. Contractor is responsible for all applicable taxes on any compensation paid under the Contract. Contractor is not eligible for any federal Social Security, unemployment insurance, or workers' compensation benefits under the Contract.
- c. Contractor must immediately provide the County notice of any claim made against Contractor by any third party.

11. Insurance Requirements.

- a. Contractor must have Commercial General Liability Insurance in the amounts listed below. The insurance must include coverage for personal injury, discrimination, and civil rights violation claims. All insurance must name County, its employees, and agents as "ADDITIONAL INSURED". A copy of the certificate of insurance must be filed with the County before the Contract is executed, providing coverage in the amount of \$1,000,000 per occurrence, \$2,000,000 general aggregate, and \$500,000 for property damage.
- b. Contractor must have automobile insurance on all vehicles used in the Contract to protect Contractor against claims for damages resulting from bodily injury, including wrongful death, and property damage that may arise from the operations in connection with the Contract. All insurance must name County, its employees, and agents as "ADDITIONAL INSURED".
- c. Contractor must provide the County with a certification of Workers' Compensation Insurance, with employer's liability in the minimum amount required by Maryland law in effect for each year of the Contract.
- d. All insurance policies must have a minimum 30 days' notice of cancellation. The County must be notified immediately upon cancellation.
- e. When insurance coverage is renewed, Contractor must provide new certificates of insurance prior to expiration of current policies.

12. Nondiscrimination. Contractor must not discriminate against any worker, employee, or applicant because of religion, race, sex, age, sexual orientation, physical or mental disability, or perceived disability. This provision must be incorporated in all subcontracts related to the Contract.

13. Ownership of Documents; Intellectual Property.

- a. All documents prepared under the Contract must be available to the County upon request and will become the exclusive property of the County upon termination or completion of the services. The County may use the documents without restriction or without additional compensation to the Contractor. The County will be the owner of the documents for the purposes of copyright, patent, or trademark registration.
- b. If the Contractor obtains, uses, or subcontracts for any intellectual property, then it must provide an assignment to the County of ownership or use of the property.
- c. The Contractor must indemnify the County from all claims of infringement related to the use of any patented design, device, materials, or process, or any trademark or copyright, and must indemnify the County, its officers, agents, and employees with respect to any claim, action, costs, or infringement, for royalties or user fees, arising out of purchase or use of materials, construction, supplies, equipment, or services

covered by the Contract.

14. **Payments.** Payments to the Contractor under the Contract will be within 30 days of the County's receipt of a proper invoice from the Contractor. If an invoice remains unpaid 45 days after the invoice was received, interest will accrue at 6% per year.
15. **Records.** Contractor must maintain fiscal records relating to the Contract in accordance with generally accepted accounting principles. All other relevant records must be retained by Contractor and kept accessible for at least three years after final payment, termination of the Contract, or until the conclusion of any audit, controversy, or litigation related to the Contract. All subcontracts must comply with these provisions. County may access all records of the Contractor related to the Contract.
16. **Remedies.**
 - a. **Corrections of errors and omissions.** Contractor must perform work necessary to correct errors and omissions in the services required under the Contract, without undue delays and cost to the County. The County's acceptance will not relieve the Contractor of the responsibility of subsequent corrections of errors.
 - b. **Set-off.** The County may deduct from any amounts payable to the Contractor any back-charges, penalties, or damages sustained by the County, its agents, or employees caused by Contractor's breach. Contractor will not be relieved of liability for any costs caused by a failure to satisfactorily perform the services.
 - c. **Cumulative.** These remedies are cumulative and without waiver of any others.
17. **Responsibility of Contractor.**
 - a. The Contractor must perform the services with the standard of care, skill, and diligence normally provided by a Contractor in the performance of services similar the services.
 - b. Notwithstanding any review, approval, acceptance, or payment for the services by the County, the Contractor will be responsible for the accuracy of any work, design, drawings, specifications, and materials furnished by the Contractor under the Contract.
 - c. If the Contractor fails to conform with subparagraph (a) above, then it must, if required by the County, perform at its own expense any service necessary for the correction of any deficiencies or damages resulting from the Contractor's failure. This obligation is in addition to any other remedy available to the County.
18. **Severability/Waiver.** If a court finds any term of the Contract to be invalid, the validity of the remaining terms will not be affected. The failure of either party to enforce any term of the Contract is not a waiver by that party.
19. **Subcontracting or Assignment.** The Contractor may not subcontract or assign any part of the Contract without the prior written consent of the County. The County may withhold consent for any reason the County deems appropriate.
20. **Termination.** If the Contractor violates any provision of the Contract, the County may terminate the Contract by written notice. All finished or unfinished work provided by the Contractor will, at the County's option, become the County's property. The County will pay the Contractor fair compensation for satisfactory performance that occurred before termination less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable

after termination and the County can affirmatively collect damages.

21. **Termination of Contract for Convenience.** Upon written notice, the County may terminate the Contract when the County determines termination is in the County's best interest. Termination for convenience is effective on the date specified in the County's written notice. The County will pay for reasonable costs allocable to the Contract for costs incurred by the Contractor up to the date of termination. But the Contractor will not be reimbursed for any anticipatory profits that have not been earned before termination.
22. **Termination of Multi-year Contract.** If funds are not available for any fiscal period of the Contract after the first fiscal period, then the Contract will be terminated automatically as of the beginning of unfunded fiscal period. Termination will discharge the Contractor and the County from future performance of the Contract, but not from their rights and obligations existing at the time of termination.
23. **Third Party Beneficiaries.** The County and Contractor are the only parties to the Contract and are the only parties entitled to enforce its terms. Nothing in the Contract gives any benefit or right to third persons unless individually identified by name and expressly described as intended beneficiaries of the Contract.
24. **Use of County Facilities.** Contractor may only County facilities that are needed to perform the Contract. County has no responsibility for the loss or damage to Contractor's personal property which may be stored on County property.
25. **Whole Contract.** The Contract, the Standard Terms, and attachments are the complete agreement between the parties and supersede all earlier agreements, proposals, or other communications between the parties relating to the subject matter of the Contract.

Attachments

ATTACHMENT A: PROPOSAL COVER SHEET

Organization Information

Organization Name: _____

Address: _____

Website: _____

Contact Person: _____ Title: _____

Phone: _____ Email: _____

Organization Type: ☐ Non-Profit ☐ Government ☐ Private for Profit ☐ Other

Proposal Information

Project Name _____

Proposed number of enrollments (July 1, 2023 – June 30, 2024) _____

Total funding amount requested \$ _____

Estimated cost per participant \$ _____

Additional funds (cash or in-kind) that will support this project \$ _____

Organization's total annual operating budget \$ _____

Requested project is _____ % of organization's total budget

Is your organization involved in any active litigation? ☐ Yes ☐ No

Is your company currently involved in any mergers or acquisitions? ☐ Yes ☐ No

Have you included all items listed on the required documents checklist? ☐ Yes ☐ No

I hereby certify that to the best of my knowledge all information contained in this proposal is accurate and complete, that this is a valid proposal and that I am legally authorized to sign and to represent this organization.

Signature

Date

ATTACHMENT B: REFERENCES

Please list three references from whom you have received a grant and/or for whom you have performed similar work in the last five years.

Reference #1	
Company/Organization Name:	_____
Address:	_____
City, State, Zip	_____
Contact Person:	_____
Phone Number:	_____
Email:	_____
Type of Project:	_____
Dates of contract/work performed:	_____

Reference #2	
Company/Organization Name:	_____
Address:	_____
City, State, Zip	_____
Contact Person:	_____
Phone Number:	_____
Email:	_____
Type of Project:	_____
Dates of contract/work performed:	_____

Reference #3	
Company/Organization Name:	_____
Address:	_____
City, State, Zip	_____
Contact Person:	_____
Phone Number:	_____
Email:	_____
Type of Project:	_____
Dates of contract/work performed:	_____

ATTACHMENT C: CONFLICT OF INTEREST AFFIDAVIT AND DISCLOSURE

A conflict of interest is a set of circumstances that creates a risk that professional judgement or actions regarding a primary interest will be unduly influenced by a secondary interest. Conflicts of interest, **whether real, perceived, or potential**, must be disclosed. Disclosure of a potential conflict of interest does not make it an actual conflict and disclosure of an actual conflict of interest does not remove the conflict but allows the Local Management Board to transparently approach and manage the conflict.

- A. "Conflict of interest" means that because of activities or relationships with other persons/organizations 1) a person/organization is unable or potentially unable to render impartial assistance or advice to the Local Management Board, or 2) the person's/organization's objectivity in performing the contract work is or might be otherwise impaired, or 3) a person/organization has an unfair competitive advantage.
- B. The bidder warrants that, except as disclosed in D below, there are no relevant facts or circumstances now giving rise or which could, in the future, give rise to a real, perceived or potential conflict of interest.
- C. The following facts or circumstances give rise or could in the future give rise to a real, perceived or potential conflict of interest (explain in detail; if none, write N/A):

- D. The bidder agrees that if an actual or potential conflict of interest arises after the date of this affidavit, the bidder will immediately make a full disclosure in writing to the Local Management Board of all relevant facts and circumstances. This disclosure shall include a description of actions which the bidder has taken and proposes to take to avoid, mitigate, or neutralize the actual or potential conflict of interest.

I do solemnly declare and affirm under the penalties of perjury that the contents of this affidavit are true and correct to the best of my knowledge, information and belief.

Signature

Date

Print Name and Title

Attachment D

Worcester County Local Management Board

Strategic Planning Data

CHILDREN'S CABINET PRIORITIES

1. Reducing the impact of parental incarceration on children, youth, families, and communities;
2. Reducing youth experiencing homelessness;
3. Improving outcomes for disconnected/opportunity youth;
4. Reducing childhood hunger;
5. Increasing opportunities for community-based programs and services for youth (including, but not limited to juvenile justice diversion programs); and/or
6. Preventing out-of-State placements.

RESULT AREAS

- Babies Born Healthy
- Healthy Children
- Children Enter School Ready to Learn
- Children are Successful in School
- Youth will Complete School
- Youth have Opportunities for Employment or Career Readiness
- Communities are Safe for Children, Youth and Families
- Families are Economically Stable

HEALTHY CHILDREN

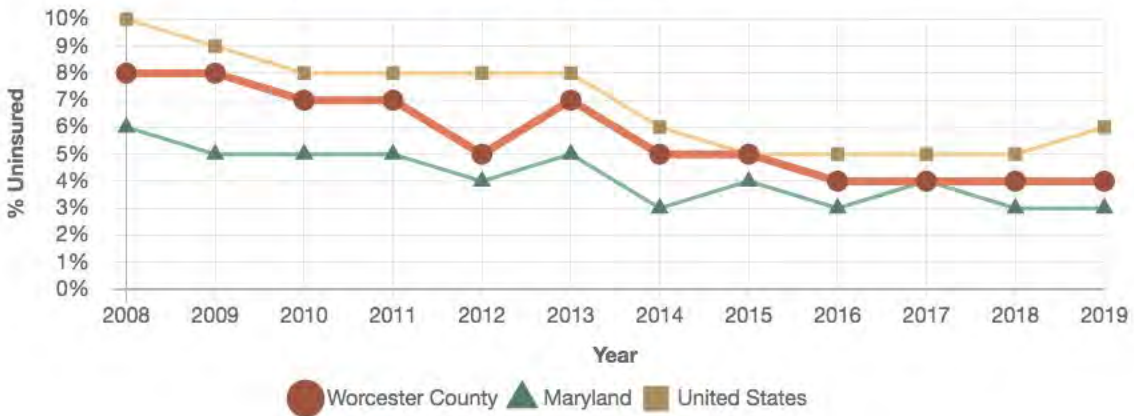


Uninsured children (under 19) in Worcester County

Location	Data Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Maryland	Number	69,570	58,350	66,235	47,083	51,944	47,655	51,709	44,282	44,966	46,846
	Percent	5.0%	4.2%	4.8%	3.4%	3.7%	3.4%	3.7%	3.2%	3.3%	3.4%
Worcester	Number	658	493	642	478	434	391	418	351	341	407
	Percent	6.7%	5.1%	6.6%	5.0%	4.6%	4.1%	4.4%	3.8%	3.7%	4.4%

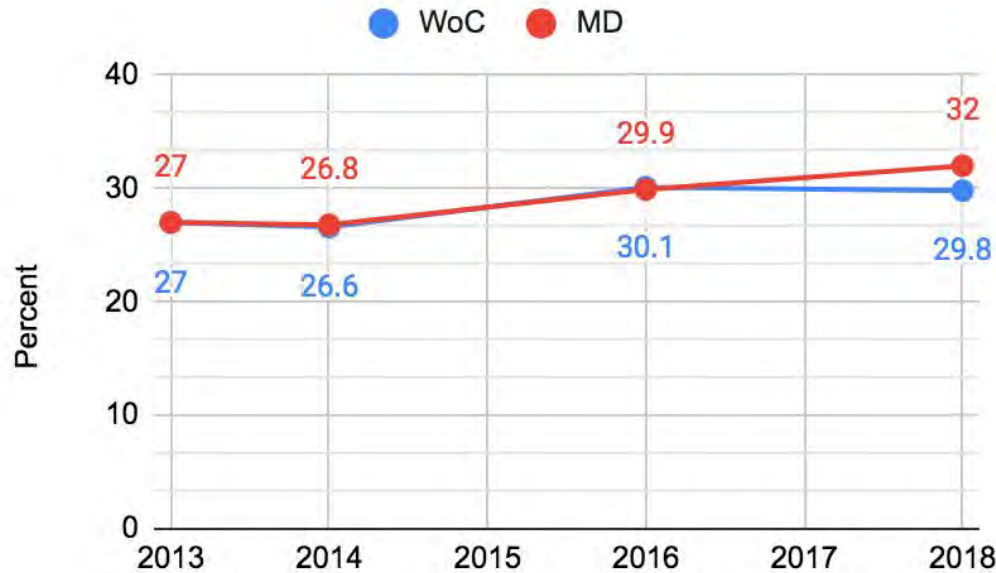
Uninsured children in Worcester County, MD
County, state and national trends

Worcester County is getting better for this measure.

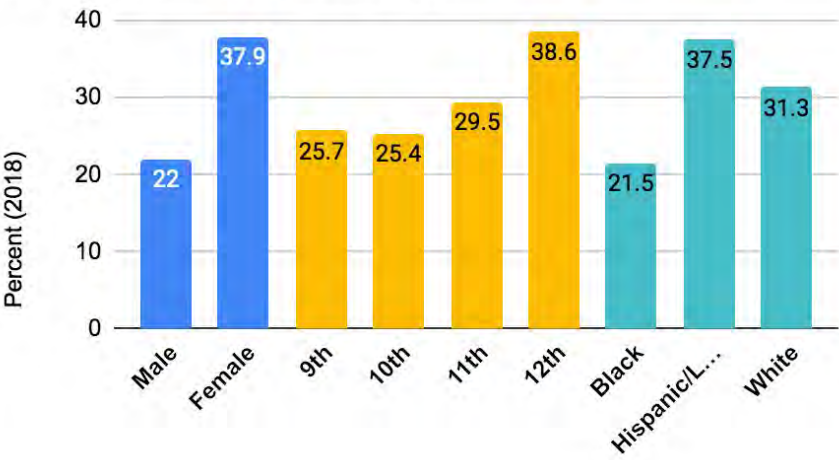


YRBS HS data

QN25: Percentage of HS students who felt sad or hopeless (almost every day for ≥ 2 weeks in a row so that they stopped doing some usual activities, ever during the 12 months before the survey)

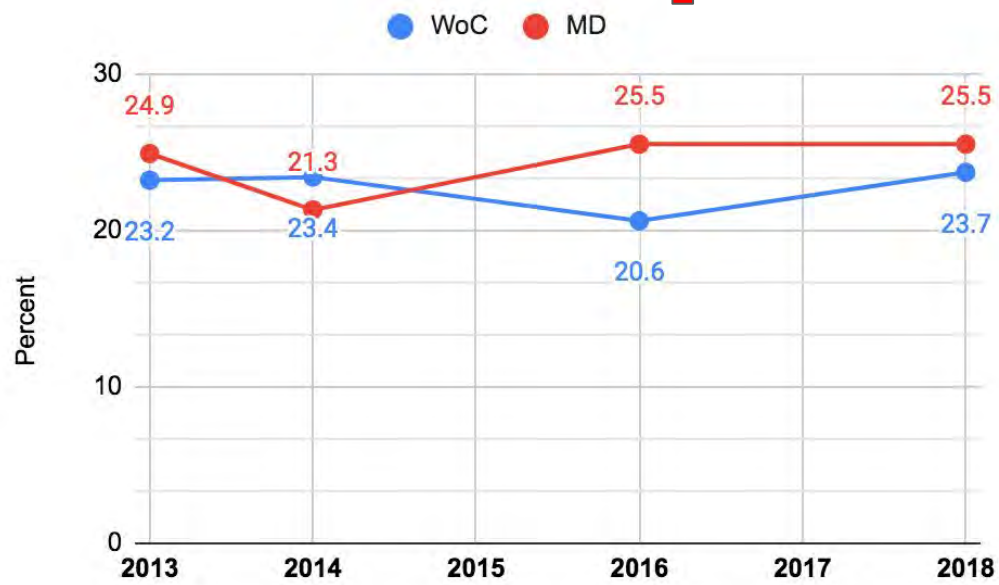


Gender, Grade and Race

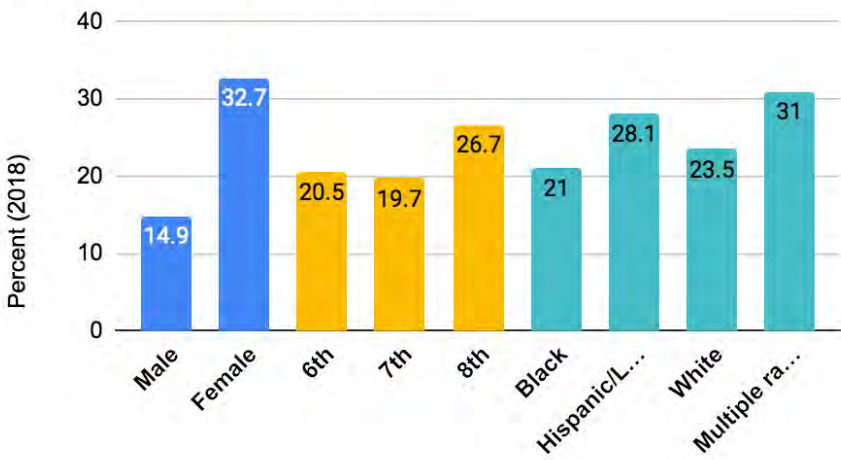


YRBS MS Data

QN54: Percentage of MS students who felt sad or hopeless (almost every day for >=2 weeks in a row so that they stopped doing some usual activities, ever during the 12 months before the survey)

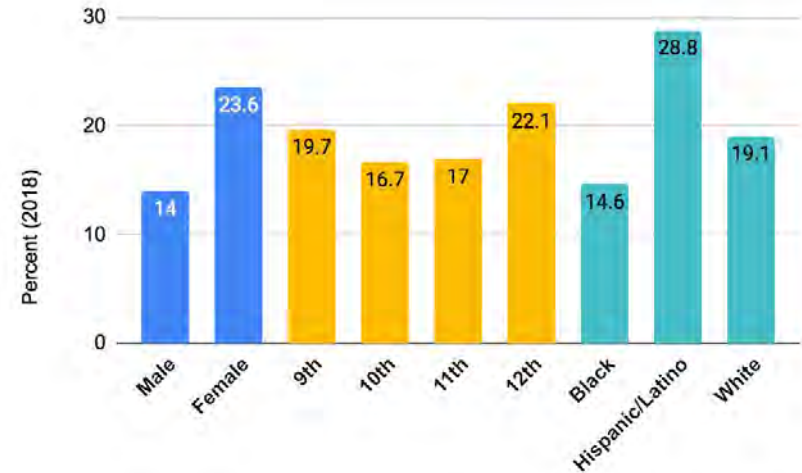
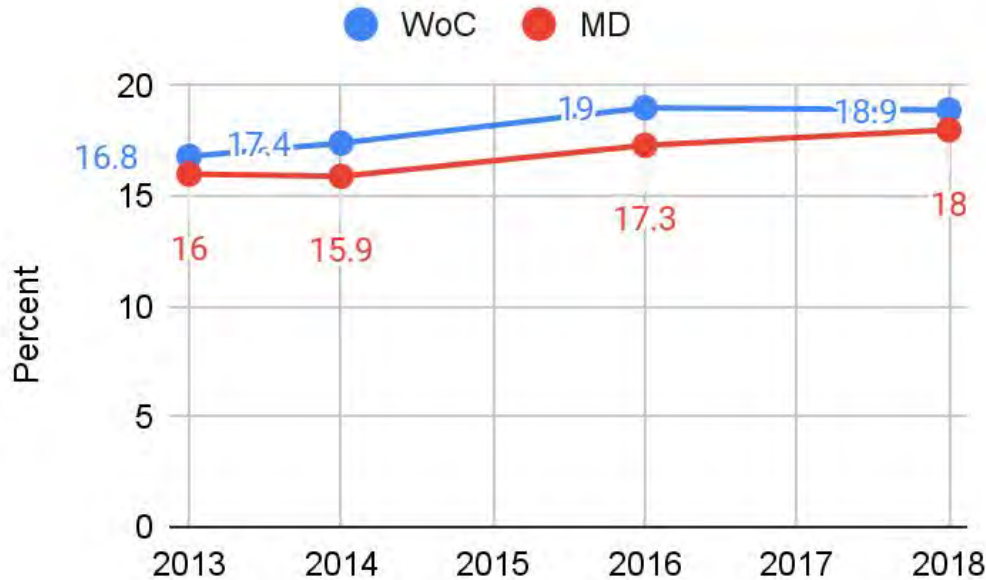


Gender, Grade and Race



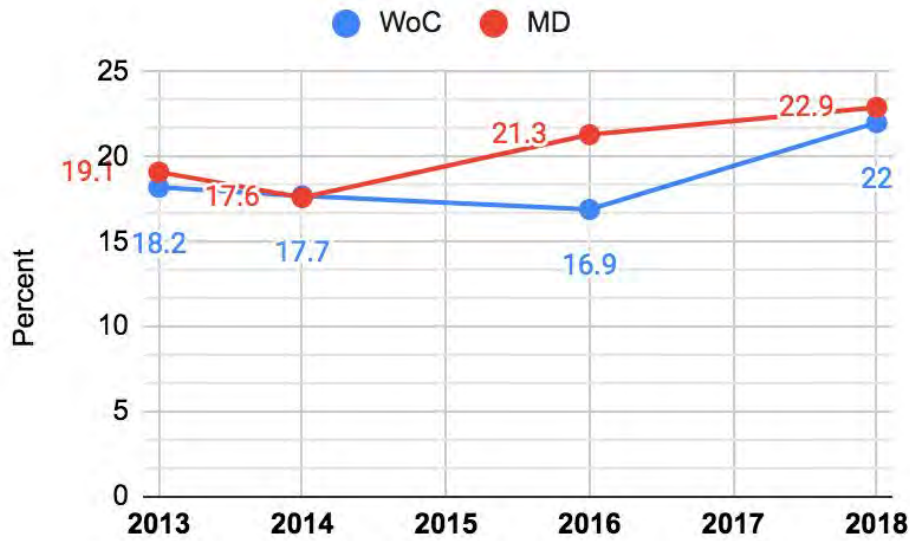
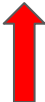
YRBS HS data

QN26: Percentage of HS students who seriously considered attempting suicide (ever during the 12 months before the survey)

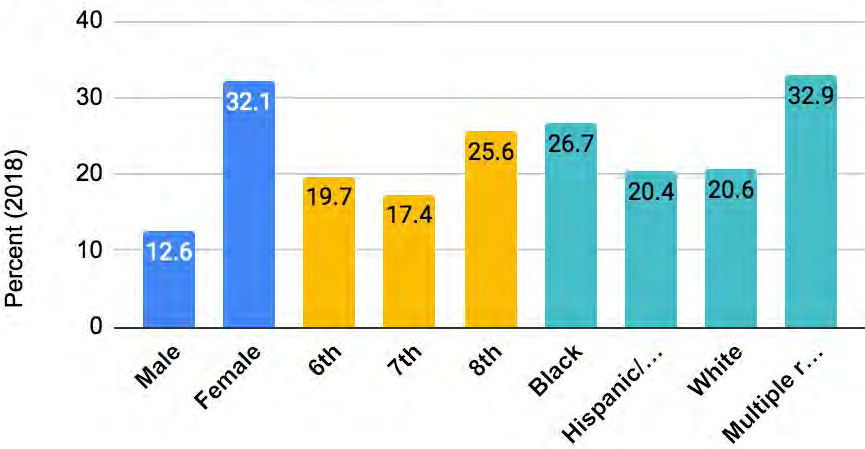


YRBS MS Data

QN14: Percentage of MS students who ever seriously thought about killing themselves

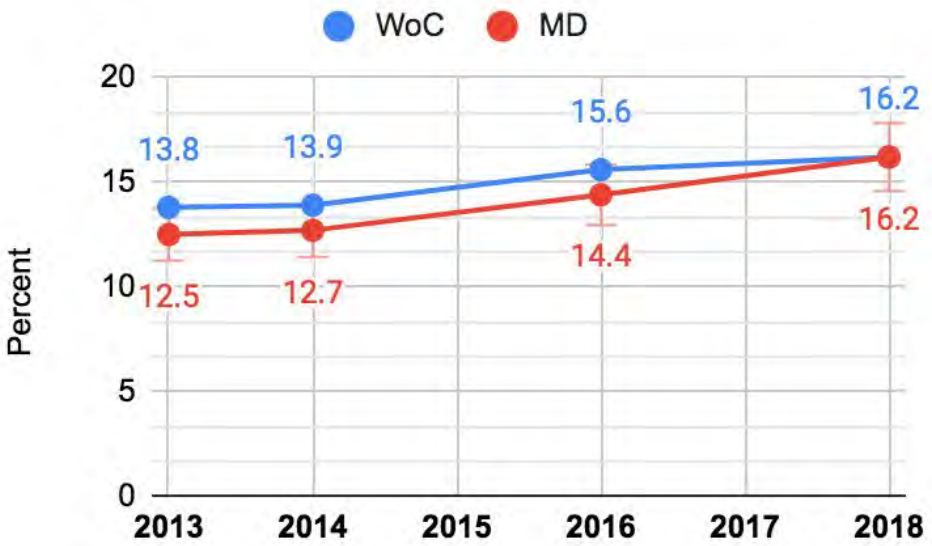


Gender, Grade and Race

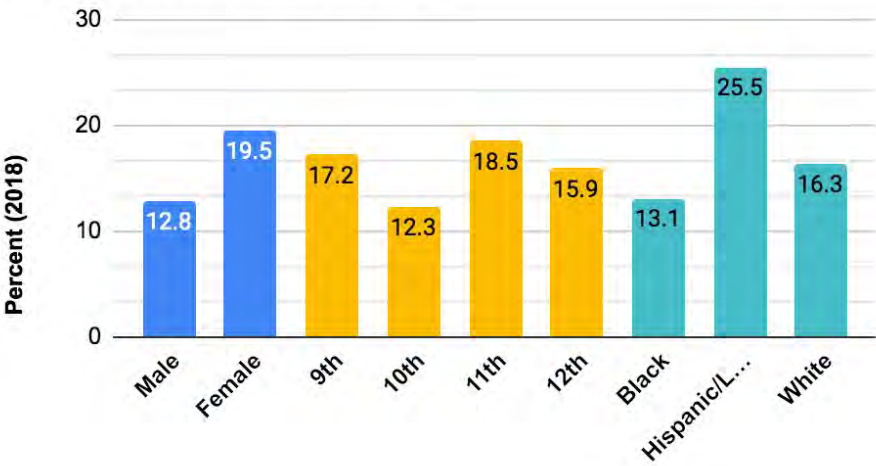


YRBS HS data

QN27: Percentage of HS students who made a plan about how they would attempt suicide (during the 12 months before the survey)

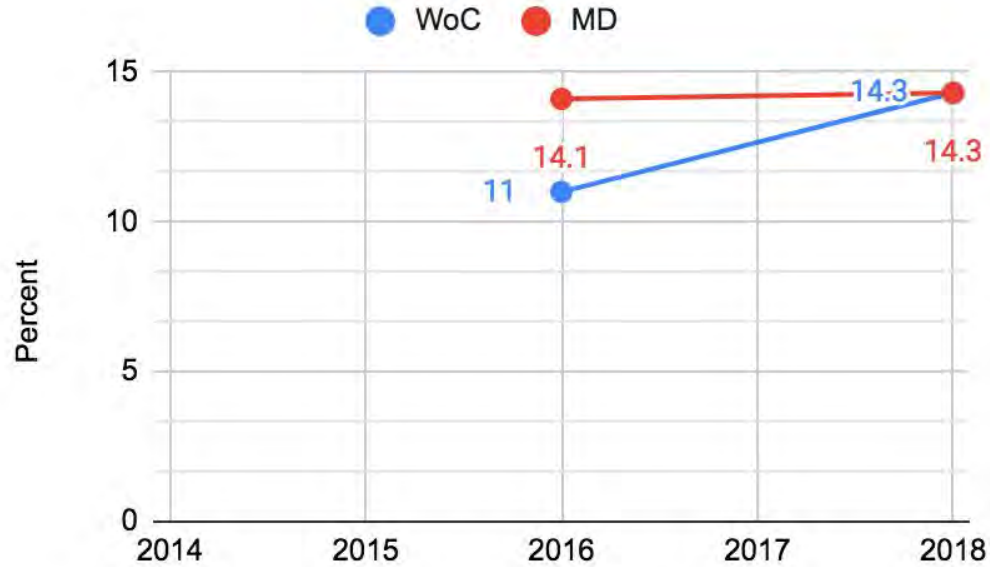
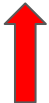


Gender, Grade and Race

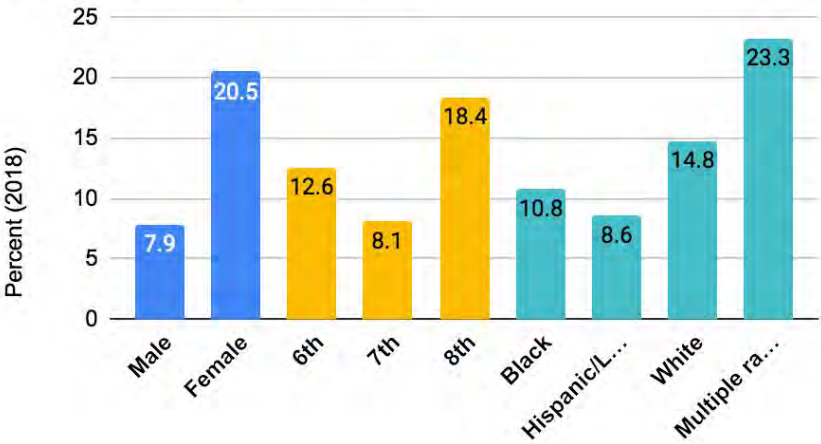


YRBS MS Data

QN15: Percentage of MS students who ever made a plan about how they would kill themselves

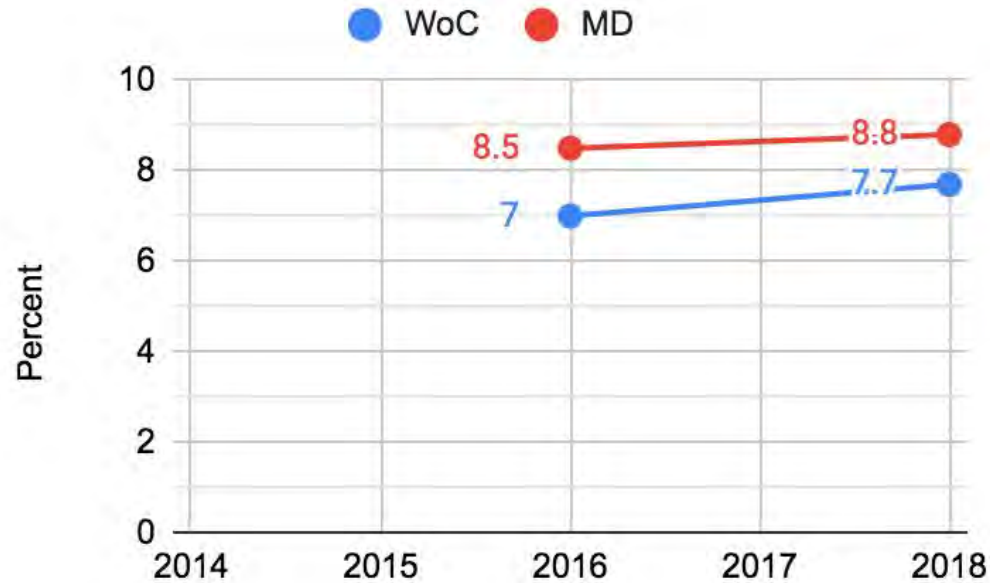


Gender, Grade and Race

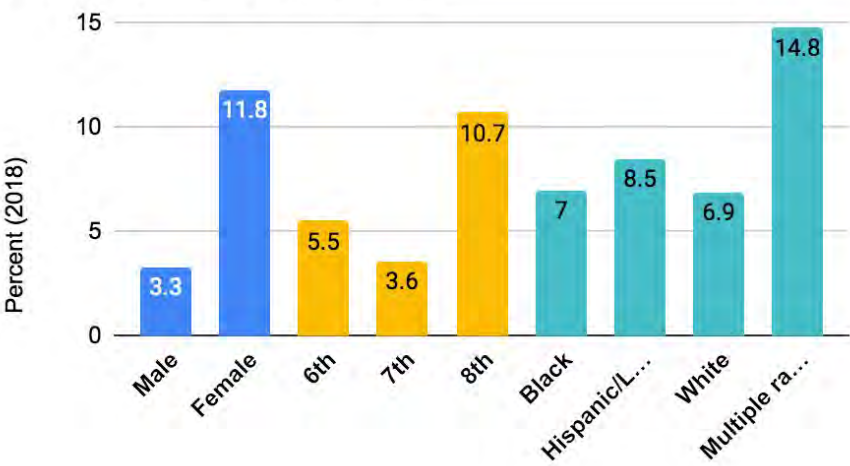


YRBS MS Data

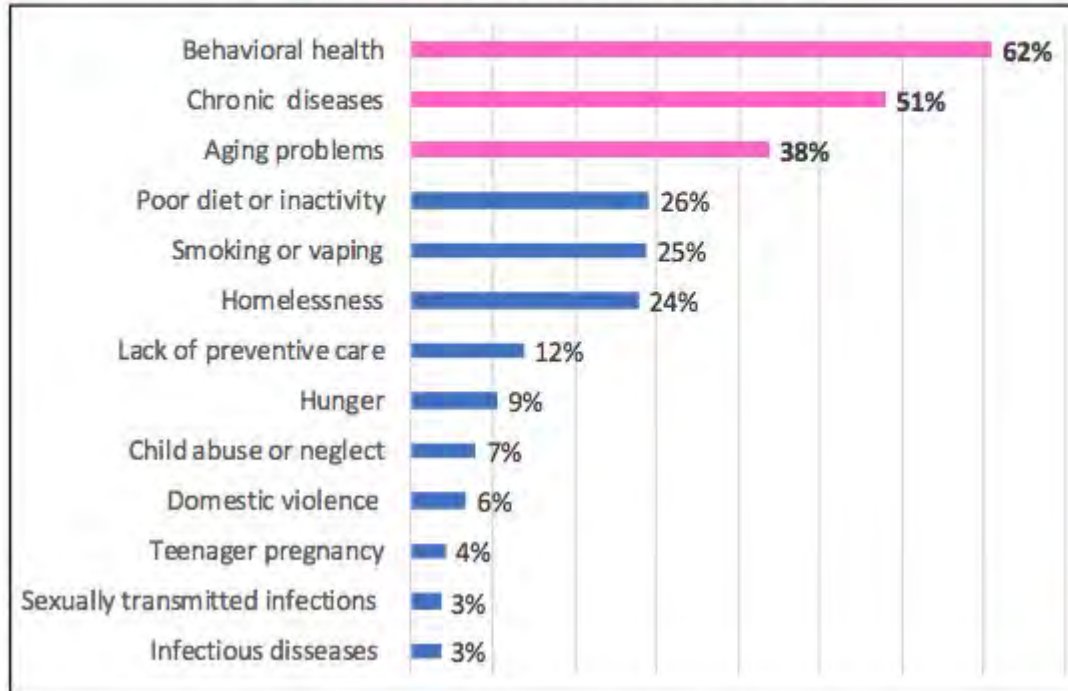
Q 16. Percentage of MS students who ever tried to kill themselves (MS)

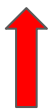


Gender, Grade and Race



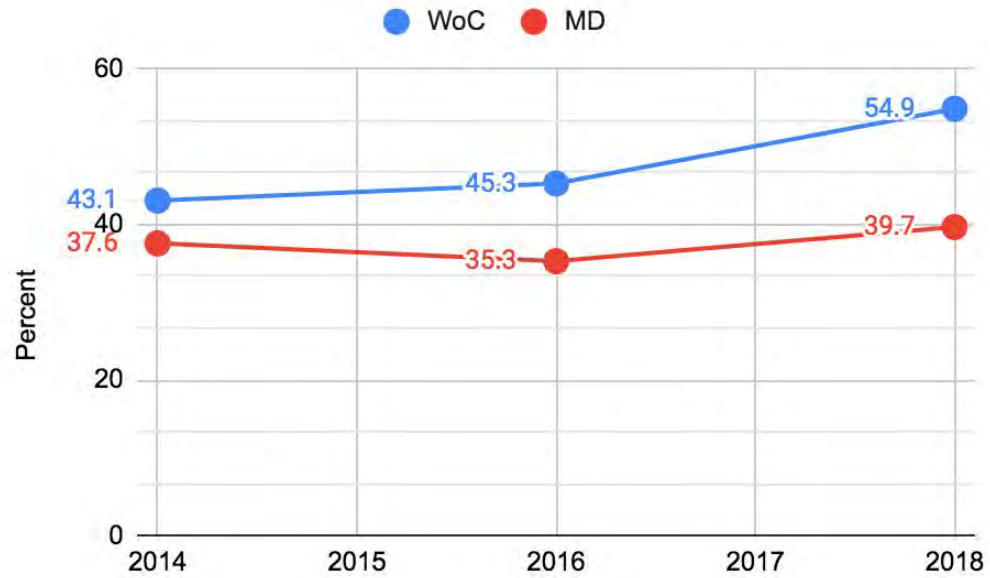
What do you think are the top three “Health Issues” in your community?



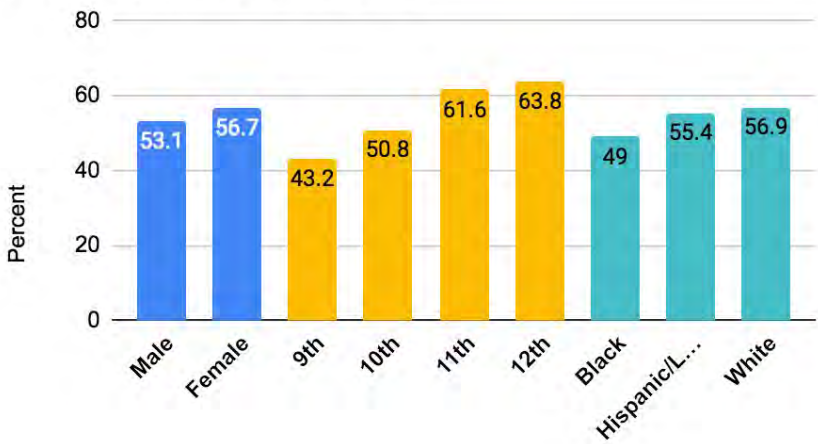


YRBS HS data

*QN34: Percentage of HS students who ever used an electronic vapor product (including e-cigarettes, e-cigars, e-pipes, vape pipes, vaping pens, e-hookahs, and hookah pens [such as blu, NJOY, Vuse, MarkTen, Logic, Vapin Plus, eGo, and Halo])



Gender, Grade and Race



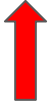
ITEM 7

QN35: Percentage of HS students who currently used an electronic vapor product

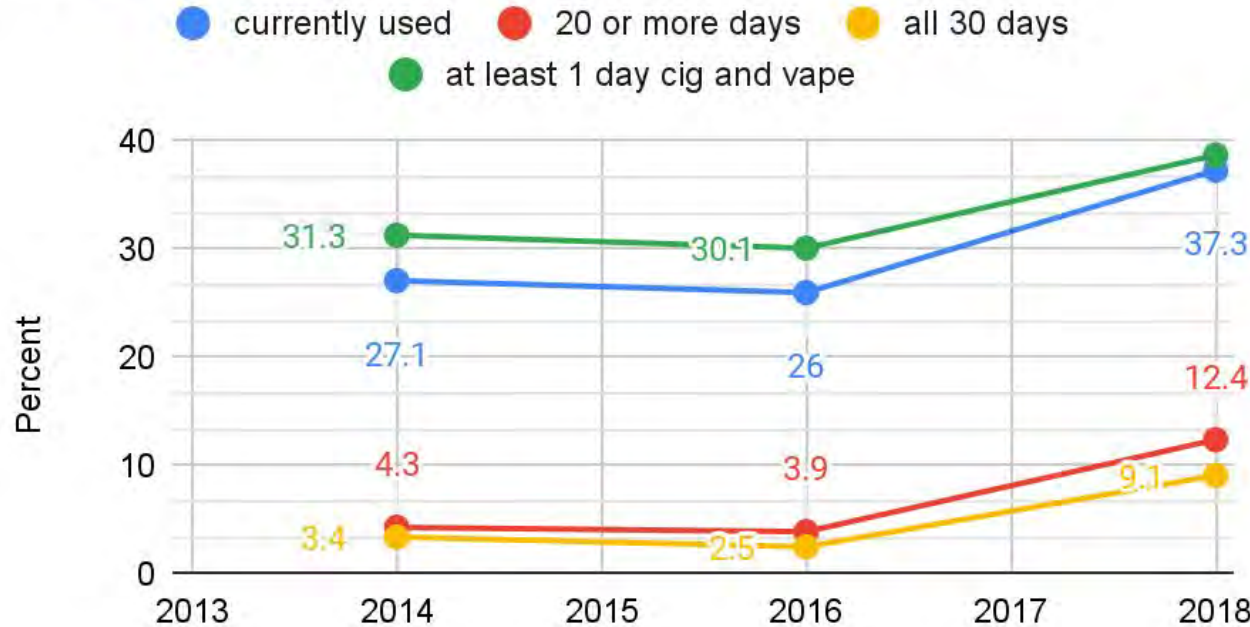
QNFREVP: Percentage of students who currently used electronic vapor products frequently (on 20 or more days during the 30 days before the survey)

QNDAYEVP: Percentage of students who currently used electronic vapor products daily (on all 30 days during the 30 days before the survey)

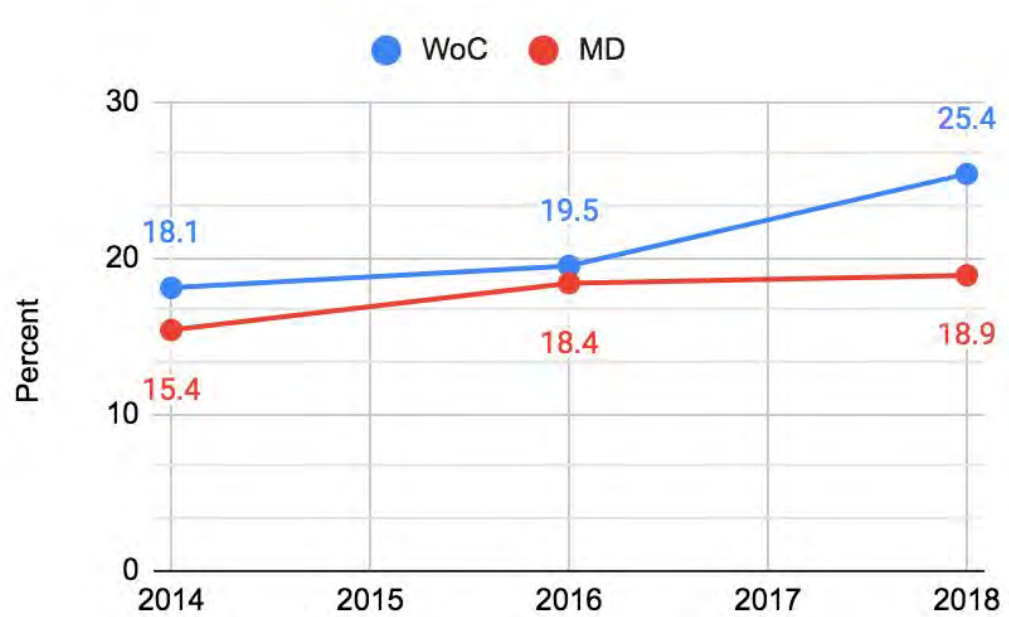
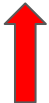
QNTB5: Percentage of students who currently smoked cigarettes or used electronic vapor products (on at least 1 day during the 30 days before the survey)



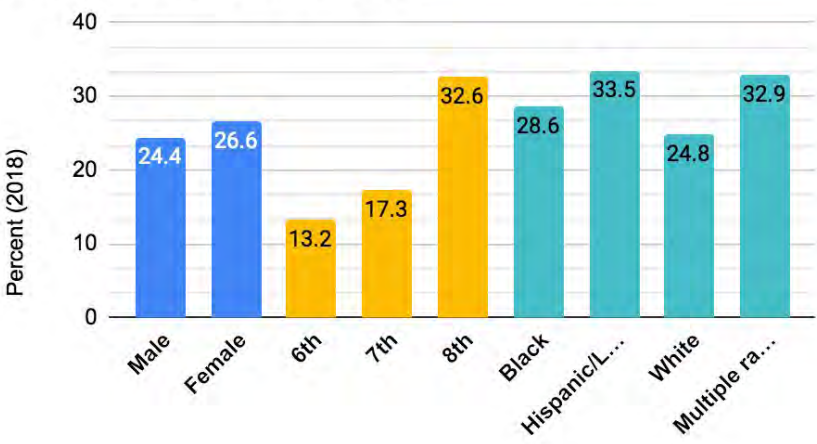
WoC HS



YRBS MS Data
*QN21: Percentage of MS students who ever used an electronic vapor product



Gender, Grade and Race



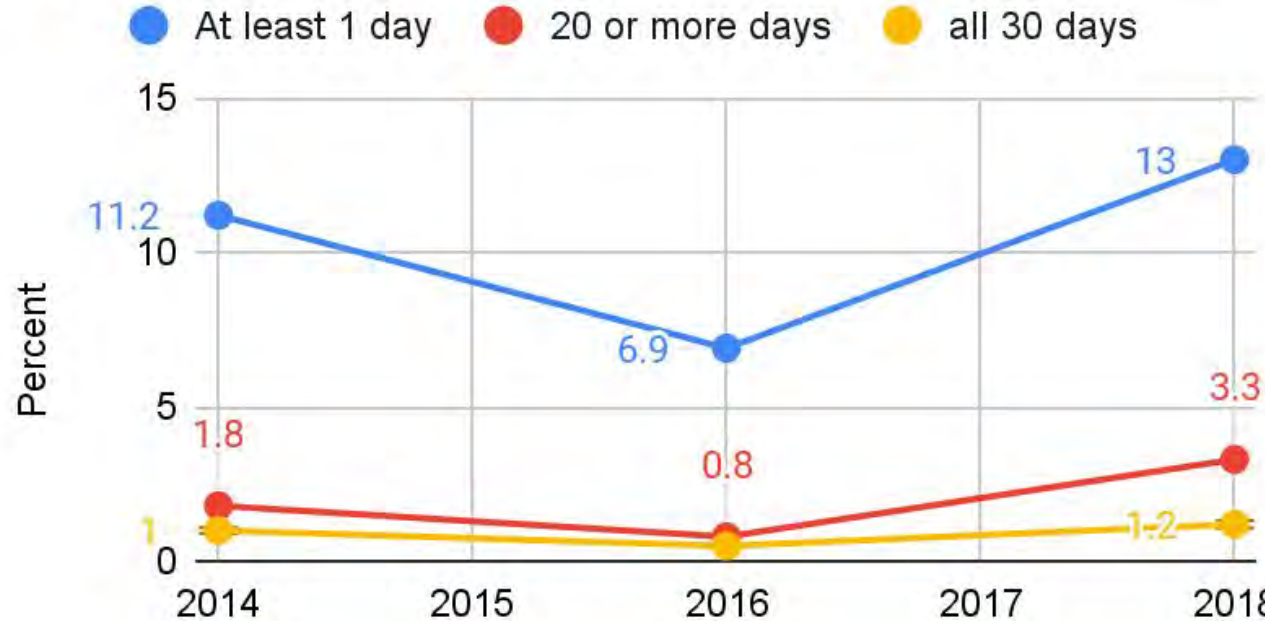
ITEM 7

QN22: Percentage of MS students who currently used an electronic vapor product (on at least 1 day during the 30 days before the survey)

QNFREVP: Percentage of students who currently used electronic vapor products frequently (on 20 or more days during the 30 days before the survey)

QNDAYEVP: Percentage of students who currently used electronic vapor products daily (on all 30 days during the 30 days before the survey)

WoC MS

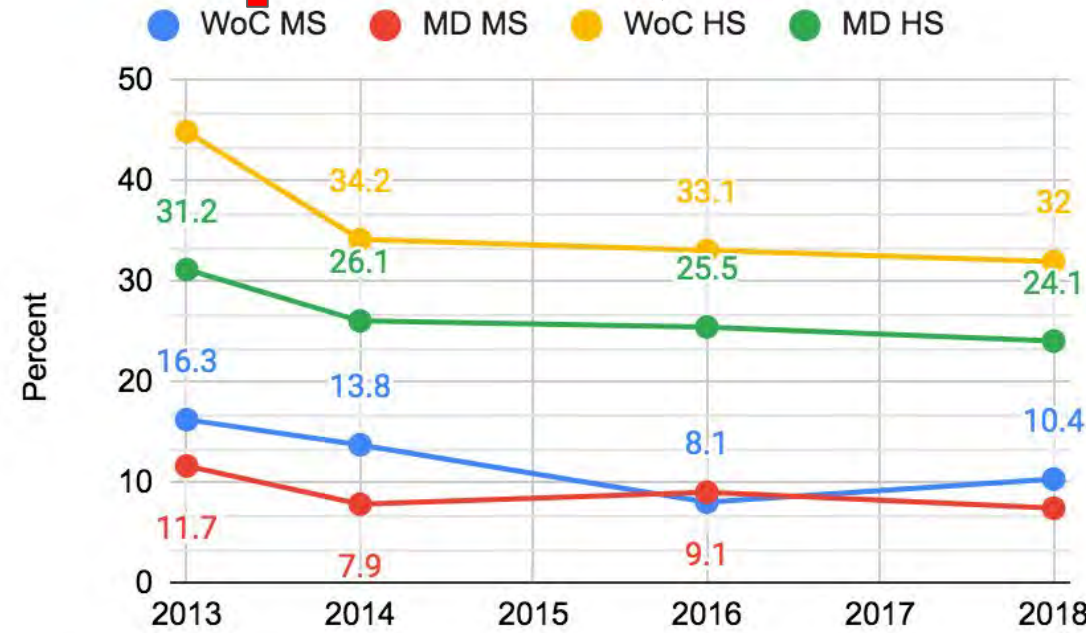


Were Exposed to Secondhand Smoke by Region	% Yes
Capital	21%
Central	37%
Eastern Shore	56%
Southern	28%
Western	49%

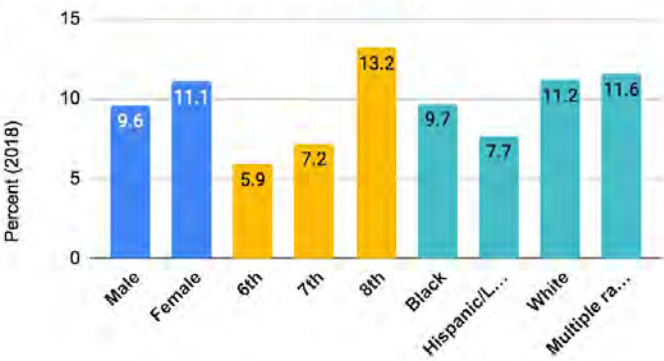
Were Taught About the Dangers of Tobacco Use During the Pandemic by Region	% Yes
Capital	56%
Central	52%
Eastern Shore	42%
Southern	42%
Western	64%

YRBS HS MS Data

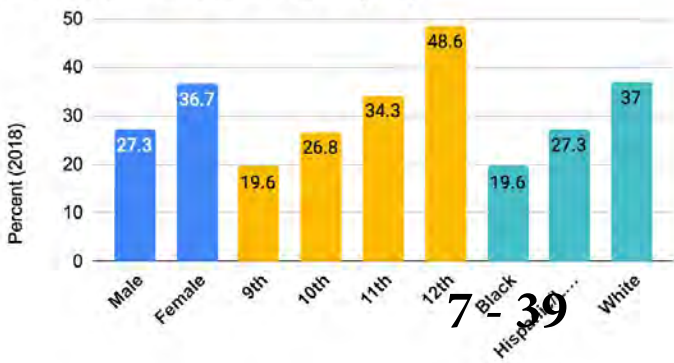
Q 41(HS), Q69(MS). Percentage of students who currently drank alcohol (at least one drink of alcohol on at least 1 day during the 30 days before the survey)



Gender, Grade and Race (MS)



Gender, Grade and Race (HS)

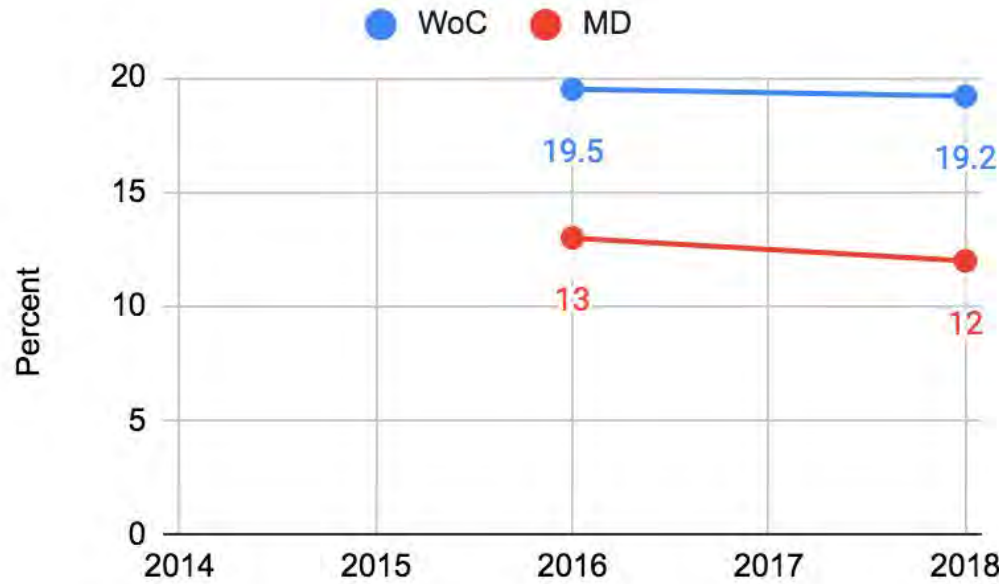


Substance use

ITEM 7

YRBS HS Data

*QN42: Percentage of HS students who currently were binge drinking (had four or more drinks of alcohol in a row for female students or five or more drinks of alcohol in a row for male students, within a couple of hours, on at least 1 day during the 30 days before the survey)



Gender, Grade and Race

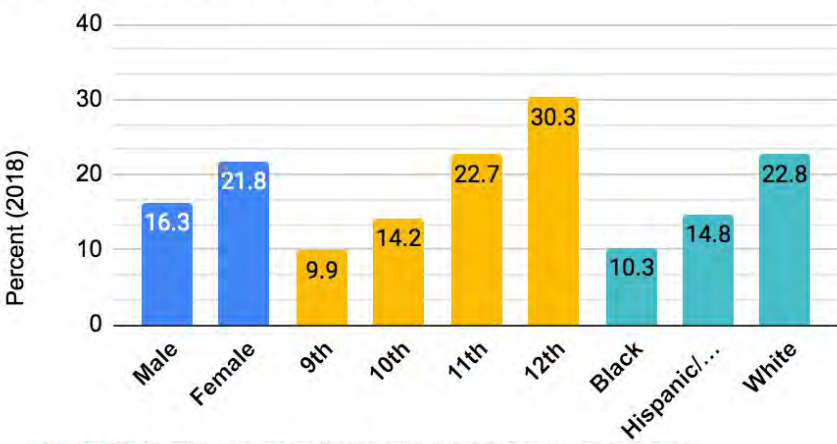


Table 16. Top-Five Counties in MD with High Binge Drinking Rate, 2018

County	Rate
Queen Anne's	27.8%
Garrett	20.2%
Worcester	19.2%
Cecil	19.1%
Kent	18.7%

Source: MD YRBS

Table 17. Current and Lifetime Substance Use among High School Students, Worcester and MD, 2016 and 2018

ITEM 7

	Worcester		MD	
	2016	2018	2018	
Current Use	%	%	%	
Marijuana	21.2	26.4	17.6	
Alcohol	33.1	32.0	24.1	
Binge Drinking	19.5	19.2	12.1	
Lifetime Use				
Marijuana	35.5	39.4	31.0	
Cocaine	6.9	6.1	4.8	
Methamphetamine	4.3	3.9	3.7	
Heroin	3.0	3.7	3.7	
Injecting drug use	3.6	3.6	4.1	
Synthetic marijuana	9.0	8.0	6.3	
Ecstasy	6.6	5.5	4.9	
Prescription pain medicine misuse	14.0	14.8	14.6	

Source: MD YRBS

Table 18. Current and Lifetime Substance Use among High School Students by Gender and Race, Worcester, 2018

ITEM 7

	Male	Female		Black	White	Hispanic
Current Use	%	%		%	%	%
Marijuana	25.3	27.3		24.8	27.9	21.6
Alcohol	27.3	36.7		19.6	37.0	27.3
Binge Drinking	16.3	21.8		10.3	22.8	14.8
Lifetime Use						
Marijuana	38.1	40.9		39.8	40.9	36.0
Cocaine	13.2	15.8		12.4	14.5	16.6
Methamphetamine	6.1	1.1		2.2	3.9	6.1
Heroin	5.8	1.2		2.3	3.4	5.2
Injecting drug use	4.4	2.2		3.8	3.3	4.3
Synthetic marijuana	10.2	5.2		4.5	8.9	7.8
Ecstasy	7.8	2.6		3.9	5.1	9.3
Prescription pain medicine misuse	13.2	15.8		12.4	14.5	16.6

Source: MD YRBS

2021 Maryland Youth Pandemic Behavior Survey (YPBS)

Alcohol and Marijuana

Maryland high school students are more likely to drink alcohol than use marijuana.

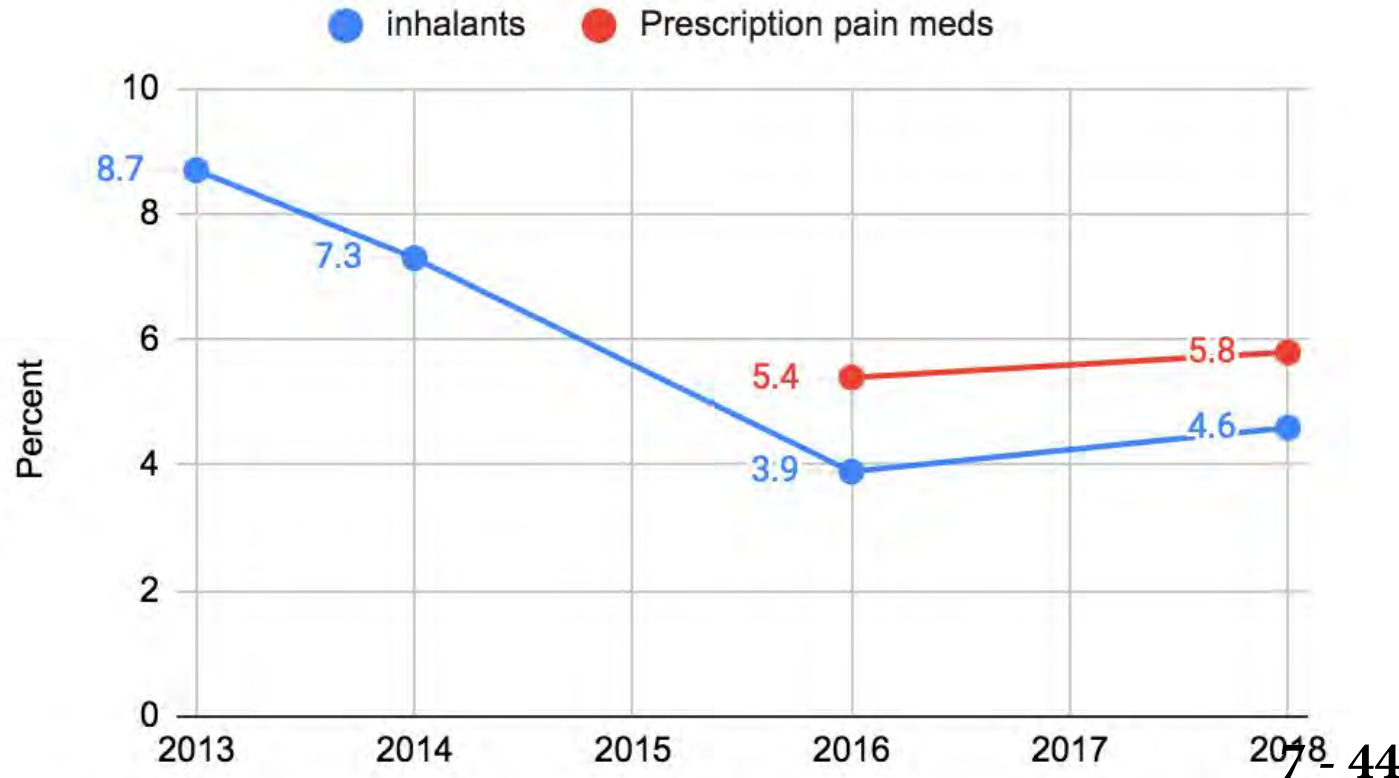
- ❖ 20% of high school students from Maryland recently drank alcohol and 10% of students recently used marijuana.
- ❖ Hispanic/Latino high school students have been more likely to binge drink the past 30 days (22%).
- ❖ Students from the Eastern Shore region (Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester) have been drinking alcohol significantly more compared to the statewide average (40%).

ITEM 7

YRBS MS Data

*QN 30. Percentage of MS students who ever took prescription pain medicine without a doctor's prescription or differently than how a doctor told them to use it (counting drugs such as codeine, Vicodin, OxyContin, Hydrocodone, and Percocet, one or more times during their life)

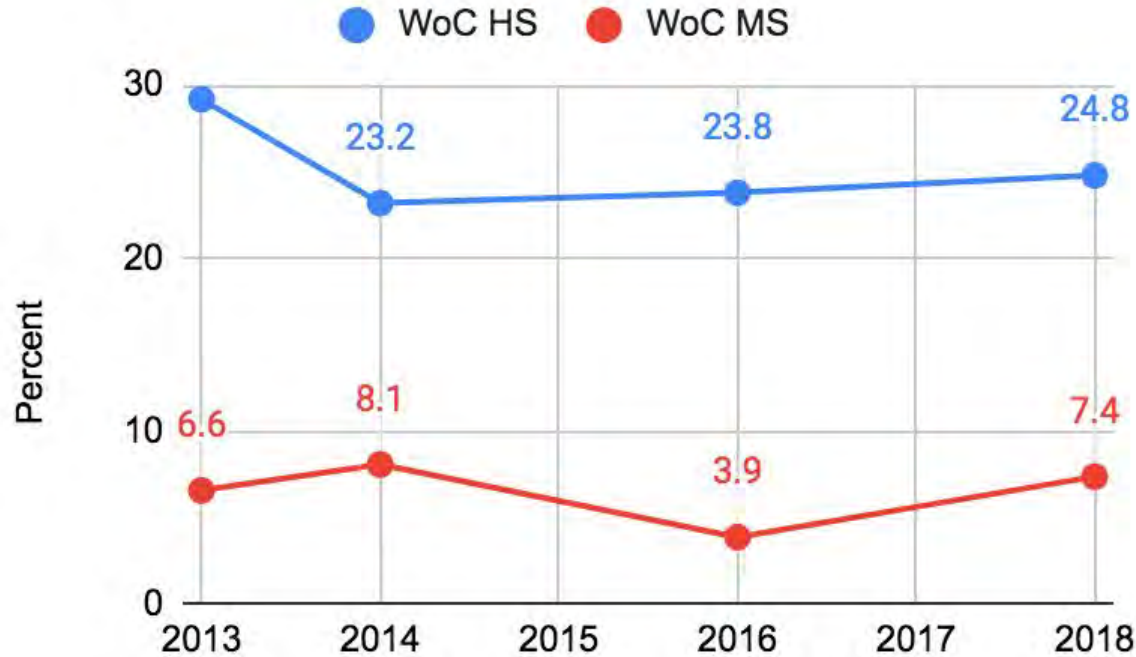
*QN32: Percentage of MS students who ever used inhalants (sniffed glue, breathed the contents of spray cans, or inhaled any paints or sprays to get high)



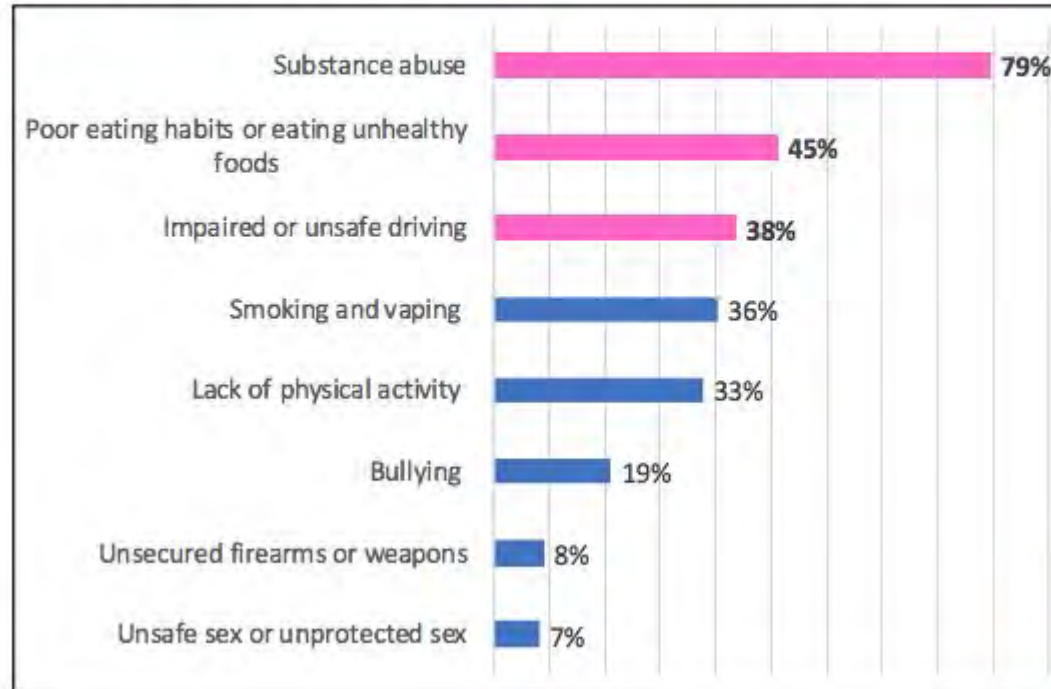
ITEM 7

YRBS Data

*QN57 (HS), QN 72(MS): Percentage of students who were offered, sold, or given an illegal drug on school property (during the 12 months before the survey) (HS)



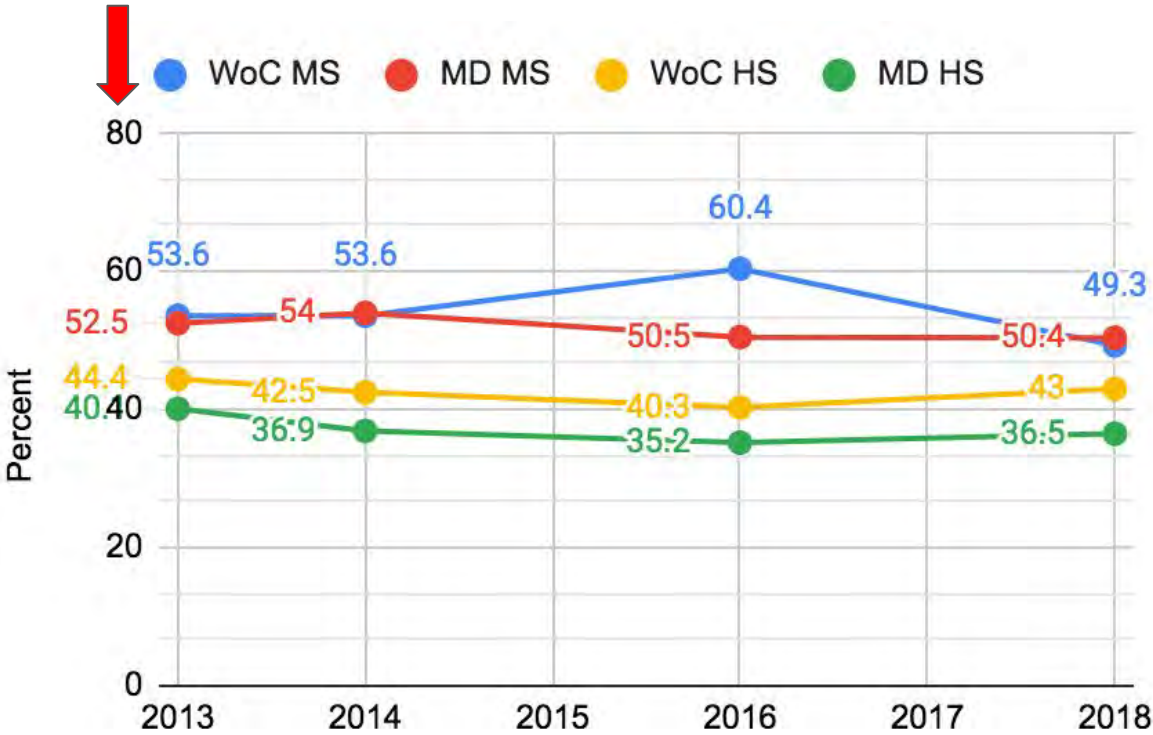
What do you think are the top three “Risk Behaviors” in your community?



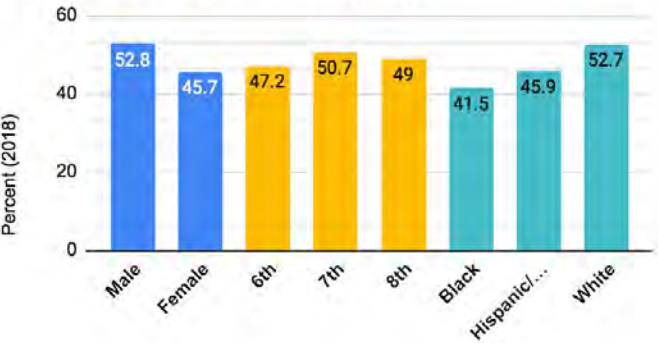
Indicator: Percent of Public School Students [in Grades 6-8 and Grades 9-12] Reporting Physical Activity for 60 Minutes in Last 7 Days

YRBS HS MS Data

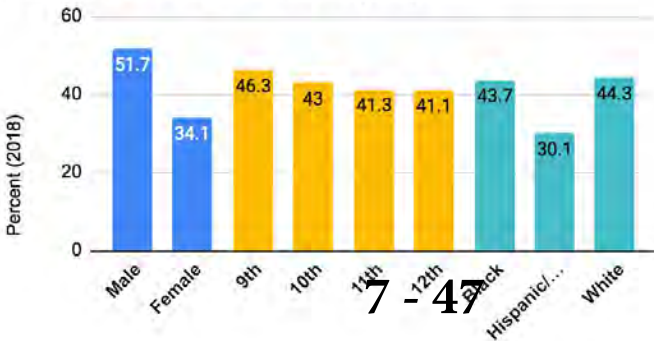
QN78(HS) ,QN41(MS): Percentage of students who were physically active at least 60 minutes per day on 5 or more days (in any kind of physical activity that increased their heart rate and made them breathe hard some of the time during the 7 days before the survey)(MS)

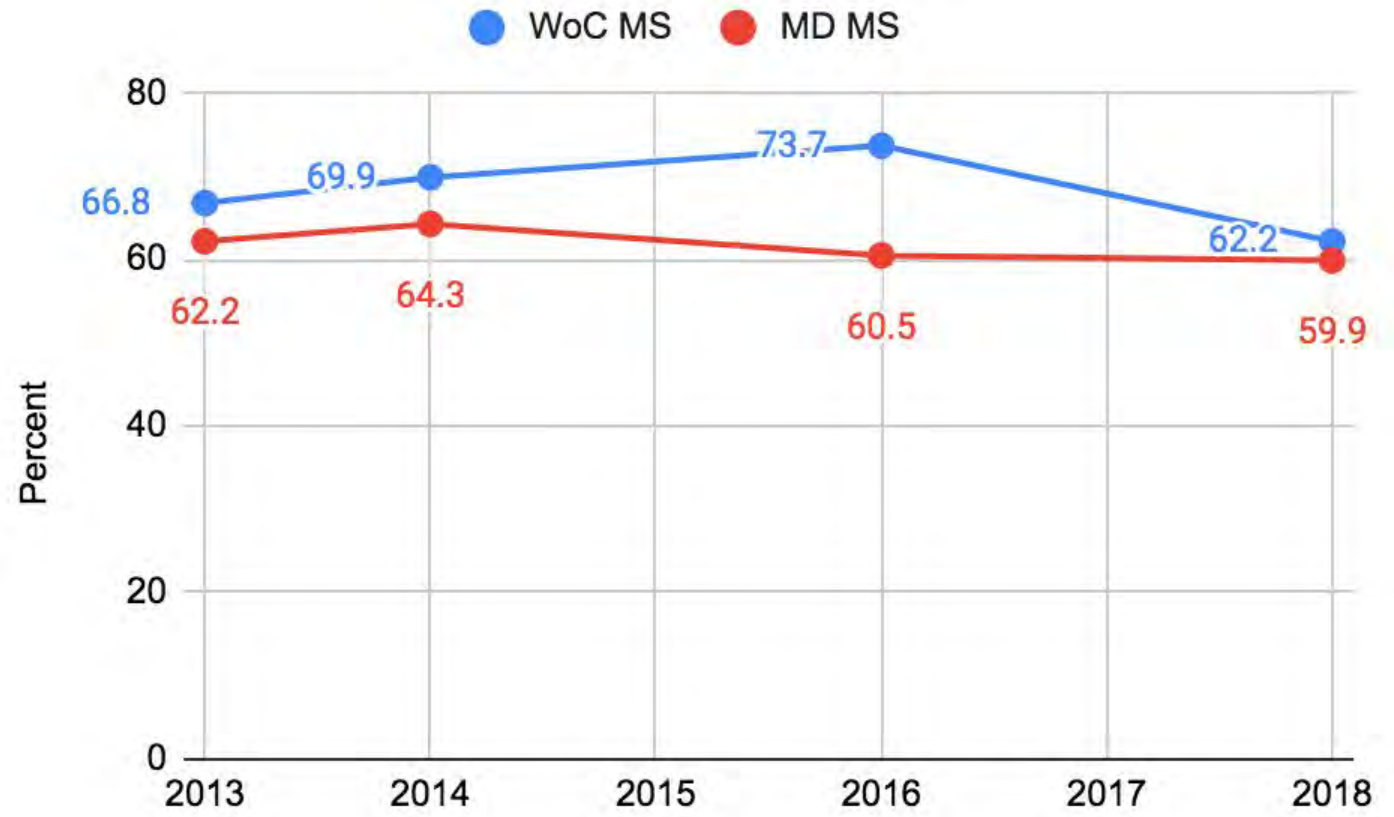


Gender, Grade and Race (MS)



Gender, Grade and Race (HS)





2021 Maryland Youth Pandemic Behavior Survey (YPBS)

Physical Activity and Wellbeing

Maryland high school students need more physical activity, better sleep schedules, and less screen time.

- ❖ 73% of Maryland teens are not physically active for at least one hour per day for more than five days.
- ❖ 67% of Maryland high school students spend three or more hours per day in front of a screen unrelated to schoolwork.
- ❖ Less than half (47%) of high schoolers in Maryland get 8 or more hours of sleep per night.

Physically Active by Region	% Yes
Capital	24%
Central	27%
Eastern Shore	22%
Southern	41%
Western	34%

COMMUNITIES ARE SAFE FOR CHILDREN,
YOUTH AND FAMILIES

12 month Juvenile Recidivism Rates for FY 2018-2020 Releases

	2018	2019	2020
# of Releases	3	5	5
Re-Arrest	0.00%	40.00%	0.00%
Reconviction	0.00%	20.00%	NA
Re-Incarceration	0.00%	0.00%	NA

12 month Juvenile Recidivism Rates for Probation Youth FY 2018-2020

	2018	2019	2020
Placements	39	29	25
Rearrest	33.3%	24.1%	24.0%
Reconviction	12.8%	3.4%	NA
Incarceration	2.6%	0.0%	NA

Relative Rate Index- DJS

ITEM 7

Rate of Contacts Per 10,000 Youth at Key Contact Points, Compared with General Population

	FY 19	FY 20	FY 21
Total Population (ages 11-17)	3,605	3 ,623	3 ,636
Referred to Juvenile court intake	1,645.1	1062.5	1221.3
Cases diverted	302.4	110.4	96.3
Cases Involving Secure Detention	91.5	58.0	46.8
Cases Petitioned	321.8	195.9	200.8
Cases Resulting in Delinquent Findings	155.4	104.9	112.8
Cases Resulting in Probation Placement	88.8	44.2	27.5
Cases Resulting in Confinement in Secure Correctional Facilities	2.8	0.0	0.0
Cases Transferred to Adult Court	11.1	13.8	0.0

7 - 53

Alternative response

Location	Time	Data Type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Worcester	Yearly total	Number	NA	105	90	98	100	131	147	120	NA	NA

Kids Count Data Center

Investigative response

Location	Time	Data Type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Worcester	Yearly total	Number	154	124	128	100	137	136	135	115	NA	NA

Kids Count Data Center

Had a Parent or Other Adult at Home Hit, Beat, Kick, or Physically Hurt You During the Pandemic by Region	% Yes
Capital	27%
Central	21%
Eastern Shore	29%
Southern	13%
Western	16%

Unsafe Driving

ITEM 7

*QN11: Percentage of students who texted or e-mailed while driving a car or other vehicle (on at least 1 day during the 30 days before the survey, among students who had driven a car or other vehicle during the 30 days before the survey)(HS)



WoC HS



Vehicle Safety

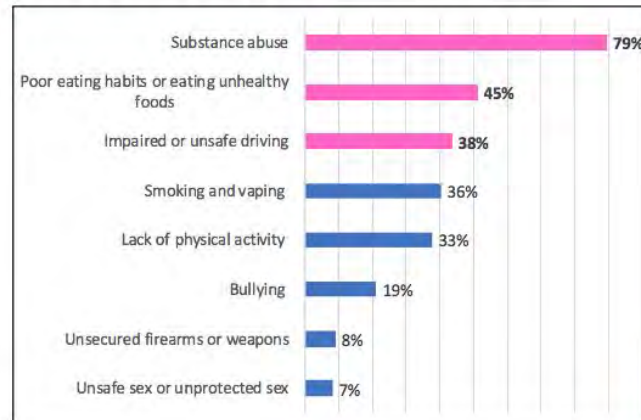
ITEM 7

Drove a car or other vehicle when they had been drinking alcohol by Region	% Yes
Capital	10%
Central	11%
Eastern Shore	30%
Southern	16%
Western	21%

Texted or Emailed While Driving a Car by Region	% Yes
Capital	18%
Central	27%
Eastern Shore	39%
Southern	27%
Western	32%

Community Health and Health Issues

What do you think are the top three “Risk Behaviors” in your community?



Youth Will Complete School



Graduation Rate- Worcester

Worcester students (%)	2016	2017	2018	2019	2020	2021
All	91.65	91.79	92.53	93.67	94.62	91.71
Black	92.78	83.18	90	92.59	89.69	91.86
Hispanic	91.67	95	88.89	89.29	95	88.24
White	90.96	93.80	93.93	94.78	95	92.27
Special education	76.47	72.86	79.17	78.18	80.49	79.31
FARMS	87.44	85.2	84.88	89.07	91.76	88.84

Related programs: WC

7 - 59

Education Attainment- Worcester (ages 25 and over)

Highest Level of Education	2016	2017	2018	2019	2020
<9th grade	2.9%	2.7%	2.5%	2.5%	2.2%
No diploma	7.5%	7.2%	6.7%	6.2%	5.5%
HS Grad/GED	32.3%	32%	31.6%	31.8%	30.8%
Some college	20.9%	21.2%	21.6%	22.9%	23.3%
Worcester AA degree	6.5%	6.9%	7.2%	7.6%	8.3%
MD AA degree	6.4%	6.5%	6.6%	6.7%	6.8%

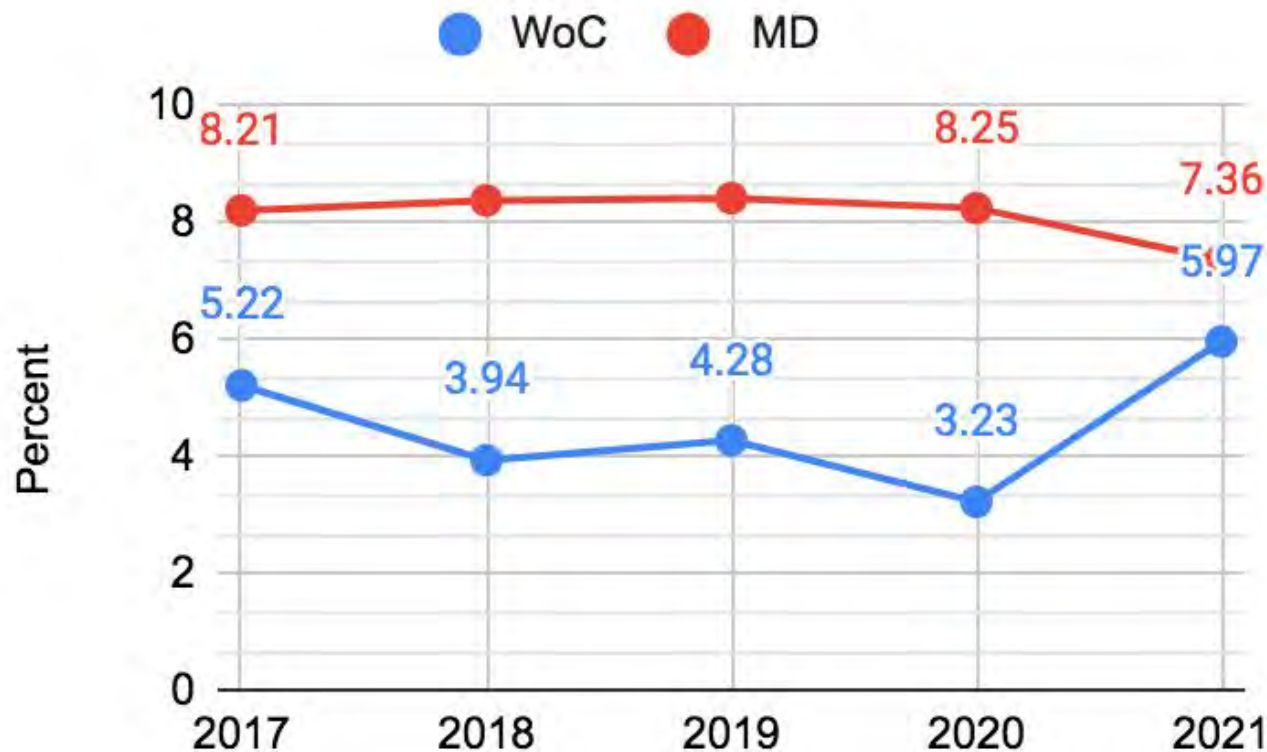


US Census, 2020 ACS, 5-Year Estimate

Drop out rate of students in a 4 year cohort



ITEM 7

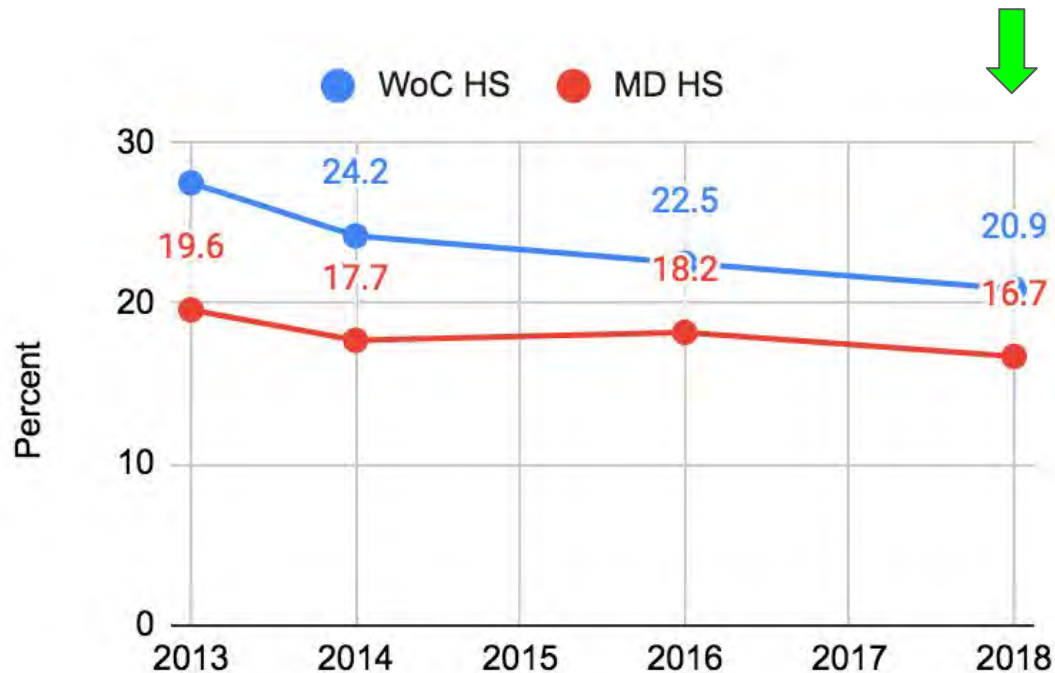


MSDE

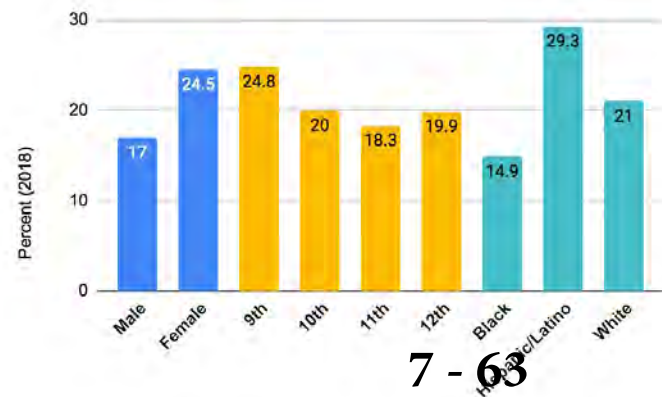
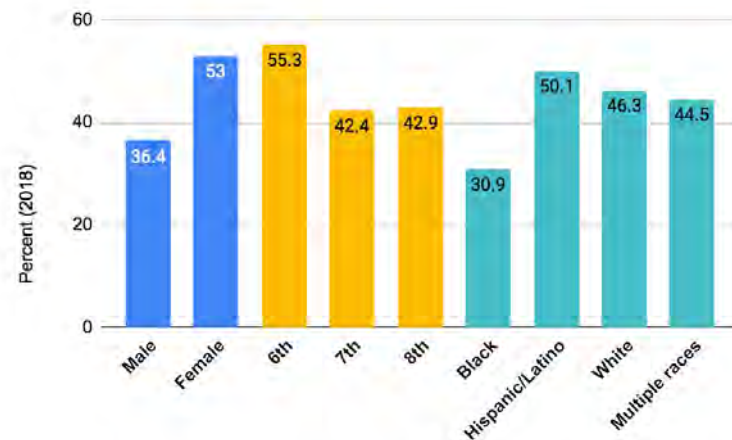
Children are Successful in School

YRBS Data

QN 23(HS), QN12(MS): Percentage of students who were ever bullied on school property (MS) (trend not available) Down, but still higher than State average.

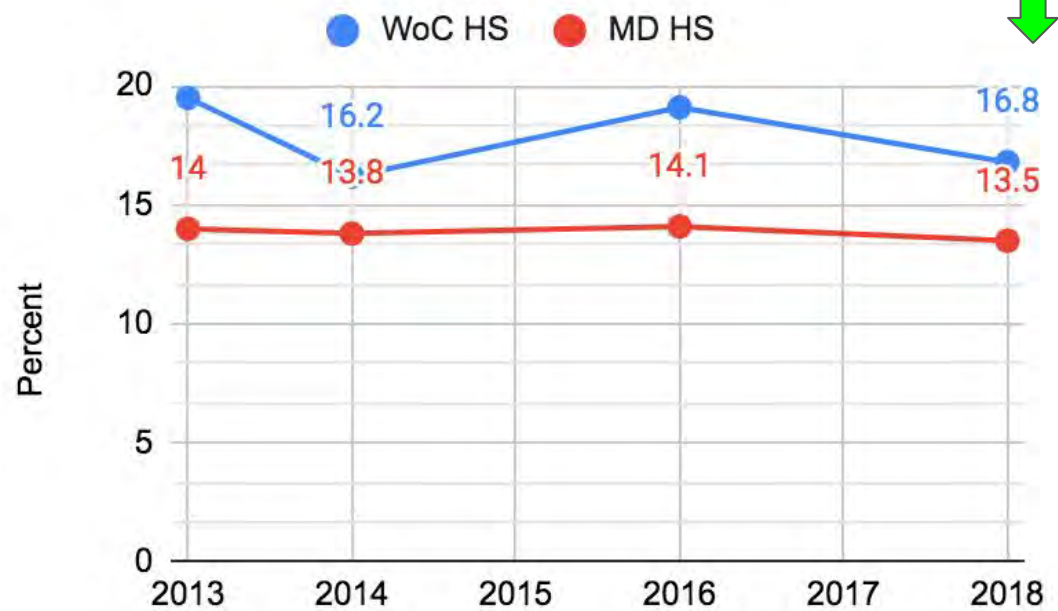


ITEM 7

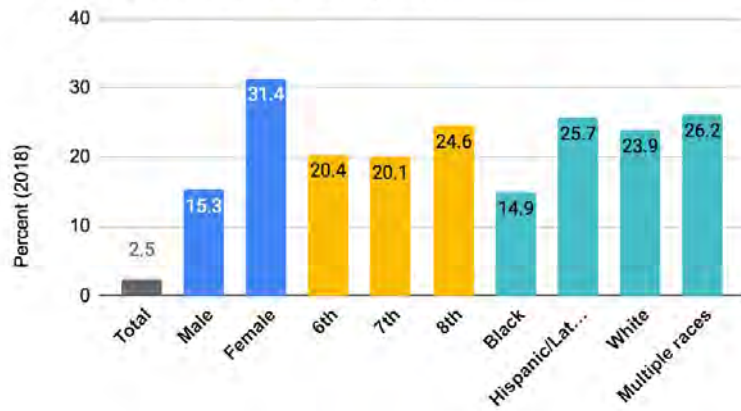


YRBS Data
 QN24: Percentage of students who were electronically bullied (counting being bullied through texting, Instagram, Facebook, or other social media, ever during the 12 months before the survey (HS)
 *QN 13 (MS) (trend not available) Down, but still higher than State average.

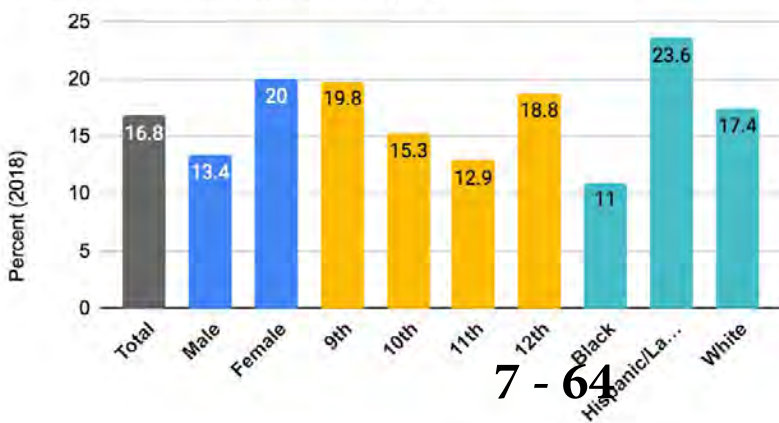
ITEM 7



Gender, Grade and Race (MS)

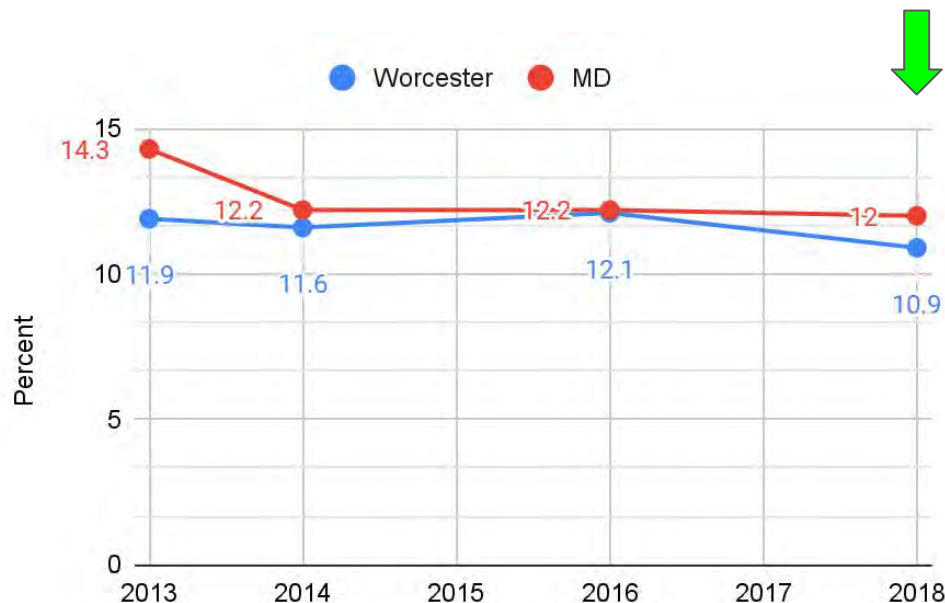


Gender, Grade and Race (HS)

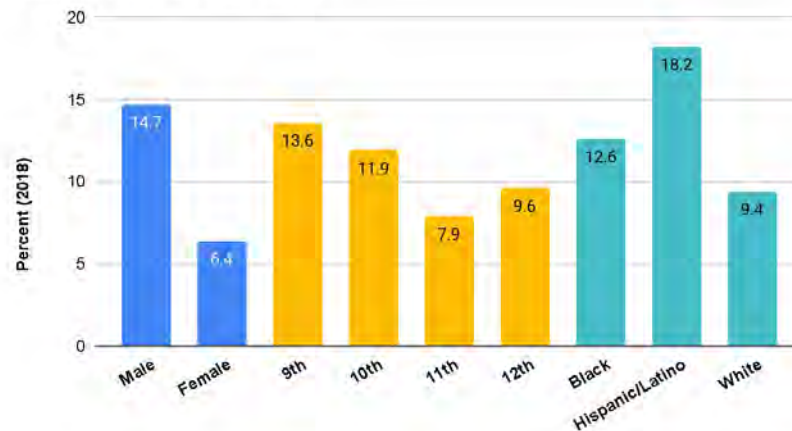


YRBS HS data

QN18: Percentage of HS students who were in a physical fight on school property (one or more times during the 12 months before the survey)



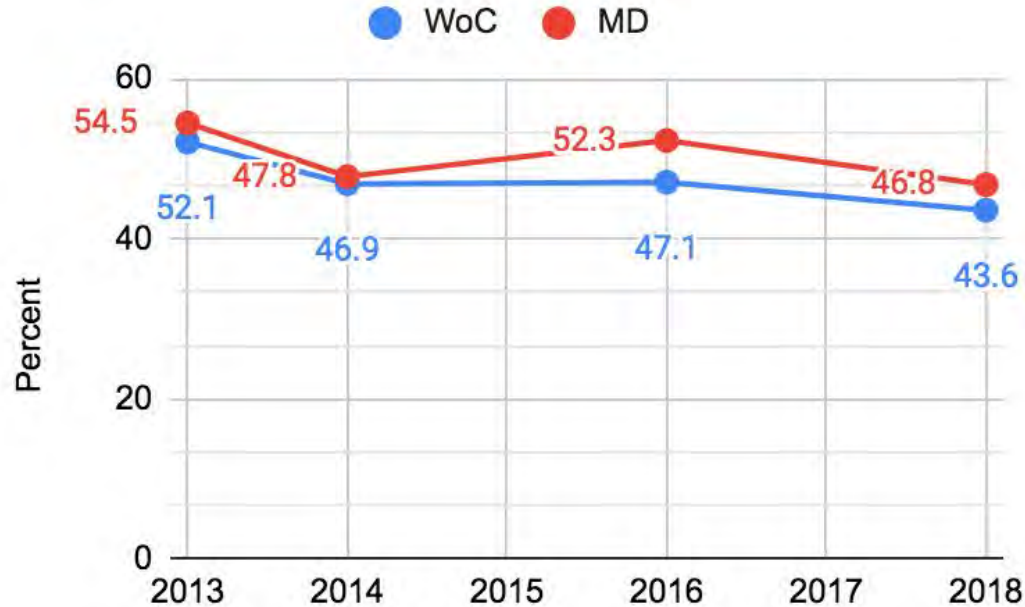
Gender, Grade and Race



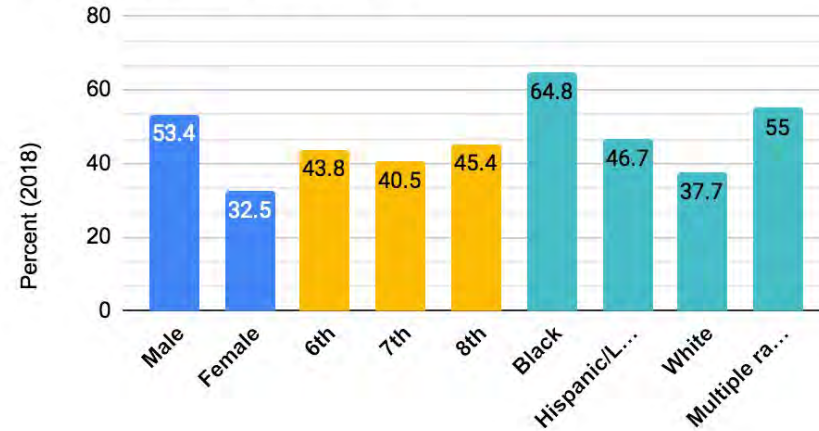
ITEM 7

YRBS MS Data

* QN11: Percentage of MS students who were ever in a physical fight



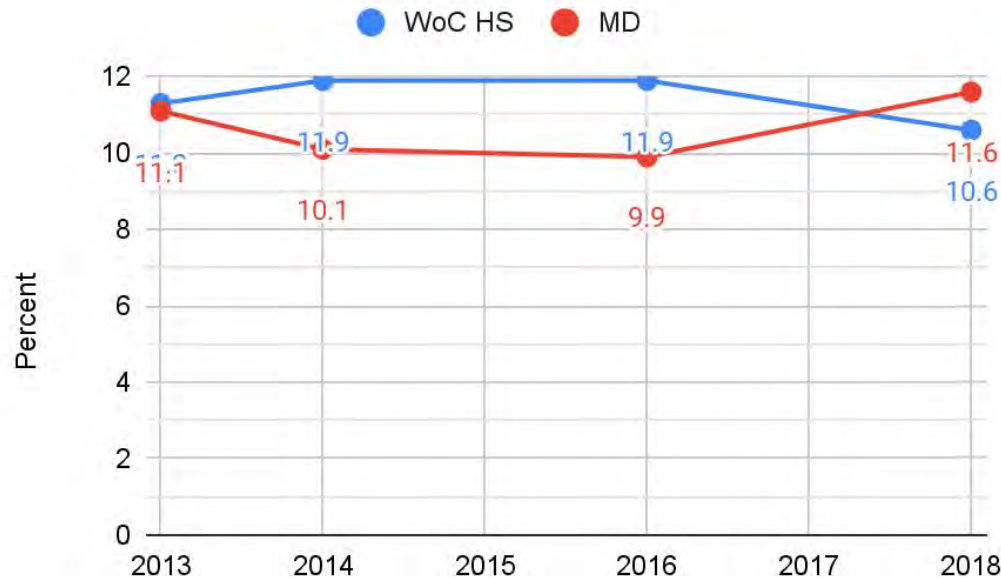
Gender, Grade and Race



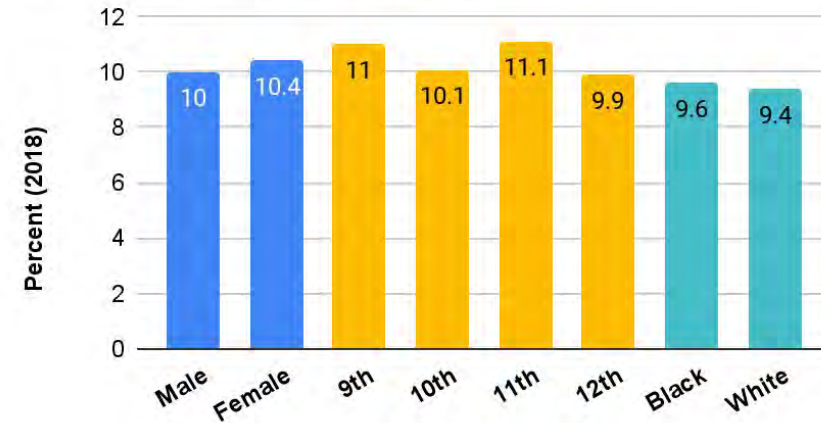
ITEM 7

YRBS HS data

QN22: Percentage of students who experienced physical dating violence (being physically hurt on purpose by someone they were dating or going out with [counting such things as being hit, slammed into something, or injured with an object or weapon] one or more times during the 12 months before the survey, among students who dated or went out with someone during the 12 months before the survey)



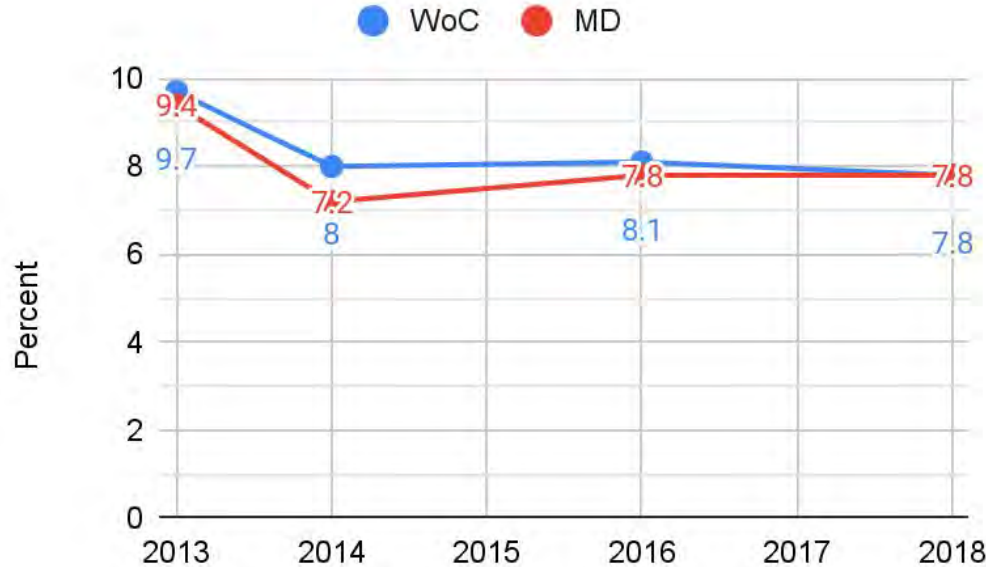
Gender, Grade and Race



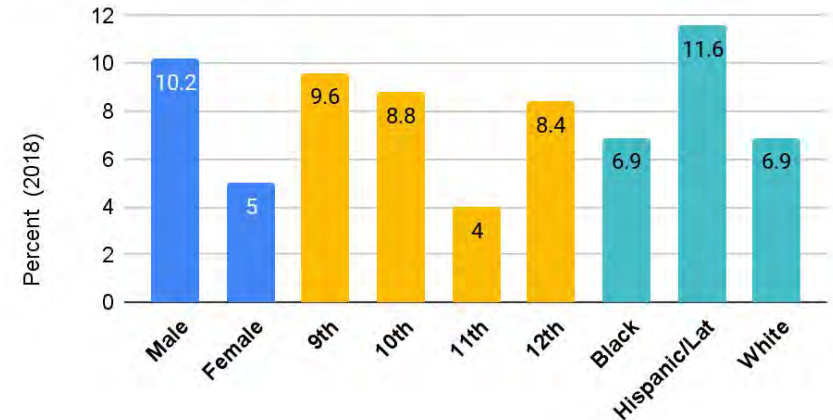
ITEM 7

YRBS HS data

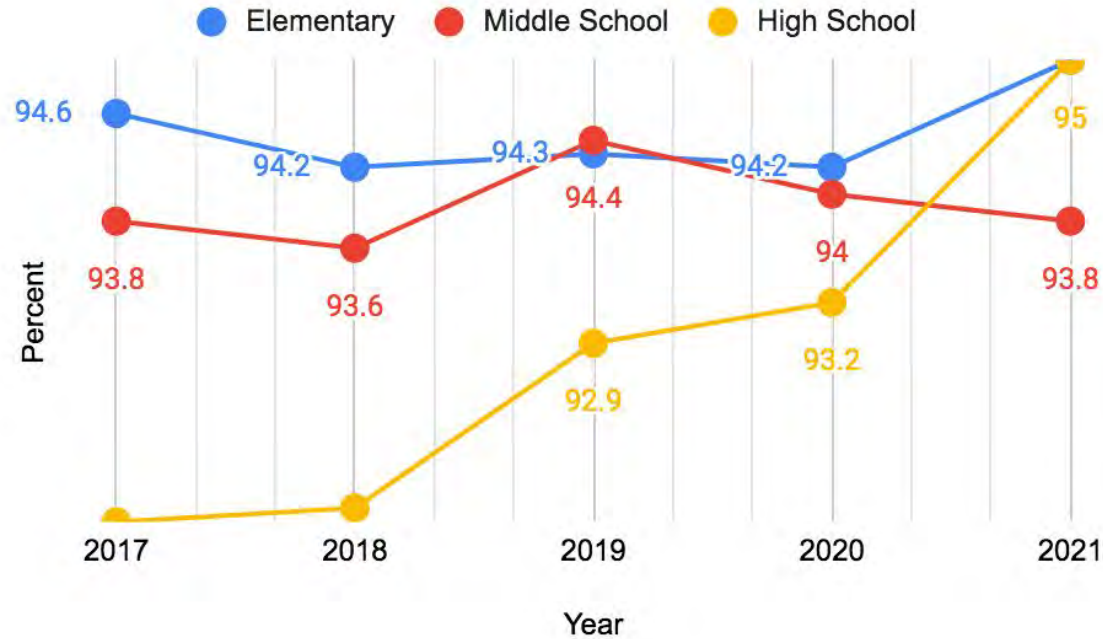
*QN16: Percentage of students who were threatened or injured with a weapon on school property (such as a gun, knife, or club, one or more times during the 12 months before the survey) (HS)



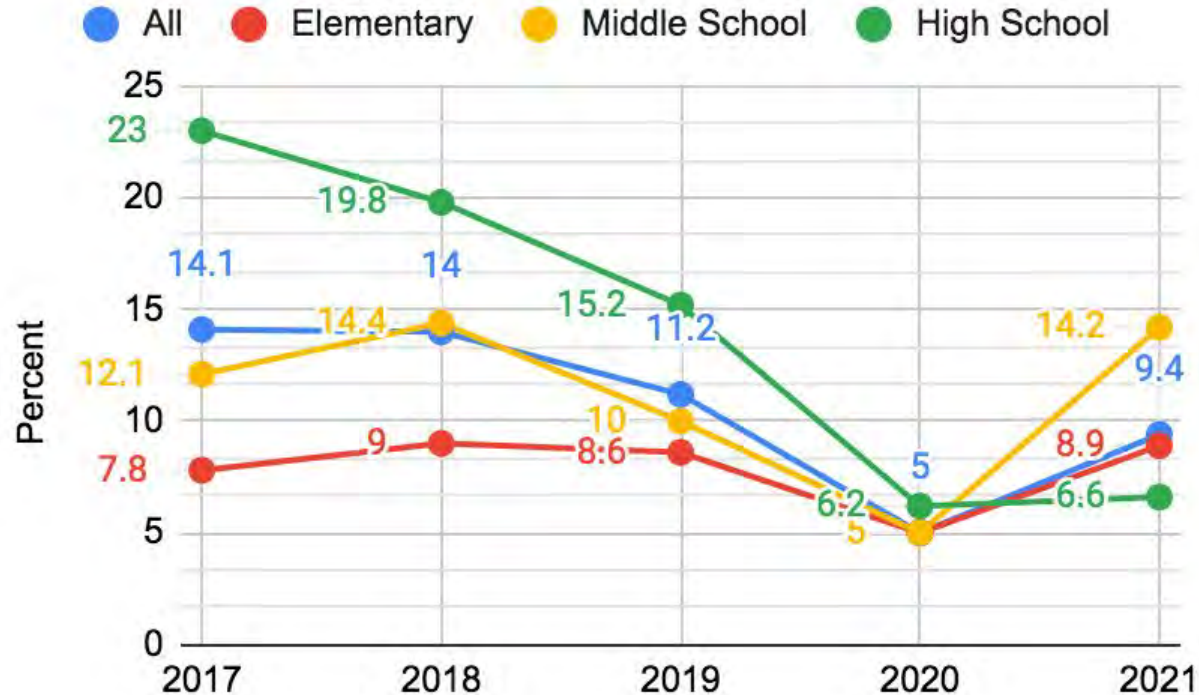
Gender, Grade and Race



Attendance rate



Absentee more than 20 days



Described Their Grades as A's or B's During the Pandemic by Region	% Yes
Capital	74%
Central	62%
Eastern Shore	61%
Southern	77%
Western	70%

Suspension rate

Location	Data Type	2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019
Maryland	Percent	7.0%	6.8%	6.2%	5.1%	4.5%	4.0%	4.3%	4.5%	4.5%	4.7%
Worcester	Percent	4.9%	4.7%	4.7%	3.7%	3.8%	3.1%	3.1%	3.6%	3.5%	3.3%

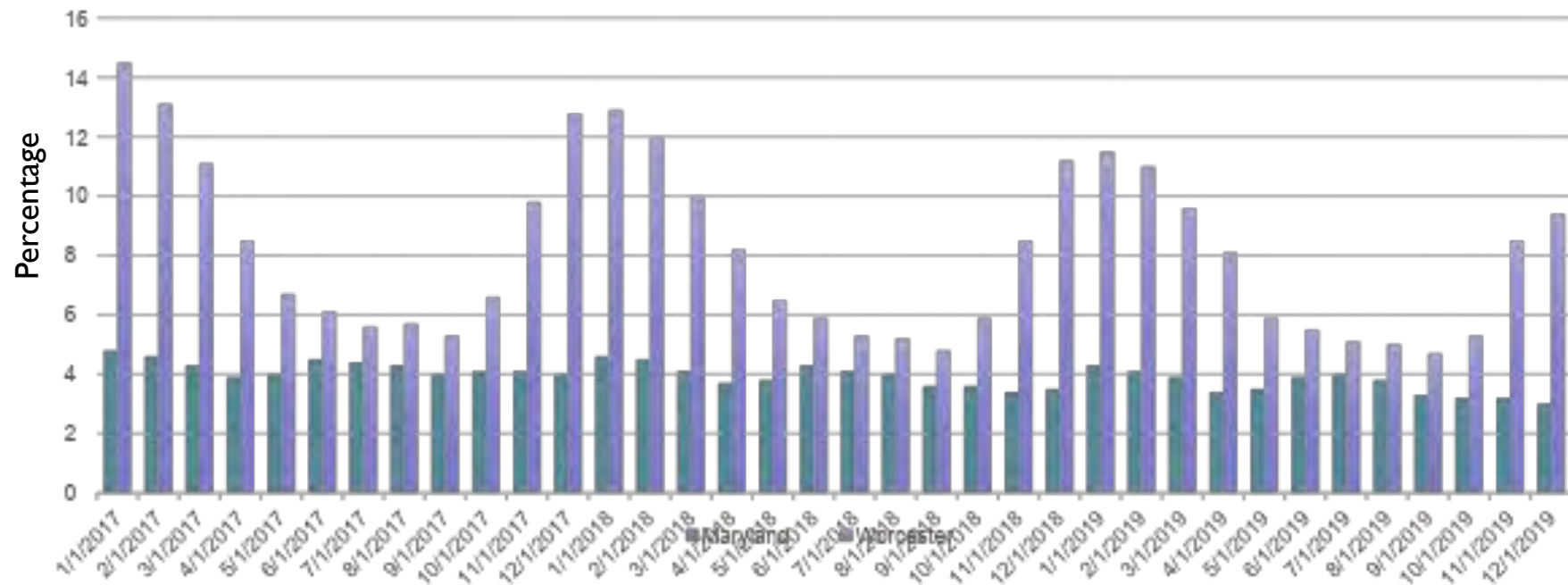
Multiple Suspension

Location	Data Type	2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019
Worcester	Number	84	95	88	64	67	59	65	68	66	72

Youth have opportunities for
employment or career readiness

Unemployment Rate by Month

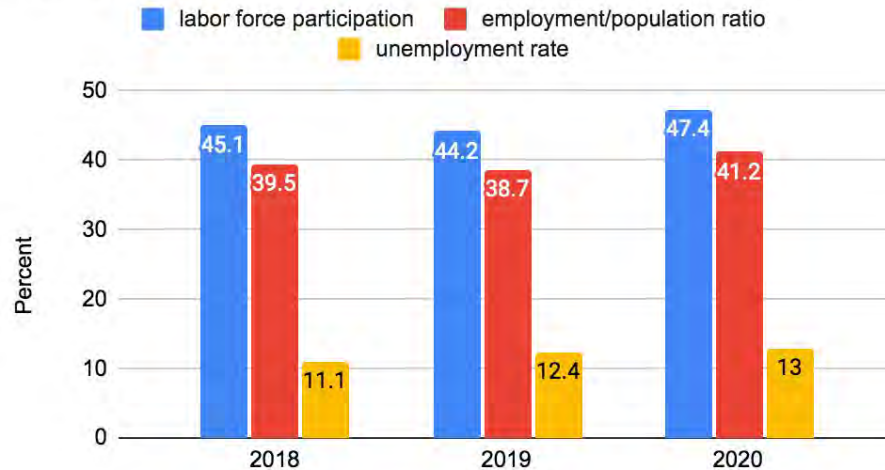
January 2017- December 2019



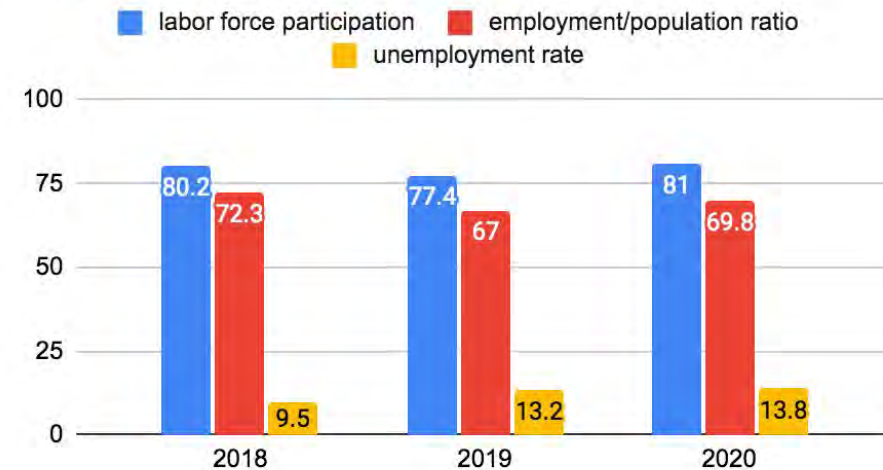
Source: US Census, 2019 ACS, 5 year Estimate

Youth unemployment rate

16-19 years



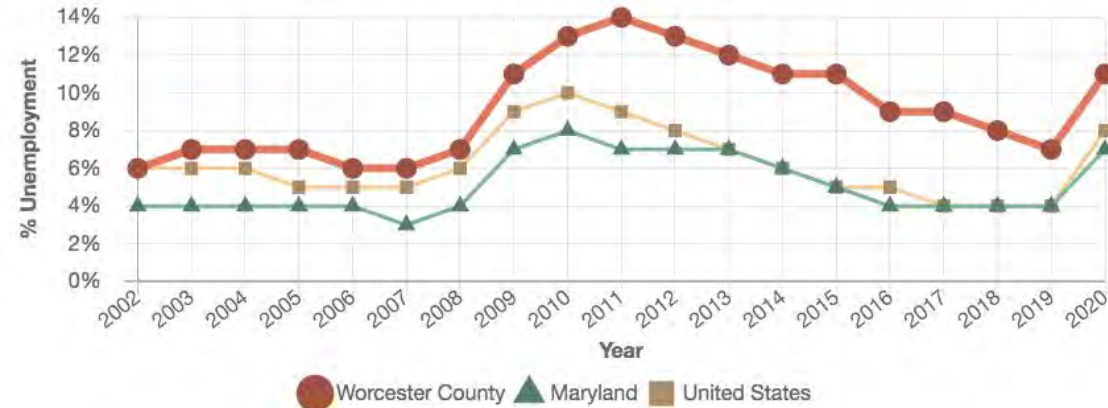
20-24 years



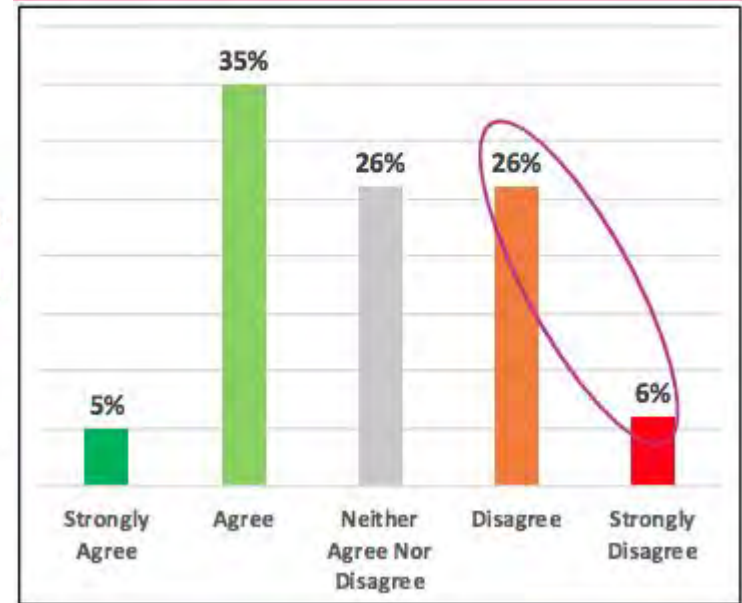
ITEM 7

Unemployment in Worcester County, MD County, state and national trends

Worcester County is getting worse for this measure.



There are job opportunities in your community



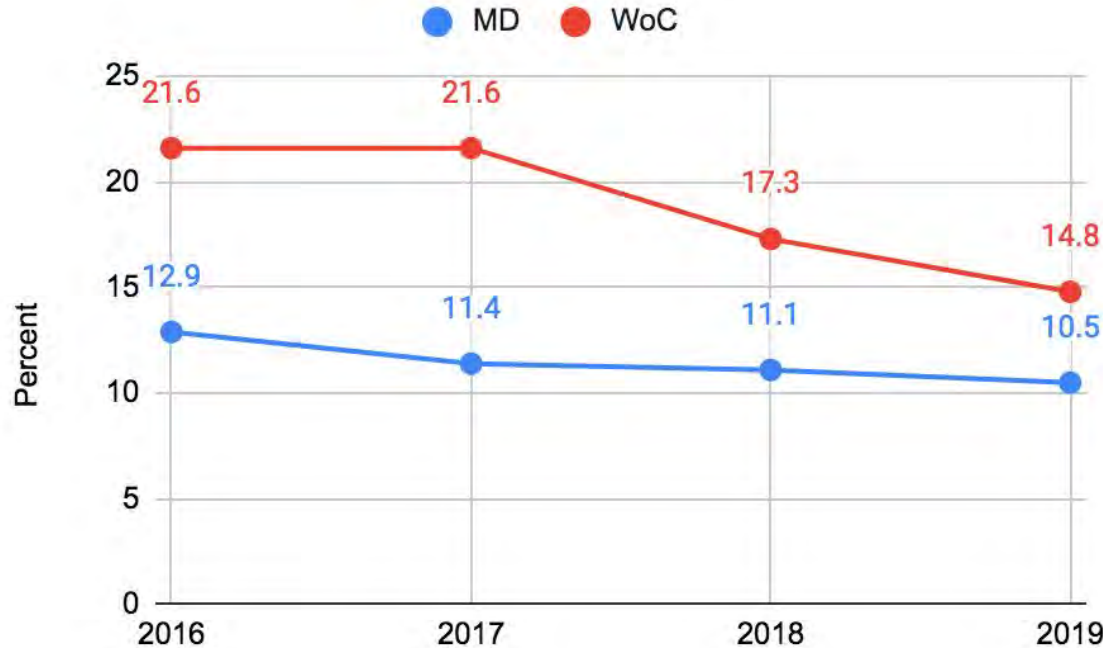
County Health ranking

WC 2020 CTSA

7 - 76

Disconnected youth

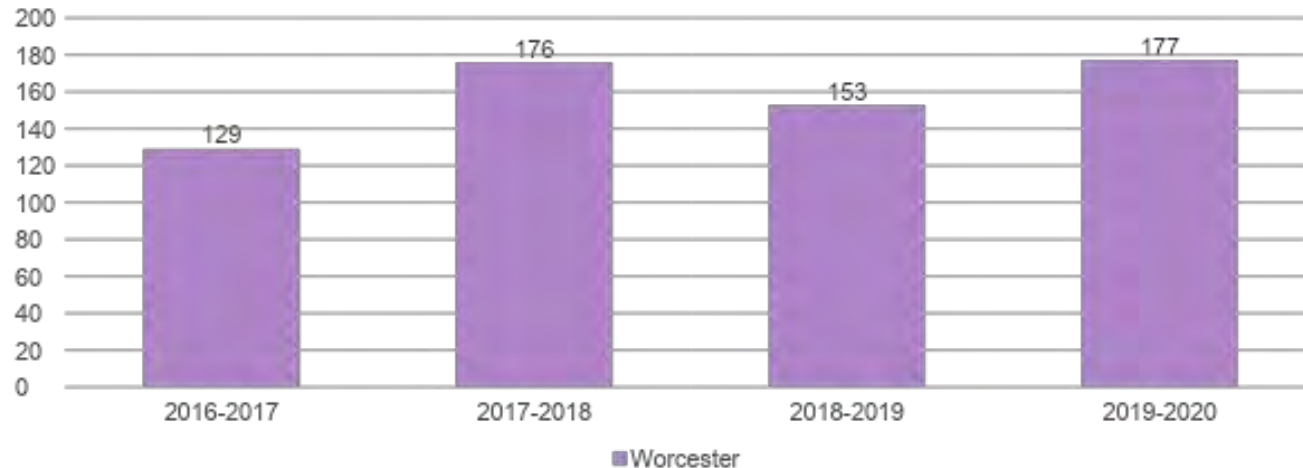
Age 16-24 neither in school nor working



Opportunity index

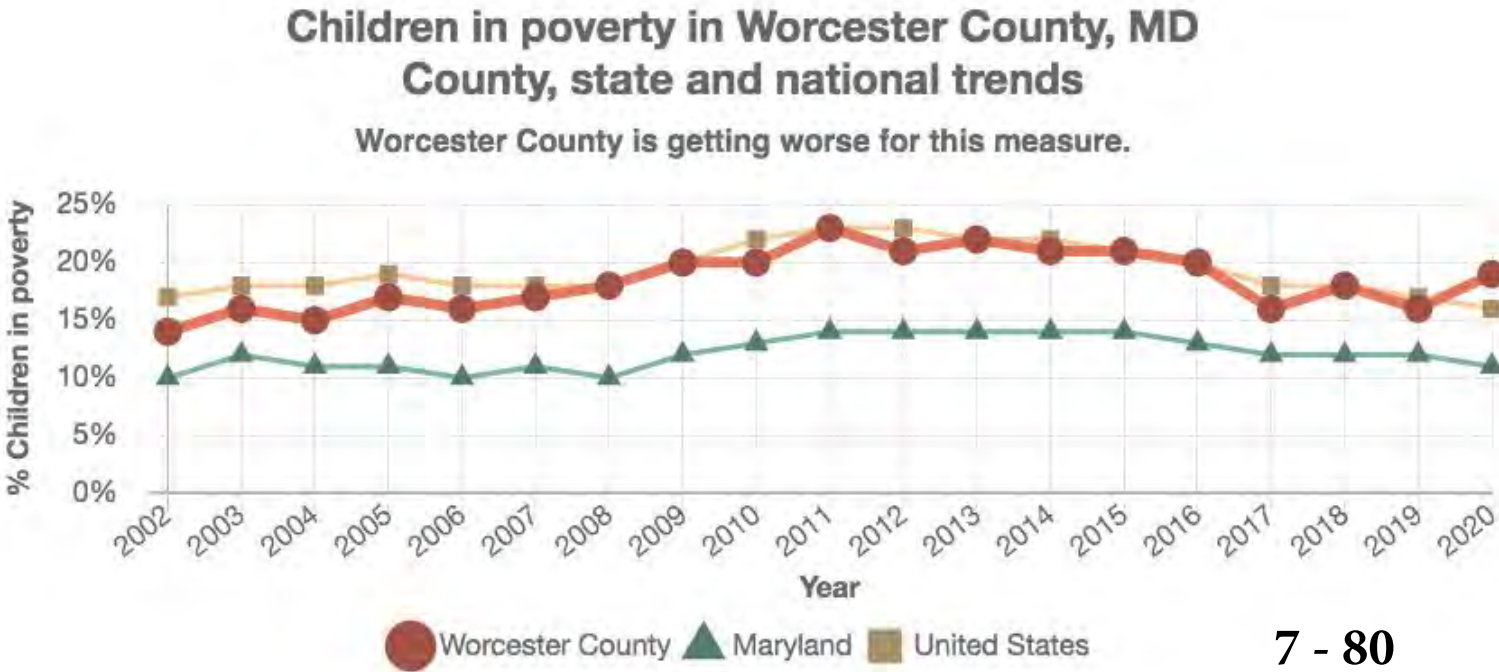
Families are Economically
Stable

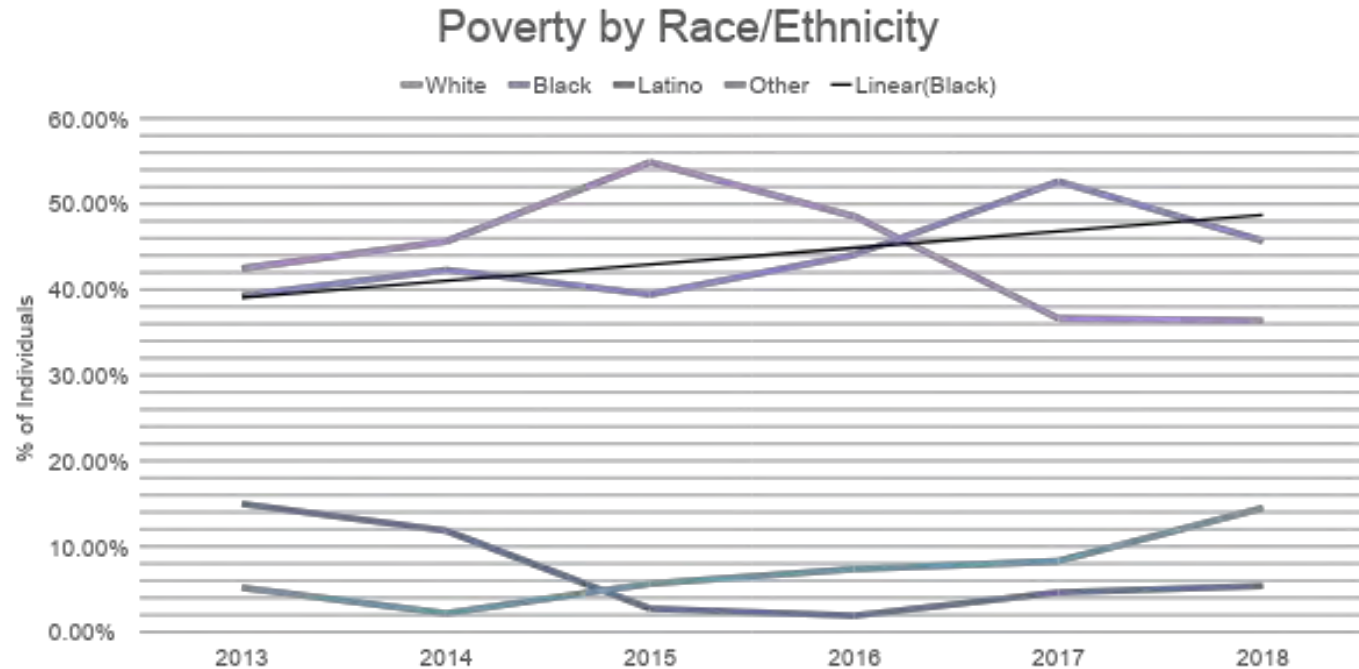
NUMBER OF FAMILIES IN TRANSITION IN WORCESTER COUNTY (FIT Families)



Children in poverty

Location	Data Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Maryland	Percent	13.9%	14.1%	13.9%	13.8%	13.9%	13.0%	12.4%	12.1%	12.3%	11.2%
Worcester	Percent	22.8%	21.3%	22.0%	20.5%	20.7%	19.9%	16.1%	17.7%	15.5%	18.6%



CHILDREN LIVING IN POVERTY BY RACE/ETHNICITY WORCESTER
COUNTY

Source: US Census, ACS, 2017 5 Year
Estimates

ALICE

Table 2. Percent of Households below the ALICE Threshold, Worcester, 2014-2018

Place	% ALICE & poverty		
	2014	2016	2018
Pocomoke City	56%	66%	67%
Snow Hill	47%	59%	61%
Berlin	35%	47%	43%
West Ocean City	32%	37%	40%
Ocean City	27%	37%	42%
Ocean Pines	19%	27%	31%

Source: United Way ALICE Report for Maryland

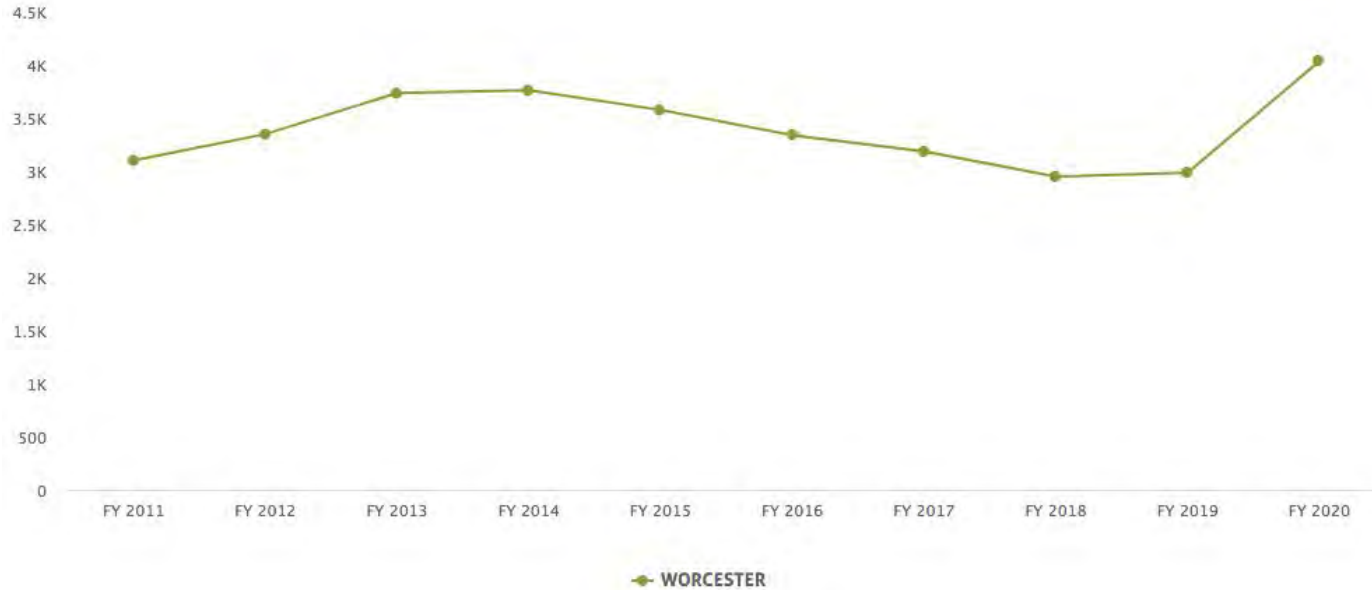
Table 3. Percent of Households below the ALICE Threshold by Race, Worcester, 2018

County	Black	White
Kent	80%	37%
Allegany	72%	54%
Somerset	72%	49%
Worcester	67%	36%
Baltimore City	66%	38%

Source: 2018 United Way ALICE Report for Maryland

Supplemental nutrition assistance program (SNAP) participation in Worcester

ITEM 7



Location	Data Type	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Worcester	Number	3,100	3,347	3,733	3,759	3,574	3,337	3,183	2,946	2,983	4,033

Related Program: 8B, WC

7.83

Additional Local Data

Out-Of-Home Placement- Worcester

ITEM 7



Youth placed OOH	2015	2016	2017	2018	2019	2020	2021	2022
Rate of new placement setting per 1,000 MD Children	8.22	6.1	7.73	9.56	5.37	NA	NA	NA
Number	380	334	412	400	392	212	270	NA
Youth Placed in RTC	2015	2016	2017	2018	2019	2020	2021	2022
Number	10	10	8	10	7	2	3	NA

Source:

Rate-2019-OOHP-JCR-Report.pdf

Number- Kids Count Data Center

Related programs: 7-CT-85-BB

Grandparents responsible for their grandchildren-Worcester



Location	Data Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Maryland	Number	46,732	48,216	49,046	48,939	48,301	47,399	46,849	46,840	46,378	45,215
	Percent	7%	7%	8%	8%	8%	7%	7%	7%	7%	7%
Worcester	Number	394	485	482	499	402	400	325	343	295	254
	Percent	8%	9%	10%	11%	9%	10%	8%	9%	7%	6%

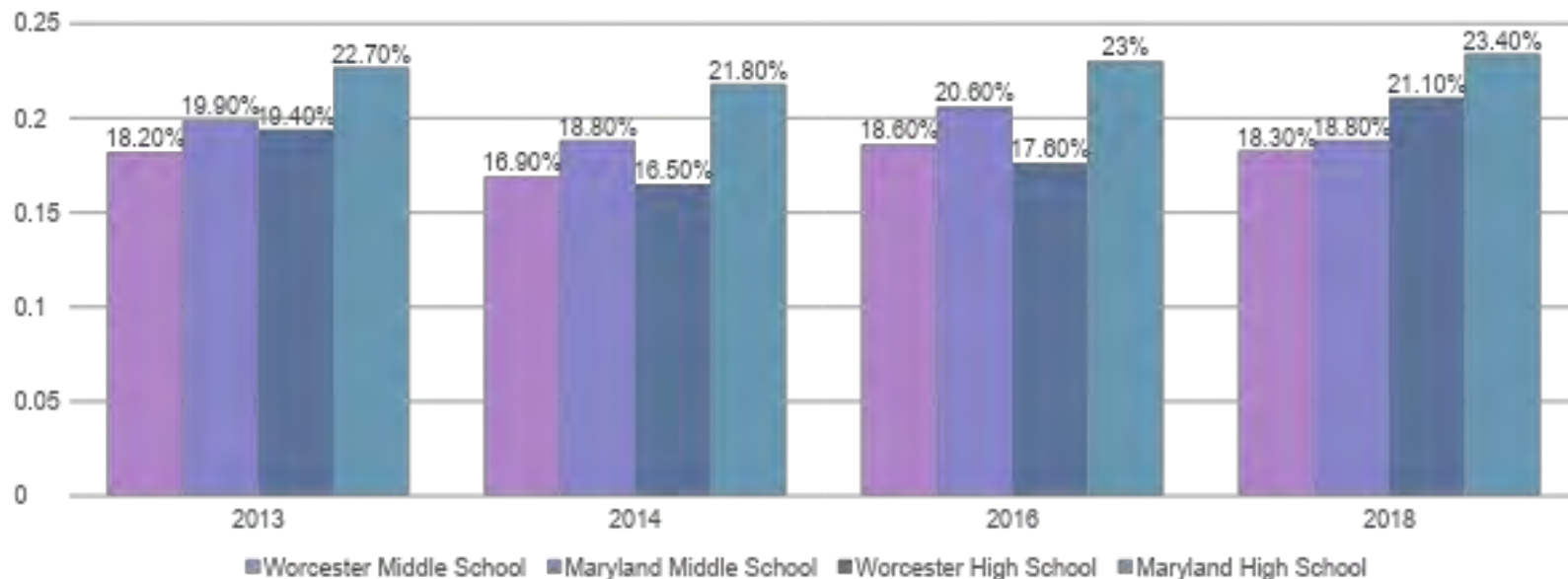
Number- Kids Count Data Center

Been Separated From a Parent or Guardian That Went to Jail, Prison, or a Detention Center by Region	% Yes
Capital	6%
Central	10%
Eastern Shore	14%
Southern	6%
Western	5%



YRBS Data

Percentage of students who would **not** feel comfortable seeking help from one or more adults besides their parents if they had an important question affecting their life



Q15: Besides your parents, how many adults would you feel comfortable seeking help from if you had an important question affecting your life?

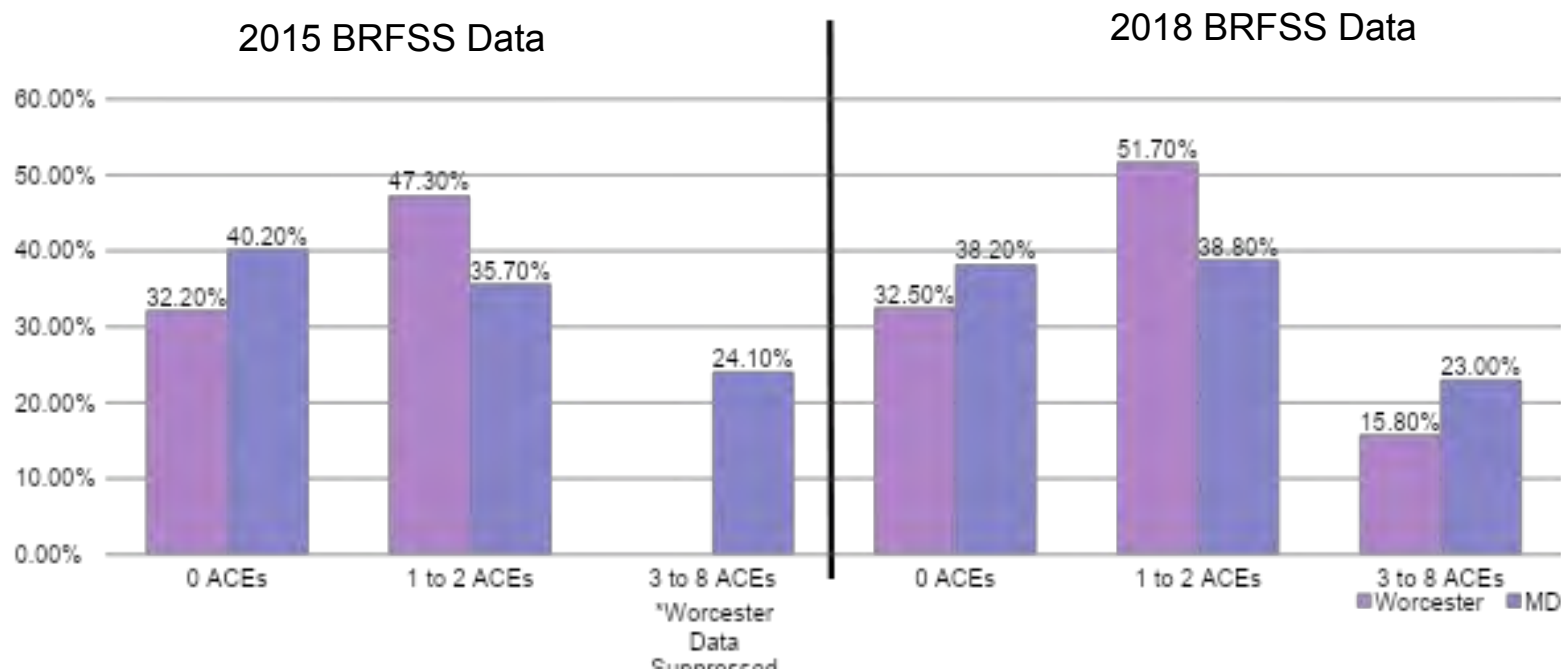
Had at Least 1 Adult to Seek Help From by Region	% Yes
Capital	80%
Central	83%
Eastern Shore	93%
Southern	90%
Western	87%

ITEM 7

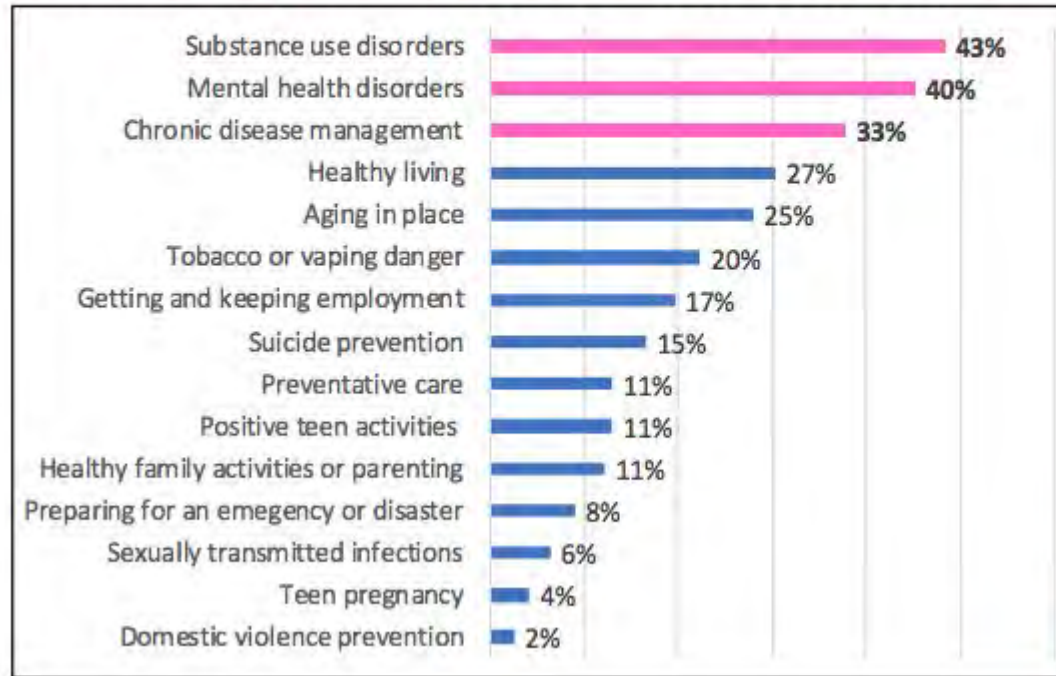
Lived With Someone who was Having a Problem with Alcohol or Drugs by Region	% Yes
Capital	11%
Central	24%
Eastern Shore	31%
Southern	28%
Western	10%

2021 Maryland Youth
Pandemic Behavior
Survey (YPBS)

PREVALENCE OF ADVERSE CHILDHOOD EXPERIENCES AMONG MARYLAND AND WORCESTER ADULTS



What are the top three “topics people in your community need more information” about?



33





Worcester County Department of Environmental Programs

Worcester County Government Center, 1 West Market Street, Rm 1306 | Snow Hill MD 21863

Tel: (410) 632-1220 | Fax: (410) 632-2012

Memorandum

To: Weston S. Young, P.E., Chief Administrative Officer

From: Robert J. Mitchell, LEHS, REHS/RS 
Director, Environmental Programs

Subject: **Public Hearing Notice**
Riverview Mobile Home Park
SW-2022-03

Date: 11/7/22

The Planning Commission met on November 3, 2022, and reviewed this amendment application. We are writing to forward the Planning Commission's finding of consistency with the *Comprehensive Development Plan* and their recommendation to amend the *Comprehensive Water and Sewerage Plan* for an amendment to Riverview Mobile Home Park.

The amendment, requested by Rauch Engineering, on behalf of the owner of Riverview Mobile Home Park, Jim Latchum, would allow for the construction of a wastewater treatment plant for stream discharge and modifications to the existing water treatment plant to serve an expansion of the park up to sixty (60) units. The existing conventional subsurface multi-use septic system would be connected to the proposed wastewater plant, and septic would be properly abandoned after the required year-long timeframe for operational testing of the wastewater treatment plant. To allow for the review of such a permit, it is also necessary to modify Section 1.2.2 D (Protection of the Environment) of *The Plan* to amend existing language that would make it possible for this facility to apply for a discharge permit. The planning amendment has been reviewed by the Planning Commission and was found to be consistent with the *Comprehensive Plan* at their November 3rd meeting.

A public hearing will be scheduled for the Amendment to the *Comprehensive Water and Sewerage Plan* to revise the sewer planning area to include the subject property.

I have forwarded a draft advertisement for this joint hearing to County Administration under separate cover. As always, I will be available to discuss this matter with you and the County Commissioners at your convenience. Should you have any questions or require future information in the interim, please do not hesitate to contact me.

Attachments

1. Environmental Program's transmittal letter and staff report to the Planning Commission; and
2. Minutes for the Planning Commission meeting on November 3, 2022

Attachment 1

**Staff Report to The
Planning Commission**



DEPARTMENT OF
ENVIRONMENTAL PROGRAMS

Worcester County

GOVERNMENT CENTER

ONE WEST MARKET STREET, ROOM 1306

SNOW HILL, MARYLAND 21863

TEL: 410-632-1220 / FAX: 410-632-2012

LAND PRESERVATION PROGRAMS
STORMWATER MANAGEMENT
SEDIMENT & EROSION CONTROL
SHORELINE CONSTRUCTION
AGRICULTURAL PRESERVATION
ADVISORY BOARD

WELL & SEPTIC
WATER & SEWER PLANNING
PLUMBING & GAS
CRITICAL AREAS
FOREST CONSERVATION
COMMUNITY HYGIENE

10/27/22

Worcester County Planning Commission
Worcester County Courthouse
1 West Market Street, Room 1201
Snow Hill, MD 21863

RE: *Comprehensive Water and Sewerage Plan*
Amendment – Riverview Mobile Home Park
(SW-2022-03)

Dear Commissioners:

We are writing to forward the proposed *Worcester County Comprehensive Water and Sewerage Plan (The Plan)* amendment to propose a text amendment to *The Plan* to allow for a discharge permit to be applied for the effluent from the Riverview Mobile Home Park in Bishopville, MD, and to build a wastewater plant and improve water infrastructure to support a future park expansion as well in *The Plan*, for your review and comment to the County Commissioners. According to Chapter One, Section 1.4.2 of *The Plan* ("Application for Amendments"), the applicant submitted a complete application for a text amendment and we have attached it.

The amendment, requested by Rauch Engineering, on behalf of the owner of Riverview Mobile Home Park, Jim Latchum, would allow for the construction of a wastewater treatment plant for stream discharge and modifications to the existing water treatment plant to serve an expansion of the park up to sixty (60) units. The existing conventional subsurface multi-use septic system would be connected to the proposed wastewater plant, and septic would be properly abandoned after the required year-long timeframe for operational testing of the wastewater treatment plant. To allow for the review of such a permit, it is also necessary to modify Section 1.2.2 D (Protection of the Environment) of *The Plan* amended language would make it possible for this facility to apply for a discharge permit.

The Riverview park, located in Bishopville, is in *The Plan* as a multi-use septic system serving the residents of the park. Maximum number of trailers was capped at 66, and they have run between 58-63 units in our historical records and have the ability to add the last system connections. The septic is a single system, with a low pressure-dosed drain field that has the old system as a backup. They have conventional (zero) treatment at the present, and the system and drain field is an innovative system repair located entirely in the critical area. There is no guaranteed state funding for pre-treatment (a

WS Amendment Case No. 2022-03
October 27, 2022

package plant) that would be required with a system replacement should the existing system fail. In Worcester County, this system is the only large multi-use septic system (over 5,000 gpd) that does not have groundwater discharge permit, is located within the critical area, is not adjacent to any sewer planning area, and does not have a more secure state funding source for the addition of treatment (systems located in our state parks).

Within our calculations, the park currently contributes 1,214 pounds of nitrogen annually to the Coastal Bays using Maryland Department of the Environment's (MDE's) nitrogen delivery ratio for systems located within the 1,000 ft critical area (attached). A advanced treatment plant would dramatically reduce this loading to the watershed with the advanced treatment technologies available today. Grants for a system of this size would be very hard to secure. The water quality funding scoring in Maryland is geared towards larger community systems, systems that have failed or need significant repair, or systems under a consent order. This park is currently not under a consent order. A replacement of the system with treatment would be an immense debt burden imposed on the rental rates for the existing park residents. The owner believes that getting additional units for the park within the existing property would assist in spreading the cost of the upgrade to treatment to an affordable price point that would provide a stable future for the park's residents, and it would be a bonus to the county to add to the park's ability to provide affordable workforce housing for additional individuals and families. The park's location, located away from any county sewer service or planning areas made nutrient reductions unfeasible by connection to existing plants. This was examined during watershed restoration planning done to identify nutrient reduction opportunities within this watershed.

The owners and their consultants have explored additional onsite testing to expand the septic capability and explored adjacent properties for spray irrigation and have not been able to find or secure these outlets for additional land application of treated effluent. In fact, there has been a concerted effort over the last couple years by the owners and the county to examine options and confer with state agency staffs any alternatives to a point source discharge for this park. The prior amendments for this park were not approved due to language revisions that MDE wanted included in the text amendment. Those changes have been discussed and reviewed in the interim and the revised language is presented in this amendment.

This amendment is proposing a community wastewater system served by a wastewater treatment plant with Enhanced Nutrient Removal (ENR) utilizing a packaged Membrane Bioreactor (MBR) type of treatment plant. The applicant is offering that the treatment plant will have a capacity of .03 MGD and will treat the effluent to 0.3 mg/l TP (Total Phosphorus) and 3 mg/l TN (Total Nitrogen). The final permit limits, as mentioned above, will be decided by MDE, and could be different especially regarding the total phosphorus concentration (TP). This would be in concert with the approved *Plan* text that will not contribute to degradation or level of impairment on the receiving waterbody. They have also offered a comparison of typical effluent concentrations of on-site septic systems, similar to Riverview MHP's existing community multiuse septic system, has discharge concentrations to 14.6 mg/l TP and 55.3 mg/l TN. They have also proposed that the wastewater treatment plant is expected to accept the existing water treatment plant discharge currently discharged to a sedimentation pond adjacent to the plant under a state discharge permit. The inclusion of this wastewater would eliminate the need for the additional discharge permit and the sedimentation pond currently supporting the water treatment plant.

The proposed point discharge to the Bishopville Prong requires a net zero total phosphorus load to the Prong due to the impaired status of the waterway. This is proposed to be achieved through ENR

WS Amendment Case No. 2022-03

October 27, 2022

treatment of 0.3 mg/l concentration or lower from plant treatment practices plus a secondary two-stage filtration system integrated into the treatment process for further effluent polishing. The owner's consultant has referenced studies confirming multiple polishing systems capable of achieving 0.015 mg/l concentrations of TP in the post-filtration effluent. The consultant has indicated that the load must be mitigated to achieve a net-zero TP discharge to the Bishopville Prong. 1.36 lbs of TP needs to be offset through treatment practices within the watershed. The consultant indicates the Owner proposes to achieve a minimum of 1.36 lbs/yr TP removal from naturally generated sources on owner-controlled and owned parcel adjacent to the proposed MHP expansion shown.

This property generates 3.6 lbs/yr of TP from naturally occurring sources per the consultant's use of "Model My Watershed" software. The Owner proposed installation of BMPs on this property with a minimum of 40% removal efficiency which will reduce the TP load by 1.44 lbs/yr. This is proposed to generate a net reduction in TP to the Bishopville Prong of 0.08 lbs/yr at minimum. All necessary easements and land-use restrictions needed to facilitate and maintain the on-site BMP will be provided by the Owner, Jim Latchum. All of the proposed offsets through BMPs or otherwise are solely proposed on land entirely owned or controlled by the park owner. As the state wanted, the land use for the BMP offsets will be maintained for the life of the WWTP and the discharge permit.

The applicant has detailed Riverview MHP's current water production demand of 7,700 GPD and a calculated average EDU of 117 GPD. They have proffered that the current water system has adequate physical and allocated capacity to meet those needs. The addition of 60 lots would be added to the water system with an estimated EDU of 150 GPD. This would bring the weighted average EDU to 132 GPD and the total demand for the 126 lots of 17,000 GPD total production.

Currently, the general allocation permit (GAP) for water allocates 15,000 GPD for average daily flow with 22,000 GPD for month of maximum use. Riverview MHP, prior to 2014, held a GAP for 22,000 GPD average flow with 38,000 GPD for maximum month use. Riverview will seek to increase the current GAP allocation of 15,000 GPD to the pre-2014 level of 22,000 GPD. To do that and allow Environmental Programs as the local Approving Authority to sign off on the GAP application, the application has to be in conformance with the *Master Water & Sewerage Plan*.

Amendment Text Revisions Proposed

The proposed amendment text change is attached. After an investigation by staff that included multiple conversations with MDE staff, we have made the following edits of the submitted amendment to *The Plan* to implement this amendment:

Under: 1.2 WATER AND SEWER SERVICE GOALS

Existing language:

- Section 1.2.2 D Protection of the Environment

D. To the greatest possible extent, effluent should be discharged through ocean outfalls or treated/disposed on land (but not discharged into coastal bays, regardless of the level of treatment). Long-term discharges into the coastal bays should be prohibited for any new projects.

Revise and replace with the following:

Under: 1.2 WATER AND SEWER SERVICE GOALS

Proposed language:

Section 1.2.2 D Protection of the Environment:

D. To the greatest possible extent, effluent from wastewater treatment plants in the Coastal Bays watershed should be conserved and reused to mitigate saltwater intrusion and so should be treated and discharged on land to allow percolation. Direct discharge into the coastal bays should be avoided because the water quality in most embayments is degraded due to high nutrient inputs, which persist in bays because tidal flushing rates are low. When the land discharge is impractical, discharge through ocean outfalls is preferred. Direct surface water discharge to the bays may be considered for existing large multi-use systems that do not have a groundwater discharge permit and that are not adjacent to or within approved sewer planning areas, subject to the following conditions:

- (i) Enhanced treatment will be required to achieve a net reduction in the nutrient loadings generated from the existing system to the receiving waterbody.
- (ii) The discharge cannot contribute to a degradation of the level of impairment on the receiving waterbody.

(iii) Before any new surface wastewater discharge permit application is submitted to the Maryland Department of Environment (MDE), the owner of the proposed system or the county will be required to submit the necessary information to MDE including, but not limited to, the following:

- Documentation showing that alternative wastewater disposals have been evaluated and all possible alternatives have been explored and determined to be infeasible.
- A wastewater treatment plant concept design with supporting data that demonstrates the ability of the plant to produce treated effluent that will:
 - o Achieve significant nutrient reductions and meet ENR level effluent limits required by MDE in the surface discharge permit.
- A pollution control plan with the necessary Best Management Practices (BMPs), in combination with the new ENR wastewater treatment facility, to fully offset the additional nutrients generated by the new surface discharge. As part of its review, MDE will evaluate whether the pollution control plan (Best management practices or BMPs) proposed by the owner, or the county is consistent with existing TMDLs and determine if the proposed BMPs will generate sufficient credits to fully offset the pollution generated by the proposed WWTP discharge. At a minimum, the pollution control plan shall include:
 - o A written agreement with any property owners hosting the BMP or the area which drains to the BMP used as the required offset. The written agreement must be included in a W&S Plan Amendment for the proposed surface wastewater discharge. Any BMPs will be re-evaluated as part of the normal discharge permit renewal cycle. Should a BMP become ineffective due to a land use change or for any other reason, MDE shall be notified in a timely manner, and an alternative BMP designed to achieve an equivalent nutrient reduction as the ineffective BMP shall be submitted for evaluation as soon as practicable.

WS Amendment Case No. 2022-03
October 27, 2022

- o A certificate from the owner of the WWTP asserting responsibility for the continuous operation, maintenance, and performance of both the offset BMP and the WWTP.
 - o The proposed plan should include how climate change, including flooding, sea level rise, saltwater intrusion and storm surge will impact the performance of the WWTP and the BMP offset.
- (iv) An WWTP annual report will be submitted to MDE, including the BMP operation status and annual reduction achieved through onsite monitoring data collection. Discharge from the new WWTP shall meet permit conditions for one year before the existing wastewater system can be removed.

Comprehensive Plan Policies

The *Comprehensive Plan* assigns one land use designations for these properties:

1. Existing Developed Area

Existing Developed Centers are defined (p. 13) as follows:

- Existing residential and other concentrations of development in unincorporated areas and provides for their current development character to be maintained.
- Not designated as growth areas, these areas should be limited to infill development.

The *Comprehensive Plan* has the following relevant excerpts for this proposed amendment:

Chapter One, "Introduction" states:

- Provide for adequate public services to facilitate the desired amount and pattern of growth (p.8).

Chapter Three, "Natural Resources" states:

- Provides a goal that Worcester County recognizes the value of and is committed to conservation and protection of the following natural resources (...) clean surface and ground water (p.33).
- Worcester County recognizes the value of and is committed to conservation and protection of the following natural resources...clean surface and ground water (p. 33).
- Improve water bodies on the "Impaired Water Bodies (303d) List" to the point of their removal from this list (p. 33).

Chapter Three, "TMDLs" states:

- "all reasonable opportunities to improve water quality should be undertaken as a part of good faith efforts to meet the TMDL standards." (p.36)

Chapter Five, "Housing" states:

- A goal that "Worcester County residents should be able to live in comfortable, safe, and affordable housing." (p.67)
- Mobile homes should be recognized as an affordable housing alternative and additional park locations should be designated. (p. 67)

Chapter Six, "Public Infrastructure" states:

WS Amendment Case No. 2022-03

October 27, 2022

- Consistent with the development philosophy, facilities and services necessary for the health, safety, and general welfare shall be cost effectively provided (p.70).
- Plan for efficient operation, maintenance, and upgrades to existing sanitary systems as appropriate (p. 73).
- Provide for the safe and environmentally sound water supply and disposal of wastewater generated in Worcester County (p.73).
- Sewer systems should be sized to serve their service areas' planned for land uses (p. 74).

Zoning

The *Planning Area* is appropriate zoned for the current and proposed uses planned for the existing sanitary area properties. These properties, carries one zoning designation, R-4 (General Residential District). We would also note that any future expansion will have plan review for construction permitting and a Board of Zoning Appeal application for Special Exception for the Wastewater Treatment Plant construction, which the applicant has already indicated they are aware will be required.

Staff's Comments

Staff comments are submitted below for your consideration.

1. This proposal seeks to meet existing housing needs and demand generated by providing a stable future for an existing mobile home park.
2. The subject properties are mapped as an IDA (Intensely Developed Area) for the Atlantic Coastal Bays Critical Area, with a very small portion within the LDA (Limited Development Area). Any future construction and/or expansion will be required to comply with the regulations appropriate to these designations.
3. The text revision within this amendment will allow MDE to process
4. This text amendment change will permit the wastewater treatment plant and will need to comply with MDE's procedures and state law in the investigation and ultimate approval of a surface water discharge permit.
5. This amendment is also to permit the expansion of a water appropriation permit for the water treatment plant and to allow that plant's discharge to be treated by the wastewater plant before discharge.
6. Any new development will need to occur in the manner and character of the surrounding neighborhood in existing developed areas. Compliance with local zoning, critical area, storm water and other local and state regulations will be required.
7. The proposed amendment has included a condition not to cause an exacerbation of any existing impairments to the receiving waterbody. This particular waterbody, the Bishopville Prong, is impaired for nutrients and the issuance of any future surface water discharge permit cannot contribute to worsening that impairment. Those conditions will be considered in any future MDE review of a discharge permit application for this property that will review those impairments as permit limits and any special conditions are vetted for inclusion in and future discharge permit. This is aided by the owner's proposed nutrient offsets and level of treatment considerations, along with the strict language included in the text changes proposed.

WS Amendment Case No. 2022-03
October 27, 2022

If you need further information, please contact me at (410) 632-1220 x 1601.

Sincerely,

A handwritten signature in blue ink, appearing to be "Robert J. Mitchell", with a long horizontal stroke extending to the right.

Robert J. Mitchell, LEHS, REHS/RS
Director

Attachments

cc: WS Amendment File (SW 2022-03)

Attachment 1

**Application and
Appendices**



October 27, 2022
 Attn: Planning Commission
 Worcester County
 1 W Market St
 Suite 1201
 Snow Hill, MD 21863

**Riverview Mobile Home Park. Bishopville, Maryland
 Mobile Home Park Lot Expansion and Wastewater Project – Water and
 Sewer Plan Amendment Application**

Dear reviewers:

RAUCH inc. is assisting in the concept and planning phase of a mobile home park expansion and wastewater treatment upgrade Bishopville, MD. Riverview Mobile Home Park proposes to add 60 lots to its existing 66 lots. Please find the subsequent application package for your review.

The County's Comprehensive Plan Objectives include:

- Provide for adequate housing opportunities for all income and age groups
- Accommodate planned future growth through designated "growth centers" with development standards designed to minimize environmental and habitat disruption
- Provide adequate public health, safety, social, recreation, and waste disposal services
- Maintain and enhance the county's livability

The Riverview Park, located in Bishopville, is in The Plan as a multi-use septic system serving the residents of the park. Maximum number of trailers was capped at 66, and they have run between 58-63 units in our historical records and have the ability to add the last system connections. The septic is a single system, with a low pressure-dosed drain field that has the old system as a backup. They have conventional (zero) treatment at the present, and the system and drain field is an innovative system repair located entirely in the critical area. There is no guaranteed state funding for pre-treatment (a package plant) that would be required with a system replacement should the existing system fail. This is the only large multi-use septic systems (over 5,000 gpd) that does not have groundwater discharge permit, is located within the critical area, and is not adjacent to any sewer planning area, and does not have a state funding source for the addition of treatment (systems located in our state parks).



The park currently contributes 1,214 pounds of nitrogen annually to the Coastal Bays using Maryland Department of the Environment's (MDE's) nitrogen delivery ratio for systems located within the 1,000 ft critical area (attached). A treatment plant would dramatically reduce this loading to the watershed with the advanced treatment technologies available today. Grants for a system of this size would be very hard to secure. The water quality funding scoring in Maryland is geared towards larger community systems, systems that have failed or need significant repair, or systems under a consent order. This park is not under a consent order. A replacement of the system with treatment would be an immense debt burden imposed on the rental rates for the existing park residents. The owner believes that getting additional units for the park within the existing property would assist in spreading the cost of the upgrade to treatment to an affordable price point that would provide a stable future for the park's residents and perhaps add to the park's ability to provide affordable housing for additional individuals. They have explored additional onsite testing to expand the septic capability and explored adjacent properties for spray irrigation and have not been able to find or secure these outlets for additional land application of treated effluent.

The expansion project will contribute to these goals by utilizing existing development areas (EDAs) currently classified as IDA and LDA. Furthermore, the project will reduce the overall nutrients impacting the Atlantic Coastal Bay's Bishopville Prong from Riverview Mobile Home Park. A text amendment to the Worcester County Comprehensive Water and Sewer Plan is concurrently proposed which would modify Section 1.2.2 D Protection of the Environment and allow point discharges within the County subject to the criteria included within the proposed text amendment. This proposed text amendment would facilitate the Riverview Mobile Home Park project and is included as Appendix A-7 within the Riverview Mobile Home Park Lot Expansion and Wastewater Project – Water and Sewer Plan Amendment Application.

We believe this project is consistent with Worcester County goals and will help the County achieve its stated goals. If any further information is needed or you wish to discuss our project, please contact James Cook at 410-770-9081.

Best regards,

James Cook
Project Manager, RAUCH inc.
jcook@raucheng.com
410-770-9081



**Riverview Mobile Home Park.
Bishopville, Maryland**

**Mobile Home Park Lot Expansion and Wastewater Project
Water and Sewer Plan Amendment Application**



TABLE OF CONTENTS

Riverview MHP Amendment Application Narrative	3
Worcester County Text Amendment.....	3
Land Use.....	3
Past Expansion	3
Future Expansion	4
Nitrogen Load.....	4
Phosphorus Load.....	5
Water Supply.....	7
Amendment Application.....	8
Appendices.....	14
Appendix A-1.....	15
Appendix A-2.....	17
Appendix A-3.....	20
Appendix A-4.....	21
Appendix A-5.....	22
Appendix A-6.....	23
Appendix A-7.....	25



RIVERVIEW MHP AMENDMENT APPLICATION NARRATIVE

WORCESTER COUNTY TEXT AMENDMENT

In order to facilitate point discharges within Worcester County, the Worcester County Comprehensive Water and Sewer Plan must be amended. Thorough and detailed conversations with Maryland Department of the Environment (MDE) have yielded a proposed text amendment to the Worcester County CWSP which would allow point discharges within the County subject to the outlines and requirements within the proposed text amendment to Section 1.2.2 D – Protection of the Environment.

This language currently reads:

- *Section 1.2.2 D - Protection of the Environment*

D. To the greatest possible extent, effluent should be discharged through ocean outfalls or treated/disposed on land (but not discharged into coastal bays, regardless of the level of treatment). Long-term discharges into the coastal bays should be prohibited for any new projects.

Revised language to this section is proposed and is included as Appendix A-7 in this application package.

LAND USE

Riverview Mobile Home Park is located in Worcester County and is made up of Two Parcels, 0268 and 0167, acres adjacent to the Bishopville Prong in Bishopville, MD. Parcel 0268 is 24.32 acres, classified as IDA, and serves as the residential portion of the mobile home park. Parcel 0167 is 6.42 acres, classified as LDA, and houses the water treatment plant and other auxiliary support for the community. Mr. Latchum (Owner) and Riverview Mobile Home Park have previously been “Granted a use of land permit by the Board of Appeals for Worcester County to locate a one hundred and twenty (120) lot trailer park.” (Appendix A-1). This use of land permit was “Granted without any required time for completion.”. The park is located in a general residential R-4 zoning area within the County (Appendix A-4).

PAST EXPANSION

The park has periodically added new lots in accordance with its land grant permit as the capacity to serve new lots with water and sewer has been verified by the County. The most recent expansion to 66 lots was approved by Worcester County Environmental Programs in 2016 (Appendix A-2). This latest expansion has put the park at its maximum capacity with regard to the central sewage system which currently utilizes a series of septic tanks which pump effluent via a force main to tile fields on the West side of the park.



FUTURE EXPANSION

Mr. Latchum proposes to expand the mobile home park to 126 lots (Appendix A-5). This expansion requires an upgraded community wastewater treatment system. To serve the current and proposed lots and reduce the total overall nutrients in the septic effluent, the proposed wastewater treatment system would be an Enhanced Nutrient Removal (ENR) wastewater treatment plant, with a point discharge to the Bishopville Prong, located adjacent to the existing water treatment plant on parcel 0167. This treatment plant will have a capacity of .03 MGD and will treat the effluent to .3 mg/l TP and 3 mg/l TN (Appendix A-3). The typical on-site septic system, similar to Riverview MHP's existing community cluster septic system, treats effluent to 14.6 mg/l TP and 55.3 mg/l TN¹. Additionally, the proposed wastewater treatment plant is expected to accept the existing water treatment plant discharge currently discharged to a sedimentation pond adjacent to the plan under MDE permit 16-DP-2982 and NPDES permit MD2982X09. This would eliminate the need for the discharge permit and the sedimentation pond currently supporting the water treatment plant.

NITROGEN LOAD

The total nitrogen (TN) load generated by the existing OSDS systems is calculated to be 613.8 lbs/yr per the Bay Model of nutrient loads from septic tanks. The proposed ENR plant, including proposed expansion and elimination of existing OSDS systems, would generate a total of 275.9 lbs/yr assuming 30,000 gpd. This will generate 321 TP credits from the ENR upgrade and OSDS elimination.

Total number of existing residential units = 66

Total number of existing residential units within the CA = 66

Total number of existing residential units located outside of the Critical Area = 0

Nutrient Loads from Septic Tanks per Bay Model

TN from Septic Tanks within Critical Area = 9.3 #/yr per residential unit

TN from Septic Tanks outside of the Critical Area = 3.5 #/yr per residential unit

Total Nutrient Credits for removal of septic tanks from Riverview Mobile Home Park

TN - (66 x 9.3) 613.8 #/yr

Proposed Riverview Mobile Home Park WWTP

Capacity = 30,000 gal/day

¹ From Otis, RJ, W.C. Boyle and D.K. Sager, 1974, "The Performance of Household Wastewater Treatment Units Under Field Conditions" Home Sewage Treatment, American Society of Agricultural Engineers Publication, St. Joseph, MI.



$$\text{TN - Effluent} = 3 \text{ mg/l}$$

Nutrient Load from Riverview Mobile Home Park WWTP

$$\text{TN} - 365 \times .03 \times 3 \times 8.4 = 275.9 \text{ \#/yr}$$

Nutrient Credits available for trading from Proposed Riverview Mobile Home Park WWTP

$$\text{TN} - 613.8 \text{ \#/yr} - 275.9 \text{ \#/yr} = 337.9 \text{ \#/yr}$$

$$5\% \text{ Retired} = 16.9 \text{ \#/yr}$$

$$\text{TN Credit } 337.9 \text{ \#/yr} - 16.9 \text{ \#/yr} = 321 \text{ \#/yr}$$

PHOSPHORUS LOAD

The proposed point discharge to the Bishopville Prong requires a net zero total phosphorus load to the Prong due to the impaired status of the waterway. This will be achieved through ENR treatment of 0.3 mg/l concentration or lower from plant treatment practices plus a secondary two-stage filtration system integrated into the treatment process for further effluent polishing. Studies confirm multiple polishing systems capable of achieving 0.015 mg/l concentrations of TP in the post-filtration effluent (Appendix A-6). Based on this technology which will be incorporated into the treatment process, the discharge from the treatment plant will generate a total of 1.36 lbs/yr of TP (Table 1). This load must be mitigated to achieve a net-zero TP discharge to the Bishopville Prong.

Table 1

Riverview - Phosphorus Calculations		
GPD	ENR plus Filtration - TP Concentration mg/l	1 mg/L = lbs/gal
30,000	0.015	0.00000830

Phosphorus Loads	
lbs/day	0.00
lbs/mo	0.11
lbs/yr	1.36
Treatment Required	1.36

1.36 lbs of TP must be offset through treatment practices within the watershed. The Owner proposes to achieve a minimum of 1.36 lbs/yr TP removal from naturally generated sources on owner-controlled and owned parcel adjacent to the proposed MHP expansion shown (Figure 1).

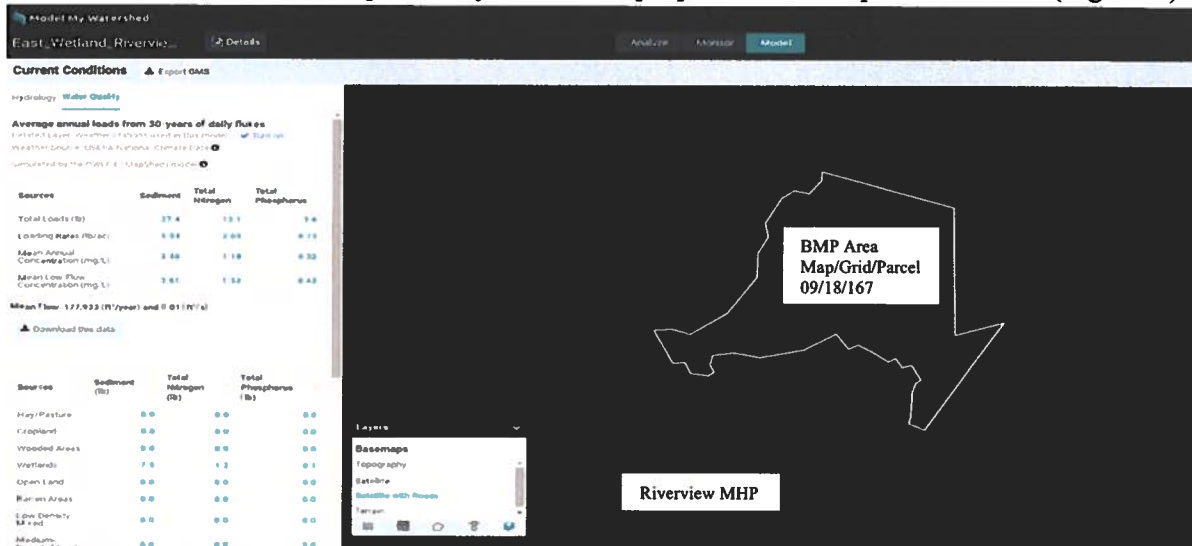


Figure 1

This site generates 3.6 lbs/yr of TP from naturally occurring sources per “Model My Watershed” software. The Owner proposed installation of BMPs on this property with a minimum of 40% removal efficiency which will reduce the TP load by 1.44 lbs/yr. This will generate a net reduction in TP to the Bishopville Prong of 0.08 lbs/yr at minimum (Table 2).

Table 2

Riverview - Phosphorus Removal Calculations		
WWTP GPD	ENR - TP Concentration mg/l	1 mg/L = lbs/gal
30,000	0.015	0.00000830
WWTP Generated Annual Phosphorus Loads		
lbs/day	0.00	
lbs/mo	0.11	
lbs/yr	1.36	
Slag Box Phosphorus Reduction Calculations		
	Calculation Method	
	"Model My Watershed"	
Drainage Area Annual TP Loads (Existing)	3.6	
TP Load Reduction using BMPs with a minimum of 40% removal efficiency	1.44	
Net Watershed Phosphorus Contribution (WWTP Load Less BMP Reduction)	-0.08	



All necessary easements and land-use restrictions needed to facilitate and maintain the on-site BMP will be provided by The Owner, Jim Latchum. All proposed offsets through BMPs or otherwise are solely proposed on land entirely owned or controlled by The Owner. Land use for the BMP offsets will be maintained for the life of the WWTP and the discharge permit.

WATER SUPPLY

Riverview MHP has a current water production demand of 7,700 GPD and a calculated average EDU of 117 GPD. The current water system has adequate physical and allocated capacity to meet those needs. The addition of 60 lots would be added to the system with an estimated EDU of 150 GPD. This would bring the weighted average EDU to 132 GPD and the total demand for the 126 lots of 17,000 GPD total production. Currently, the GAP allocates 15,000 GPD for average daily flow with 22,000 GPD for month of maximum use. Riverview MHP, prior to 2014, held a GAP for 22,000 GPD average flow with 38,000 GPD for maximum month use. Riverview will seek to increase the current GAP allocation of 15,000 GPD to the pre-2014 level of 22,000 GPD.

AMENDMENT APPLICATION

**Application for Amendment of the
Comprehensive Water and Sewerage Plan
Worcester County, Maryland**

Date: 10/27/2022

Applicant (name, mailing address, phone and FAX number):

Contact Person: James Latchum

Telephone: 410-770-9081

Riverview Mobile Home Park

Amendment Type: ☒ Water ☒ Sewer ☐ Other

Amendment Character: ☒ Addition ☐ Deletion ☐ Change

Please complete all the applicable forms included in this package. If a system does not already exist, the "Existing System" sheet is not required. Include a map of the area to be served at a scale of at least 1" = 2,000'. Return the completed application to:

Department of Environmental Programs
1 West Market Street Room 1306
Snow Hill, Maryland 21863

The fee for major amendment [adding or deleting service capacity or area(s)] is \$500.

Minor amendments (not adding or deleting service) are \$100.

Note: Modification of this form will void the application.

Property Identification:

Tax Map 0009 Parcel Number(s): 0268/0167

Town/Community Name: Bishopville

Location Description:

Two Parcels of 24.32 and 6.42 acres adjacent to the Bishopville Prong in Bishopville, MD.

Parcel 0268 is classified as IDA and serves as a mobile home park and parcel 0167 is LDA.

Property Owner Signature: James W. Latchum Date: _____

Applicant Signature: James W. Latchum Date: _____
(If other than property owner)

Water and Sewerage Plan Amendment Application
Worcester County, Maryland
Proposed Uses

* Please provide as much detail as possible on the proposed uses
 and review Worcester County zoning provisions for permitted uses.

<u>Tax Map</u>	<u>Parcel</u>	<u>Zoning</u>	<u>Proposed Use*</u>
0009	0268/0167	R4	R4

EDU's Needed (Approx.)

60 (In addition to existing 66)

April 13, 2004

Water and Sewerage Plan Amendment Application

Worcester County, Maryland

Existing Sewer System

System Parameters

Date: 10-27-22System Name: Community Force Main and Septic Tank/Tile FieldSystem owner: James LatchumSystem operator: Jaime Latchum

Priority/Sewer and

Water Plan Category: S-1Service area: Riverview MHP

[Tax Map and parcel(s)] Tax Map: 0009 Parcels: 0268/0167

	Year		
	2010	2015	2025
<u>Population served:</u>			
EDU's served	66	66	66
EDU's unserved	0	0	0
GPD per EDU	112	126	117

System capacity

Demand (MGD)	.0074	.0083	.0077
Planned (MGD)	.014	.014	.014
Permitted (NPDES/groundwater)	.01	.01	.01

Collection system description: Headers serving 2 - 5 mobile homes are connected to a septic tank and an effluent pump. Effluent travels to drain filed via 1.5", 2", and 2.5" effluent force main.

Treatment Plant

Location (N/E): 40° 26' 46" N 79° 58' 56" WType: Community septic/tile fieldSite area (acres): 30.74 Occupied area: 10.0 Unused area: 20.74Current Capacity (MGD): Secondary: .01 Advanced: N/aPotential Capacity (MGD): Secondary: .01 Advanced: N/aExisting flow (MGD): .0077 Average: .0077 Peak: .009Sludge disposal: Pump and Haul Septic Tank

Discharge:

Type: Community septic/tile fieldLocation: 40° 26' 46" N 79° 58' 56" WNPDES/groundwater permit number: N/a

Comments (planned expansion; alteration, abandonment if interim [indicate date], or other changes; problems; etc.)

Riverview Mobile Home Park plans to add 60 lots. The existing tile field will be terminated and removed.

The existing and new flow will utilize grinder pumps in conjunction with new and existing FM to send sewage to a new ENR treatment plant located on parcel 0167 and adjacent to the existing water treatment plant.

Water and Sewerage Plan Amendment Application Worcester County, Maryland Planned Sewer System

Date: _____

System Name: Packaged Membrane Bioreactor and Force Main
Area Served: Riverview Mobile Home Park Parcel 0268
Owner: James Latchum
Operator: Jaime Latchum

Population and Capacity	2015	2020	2025	2030
Population Served (EDU):	0	0	126	126
Population Unserved (EDU):	0	0	0	0
GDP per EDU:	0	0	133*	133*
System Capacity Demand (MGD)	0	0	.017	.017
System Capacity Planned:	0	0	.03	.03
Permitted Capacity (MGD):	0	0	.03	.03

Collection System

Type (circle one): Combined Separate
Description: Existing force main plus new force main to serve expansion
Condition of Transmission facilities: Existing force main is in good repair and currently serves the existing 66 mobile homes. New FM will be added to serve the expanded lots.

Treatment Facility

Location (MD coordinates): Lat: 38.4276 Long: -75.1855
Type: ENR MBR Bioreactor
Total Site Size (acres): 30.74 **Occupied by facility:** .016
Design Flow (MGD) .03
Existing Flow (MGD): Average: .0077 **Peak:** .009
Sludge disposal method: _____

Discharge

Type: Point Discharge
Location: Bishopville Prong 38.42788 -75.18698
NPDES permit # & expiration date: N/a - To be applied for upon inclusion in W&S plan.

Op., Maint., and Replacement Costs: \$1,700,000 Sewer Proj. Est.
Funding Source: Privately Funded

Comments: *Calculated GPD per EDU in the existing sewer system is shown as 117 GPD. Design estimates used for additional 60 lots is 150 GPD per EDU. The existing calculated and weighted flow combined with the estimated GPD per EDU averages out to 133 GPD per EDU with a total annual average daily flow of 17,000 GPD.

April 13, 2004

Water and Sewerage Plan Amendment Application Worcester County, Maryland

Existing Water System

Date: 10/27/2022

System name:	<u>Riverview MHP</u>
System owner:	<u>James Latchum</u>
System operator:	<u>Jamie Latchum</u>
Priority/Sewer and	
Water Plan Category:	<u>W-1</u>
Service area:	<u>Riverview Mobile Home Park Parcel 0268</u>

	Year		
	2015	2020	2025
<u>EDU's Population served:</u>			
Served	<u>66</u>	<u>66</u>	<u>66</u>
Unserved	<u>0</u>	<u>0</u>	<u>0</u>
GPD per EDU	<u>112</u>	<u>126</u>	<u>117</u>
<u>System capacity</u>			
Demand (MGD)	<u>.0083</u>	<u>.0077</u>	<u>.0165</u>
Planned (MGD)	<u>.015</u>	<u>.015</u>	<u>.022</u>

Production Wells

Well number:	<u>Well #1</u> <u>(WO-81-1182)</u>	<u>Well #2</u> <u>(WO-88-0114)</u>
Aquifer:	<u>Manokin</u>	<u>Manokin</u>
Location:	<u>Parcel 0167</u>	<u>Parcel 0167</u>
Depth:	<u>286'</u>	<u>295'</u>
Diameter:	<u>6"</u>	<u>6"</u>
Max. yield:	<u>Number of gallons per minute</u>	<u>26 GPM</u>
Pumping capacity:	<u>average production</u>	<u>6 GPM</u>
Water quality:	<u>High Iron</u>	<u>High Iron</u>

Treatment

Water source:	<u>Manokin</u>
Type:	<u>Salt Treatment and Chlorination</u>
Location:	<u>Parcel 0167</u>
Rated Capacity:	<u>AKA permitted, rated, or design capacity .015 MGD</u>
Average production:	<u>how much a production well can provide on average .0077 MGD</u>
Max. peak flow:	<u>peak hourly demand 1,560 GPH</u>
Storage capacity:	<u>N/a</u>
Sludge disposal:	<u>Sedimentation Pond - will be eliminated upon completion of new WWTP</u>

Comments (expansion plans [MGD/dates]; problems; planned improvements; etc.)

Existing treatment plant and water lines will continue to be used.

New lines will be added to serve expansion areas. The existing treatment plant can treat the additional volume for the new lots. The current water appropriation is for 15,000 GPD average daily flow. The additional lots are expected to increase the water demand to 17,000 GPD. Riverview MHP, prior to 2014, held a GAP for 22,000 GPD average flow. Riverview will seek to increase the GAP allocation to the pre-2014 level from its current 15,000 GPD.

Water and Sewerage Plan Amendment Application Worcester County, Maryland Planned Water System

Date:

System Name: Riverview MHPSystem Owner: James LatchumSystem Operator: Jamie Latchum

Sewer/Water Plan

proposed category: W-1 & W-3

Service area:

[Tax Map and parcel(s)]

Population

served: (EDU's

served)

Gallons per EDU: 133

Year		
2015	2020	2025
66	66	126

Constructed by: Planned

Distribution System: 1.5" and 2" water lines made up of
existing lines and proposed lines to serve additional lots.

System parameters:Well location: Welldepth/aquifer: Treatment facilities: Storage facilities: Distribution system: Pumping capacity: System Cost: Funding source:

The Points of Withdrawal are Located at Riverview Mobile Home
 Park, Shell Mill Road, Bishopville, Worcester County, Maryland.

286 & 295 - ManokinSalt Purification and Chlorination (Existing)N/aExisting and new 1.5", 2", and 2.5" water lines38,000 GPD\$65,000 Proj. Est.Privately Funded

Construction schedule:

Start: 3/28/2023Complete: 7/11/2024Comments: Agreement, Policies: Allocation:



APPENDICES

JRT

Appendix A-1

Worcester County Planning and Zoning Commission
Snow Hill, Maryland 21863

February 28, 1973

The Hartford Insurance Group
Philadelphia Regional Office
7 Penn Center Plaza
Philadelphia, Pennsylvania 19103

Attention: Mr. C.J. LeMay - Bond Department

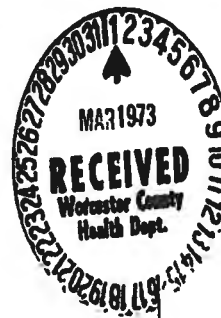
Gentlemen:

Your questionnaire of February 26th is enclosed partially filled out,

Mr. Letchum was granted a use of land permit by the Board of Appeals for Worcester County to locate one hundred and twenty (120) lot trailer park. This permit was granted without any required time for completion. At the present time very little has been done other than cutting out for roads and the staking of some trailer lots.

We have this date been in touch with the Worcester County Health Department and have been advised by them that they are in the process of approving eighteen (18) trailer lots that Mr. Letchum expects to have in operation for the coming summer season.

Under the circumstances we have outlined, this office will be unable to release your bond until the 120 lots have been completed in compliance or until Mr. Letchum desires to reduce the size of his park to a lesser number of sites.



Page Two

The Hartford Insurance Group

February 28, 1973

Trusting this information is sufficient, I am

Very truly yours,

T. Edward Collins,
Zoning Inspector

THC:bw

Enclosure

CC: Mr. J. Wilson Latchum
✓ James R. Trader, Worcester County Health Department



Appendix A-2



DEPARTMENT OF
ENVIRONMENTAL PROGRAMS

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET, ROOM 1306
SNOW HILL, MARYLAND 21863
TEL: 410-632-1220 / FAX: 410-632-2012

LAND PRESERVATION PROGRAMS
STORMWATER MANAGEMENT
SEDIMENT & EROSION CONTROL
SHORELINE CONSTRUCTION
AGRICULTURAL PRESERVATION
ADVISORY BOARD

WELL & SEPTIC
WATER & SEWER PLANNING
PLUMBING & GAS
CRITICAL AREAS
FOREST CONSERVATION
COMMUNITY HYGIENE

12/1/16

Mr. James Latchum
P.O. Box 321
Bishopville, MD 21813

**Re: Riverview Mobile Home Park
Tax Map 9, Parcel 268
Bishopville, MD**

Dear Mr. Latchum:

This letter is intended to answer your inquiry regarding expansion of the above referenced mobile home park. Our investigation included visits to the property and review of the file information and supplied records on flow and pumping cycle log information on the current low pressure dosing (LPD) onsite sewage system serving the park.

The park is currently improved with fifty-eight (58) occupied pad sites. We have permitted additional units in the past and the current DHMH mobile home park operation permit is at sixty-three (63) units. The current system, a replacement system installed in 2004, is an LPD system originally sized for 56 units at 250 gpd per unit. The design flow was 14,000 gpd with average flow at 10 gpm and peak at 40 gpm. The absorption area is 14,040 sf with a loading rate of 0.8 gallons/sf/day with the remainder to the first system installed for the park. That is 6 pumps for 6 trenches and the 7th pump overflows to the initial system installed for the park. The dose is designed at up to 936 gallons (12 times a day) with pumping rate of 170 gpm.

The park does not currently have a groundwater discharge permit for the sewage flow from the mobile homes. The park does have a discharge permit for the potable water treatment plant and a water appropriation permit for the water withdrawal. The current county *Master Water and Sewerage Plan* has the planning figure for the park at a maximum of 66 units.

From your operating records tracking flow over the last five years utilizing the volumes recorded in the annual appropriation reports, it appears flow to the system is 6,760 gpd with a highest average flow in the month of July of 7,772 gpd. You have also shared meter readings for the past year from the pump counters for the components of the LPD system. There was some flow to the overflow system in pump number 7, but there were months that showed no flow at all going to that system.

Riverview MH Park
12/1/16

Based on an examination of the supplied data, our records, and the regulation, the following points are offered:

- Because it doesn't exceed the onsite design capacity, an expansion from the current 58 units to a maximum of 66 units could be accommodated at this time. That is the maximum number of units that could be utilized before other regulatory factors are applied.
- Any expansion which will generate additional wastewater flow will require administration of MDE's current *Guidelines for Large Onsite Sewage Disposal Systems with a Maximum Accumulative Flow Greater or Equal to 5,000 Gallons Per Day*
- A State Groundwater Discharge Permit will be required for any expansion of the current wastewater flow as the facility maximum daily flow is in excess of 10,000 gpd
- Any expansion of the facility must be in conformance with the Worcester County *Master Water and Sewerage Plan*, which will require an amendment to the *Plan* for the expansion.
- Suitable absorptive area required for proposed onsite subsurface systems shall be based on maximum daily flows
- As specified in the *Large Flow Guidelines* a site evaluation will be needed to expand the current drain field capacity to accommodate additional flow from an expansion of the park. The overall site suitability will be determined in accordance with COMAR 26.04.02 and the County Groundwater Protection Plan (GPR), where applicable. This would include an examination of mounding and nitrogen loading with an hydrologic balance analysis.
- The soil application rate will be based on effluent quality and upon a detailed soil and site evaluation.
- Any increase in flow past the onsite design capacity will require a treatment plant be installed.

You indicated that you or a subsequent owner would like to pursue an expansion of the park to perhaps one hundred (100) units or more. To do that, the above information would have to be considered in developing a work scope for investigating the potential of the property to handle this expansion. The first step would be an evaluation, including onsite testing to investigate the feasibility of adding sewage disposal area to the park. The ultimate absorptive area needed to serve an expanded flow will need to consider the loading rates described in the Code of Maryland Regulation (COMAR) 26.04.02.05 K as part of any site evaluation done for the property. Realizing favorable perc rates will make the search for the ultimate absorptive area needed to service the proposed expansion that much easier. Conversely, having longer perc rates will require more absorptive areas be located to serve the proposed expansion. Locating sufficient absorptive area to serve any proposed expansion that meets setback and other requirements will be very difficult if longer perc rates are encountered in the investigative activities. It would be best to have a consultant run rates and evaluate soil conditions on promising areas within the property as part of the site evaluation process.

This determination did not consider any zoning requirements with the expansion and we suggest you follow up with the Department of Development Review and Permitting for their comments on any expansion plans.

Riverview MH Park
12/1/16

If you have any questions, would like additional information, or would like to discuss this matter further, please contact me at 410-632-1220 x1601.

Sincerely,
WORCESTER COUNTY ENVIRONMENTAL
PROGRAMS

A handwritten signature in black ink, appearing to read "Robert J. Mitchell", is written over a faint, circular official stamp.

Robert J. Mitchell, LEHS
Director

cc: Property File

Riverview MHP Performance Standards - ENR Treatment

The water characteristics are summarized below:

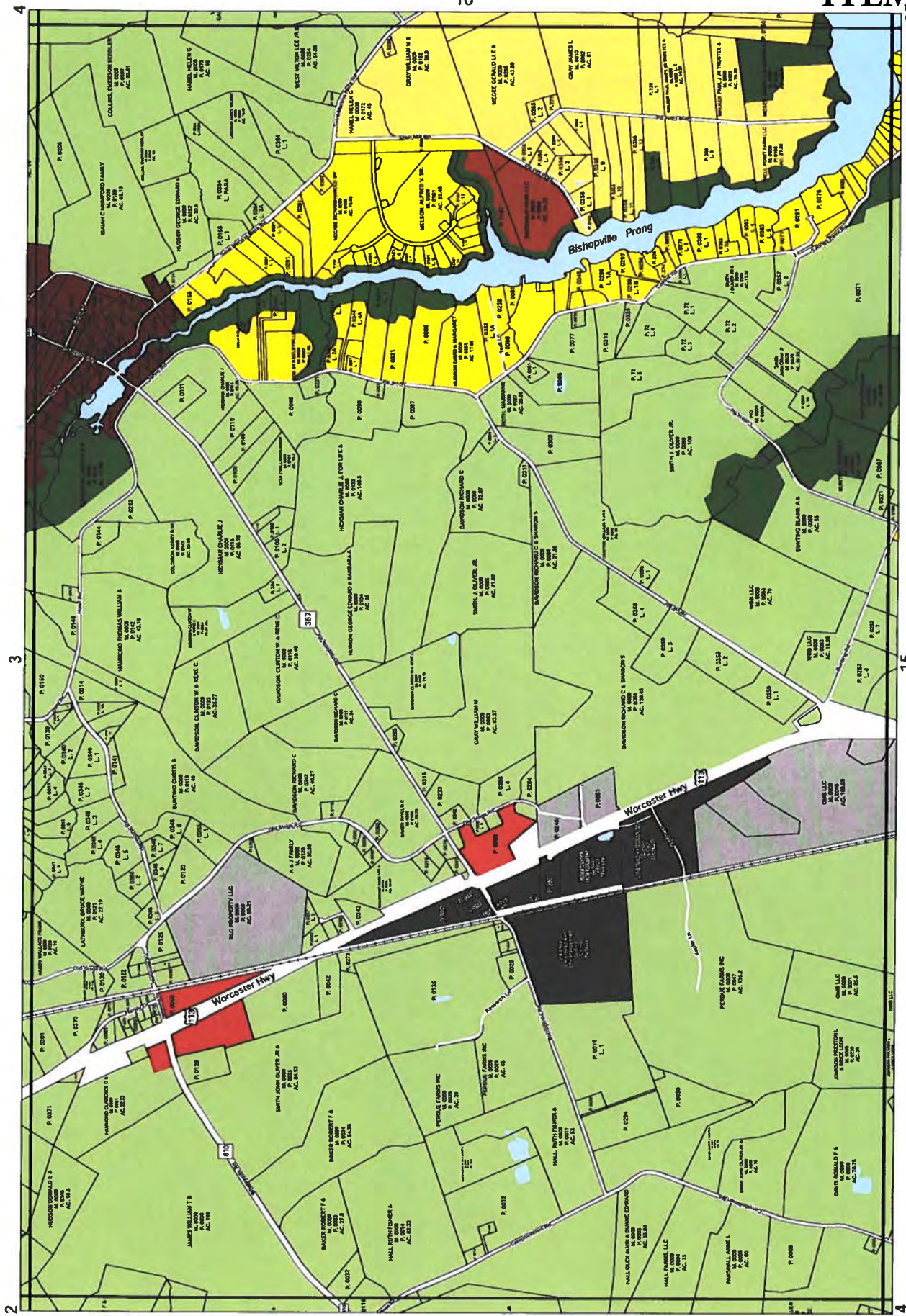
Flow Conditions	
Flow (Average):	25,000 GPD
Flow (Peak Day):	30,000 GPD
Primary Source / Type:	Domestic

Site	
Elevation:	0,500 ft.
Process Blowers:	15 HP (approx.)
Flow Eq Blower (optional):	3 HP (approx.)

Influent Waste Characteristics	
BOD5:	52.2 lbs/day
TSS:	52.2 lbs/day
TKN:	7.3 lbs/day
TP:	1.7 lbs/day
pH:	6 to 8 pH units
Alkalinity:	300 mg CaCO ₃ /L
Min. Water Temperature:	20° C

Effluent Requirements	
BOD5:	5 mg/L
TSS:	10 mg/L
TN:	3 mg/L
TP:	0.3 mg/L*
pH:	6 to 8 pH units
Alkalinity (No Less Than):	80 mg CaCO ₃ /L

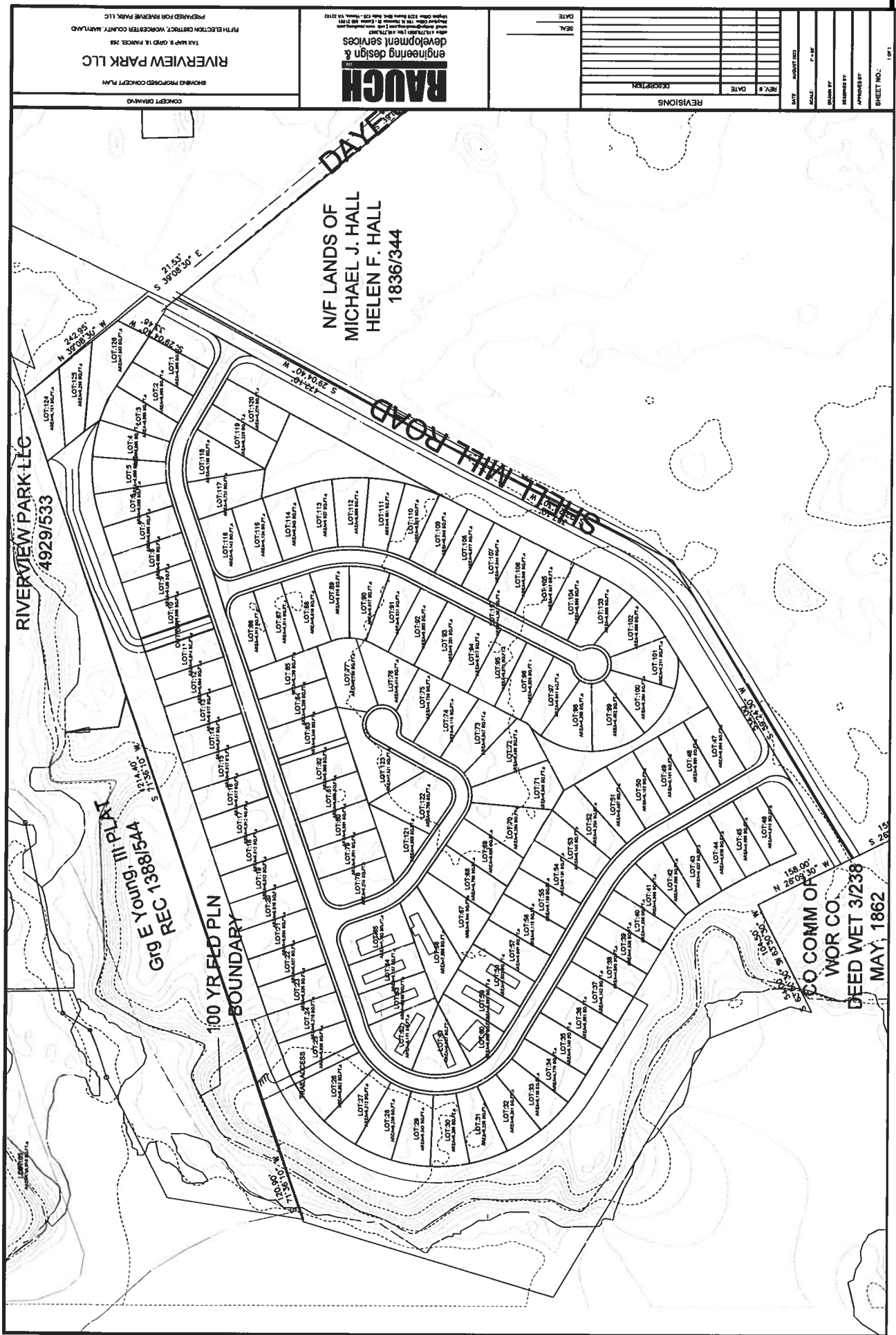
**chemical addition required*



0 300 600 1,200 Feet

Official Zoning Map

Map prepared by Worcester County Department of Development Review and Permitting, November 1, 2009.
Source: Worcester County Commissioners.



APPENDIX A-6



700 Research Center Blvd.,

Fayetteville, AR 72701

Technology Comparison Testing
Rhode Island Hatchery
(for EA Engineering, Science, and Technology, Inc., PBC)

July 15, 2022

Executive Summary:

EA Engineering, Science, and Technology, Inc., PBC (EA) was retained by the Rhode Island Department of Management (RIDEM) to assess the effectiveness of four wastewater technologies to meet the effluent phosphorus discharge requirement for the Lafayette State Trout Hatchery in North Kingstown, Rhode Island. The permitted phosphorus effluent limit is 0.025 mg/L total phosphorus. The wastewater technologies were selected by Fuss & O'Neil in 2018 under contract with RIDEM to select water treatment technologies for the hatchery discharge. The four selected wastewater technologies for phosphorus removal are:

1. Parkson DynaSand filters comprised of flocculation and coagulation followed by two-stage sand filtration.
2. Evoqua using coagulation and flocculation with magnetite as a ballasting agent.
3. Veolia using coagulation and flocculation with microsand as a ballasting agent.
4. Nexom using ferric oxide absorption technology.

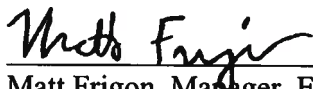
The purpose of the current testing was to compare the effectiveness of each of these technologies in removing phosphorus (total and reactive). To ensure a margin of safety, the goal of these tests was to reduce total phosphorus below 0.015 mg/L. EA collected 5-gallon water samples from the exiting raceway five times over the course of 15 months (March 2021, July 2021, October 2021, February 2022, and June 2022). Each sample was shipped to EnviTreat who bench-tested each of these five samples using the four technologies described above. EnviTreat developed a summary report for each sample and shared each report with RIDEM. In each report, the effectiveness of each technology was assessed in terms of meeting the target total phosphorus concentration. This report is a comprehensive summary of the findings of the testing on five samples.

Results were as follows:

- Total phosphorus in the hatchery discharge samples varied over a narrow range of 0.069 to 0.102 mg/L phosphorus.
- The hatchery discharge did not contain minerals of concern at concentrations that would interfere with the phosphorus analytical testing method.
- Ferric chloride coagulant with anionic polymer was effective at removing total and reactive phosphorus in the coagulation technologies (Parkson, Evoqua, Veolia), as described below:

- The Parkson technology was able to remove total and reactive phosphorus to less than the 0.015 mg/L goal in each of the five sampling events.
- The Evoqua technology was able to meet the 0.015 mg/L of phosphorous on all but one occasion, but coagulant dose rate had to be raised above the optimum dose rate during three of the tests to achieve acceptable phosphorus removal. EnviTreat recommends filter polishing on this technology.
- The Veolia technology was able to meet the 0.015 mg/L of phosphorous on all but one occasion, but coagulant dose rate had to be raised above the optimum dose rate during four of the tests to achieve acceptable phosphorus removal. EnviTreat recommends filter polishing on this technology.
- The Nexom technology was able to remove total and reactive phosphorus to less than the 0.015 mg/L goal with the exception of one sample. The failure in that test was likely due to test setup; no failures occurred in subsequent testing. The Nexom technology can likely meet the phosphorus target, but it is more complex than the Parkson technology.

Operation of the bench-scale systems showed that the Parkson and Nexom technologies were the easiest to operate. The Parkson technology is a simple coagulation/flocculation followed by sand filtration and appears to be a very robust option. The Nexom technology was also effective at removing phosphorus. The ability of the Nexom technology to achieve the removal observed during these tests is likely but not certain. The technology must coat the filtration particles with ferric oxide, return them to system for adsorption/filtration, then shear the coating off to remove the phosphorus. The Nexom technology is more complex than the Parkson technology.



July 15, 2022

Matt Frigon, Manager, EnviTreat

Email: mfrigon@eaest.com Tel: 678-938-7521

Proposed Text Amendment to the Worcester County Comprehensive Water and Sewer Plan to allow a surface water discharge

Under: 1.2 WATER AND SEWER SERVICE GOALS

Section 1.2.2 D Protection of the Environment:

- i. To the greatest possible extent, effluent from wastewater treatment plants in the Coastal Bays watershed should be conserved and reused to mitigate saltwater intrusion and so should be treated and discharged on land to allow percolation. Direct discharge into the coastal bays should be avoided because the water quality in most embayments is degraded due to high nutrient inputs, which persist in bays because tidal flushing rates are low. When the land discharge is impractical, discharge through ocean outfalls is preferred. Direct surface water discharge to the bays may be considered for existing large multi-use systems that do not have a groundwater discharge permit and that are not adjacent to or within approved sewer planning areas, subject to the following conditions:
 - (i) Enhanced treatment will be required to achieve a net reduction in the nutrient loadings generated from the existing system to the receiving waterbody.
 - (ii) The discharge cannot contribute to a degradation of the level of impairment on the receiving waterbody.
 - (iii) Before any new surface wastewater discharge permit application is submitted to the Maryland Department of Environment (MDE), the owner of the proposed system or the county will be required to submit the necessary information to MDE including, but not limited to, the following:
 - Documentation showing that alternative wastewater disposals have been evaluated and all possible alternatives have been explored and determined to be infeasible.
 - A wastewater treatment plant concept design with supporting data that demonstrates the ability of the plant to produce treated effluent that will:
 - Achieve significant nutrient reductions and meet ENR level effluent limits required by MDE in the surface discharge permit.
 - A pollution control plan with the necessary Best Management Practices (BMPs), in combination with the new ENR wastewater treatment facility, to

fully offset the additional nutrients generated by the new surface discharge. As part of its review, MDE will evaluate whether the pollution control plan (Best management practices or BMPs) proposed by the owner, or the county is consistent with existing TMDLs and determine if the proposed BMPs will generate sufficient credits to fully offset the pollution generated by the proposed WWTP discharge. At a minimum, the pollution control plan shall include:

- A written agreement with any property owners hosting the BMP or the area which drains to the BMP used as the required offset. The written agreement must be included in a W&S Plan Amendment for the proposed surface wastewater discharge. Any BMPs will be re-evaluated as part of the normal discharge permit renewal cycle. Should a BMP become ineffective due to a land use change or for any other reason, MDE shall be notified in a timely manner, and an alternative BMP designed to achieve an equivalent nutrient reduction as the ineffective BMP shall be submitted for evaluation as soon as practicable.
 - A certificate from the owner of the WWTP asserting responsibility for the continuous operation, maintenance, and performance of both the offset BMP and the WWTP.
 - The proposed plan should include how climate change, including flooding, sea level rise, saltwater intrusion and storm surge will impact the performance of the WWTP and the BMP offset.
- (iv) An WWTP annual report will be submitted to MDE, including the BMP operation status and annual reduction achieved through onsite monitoring data collection. Discharge from the new WWTP shall meet permit conditions for one year before the existing wastewater system can be removed.



October 27, 2022
 Attn: Planning Commission
 Worcester County
 1 W Market St
 Suite 1201
 Snow Hill, MD 21863

**Riverview Mobile Home Park. Bishopville, Maryland
 Mobile Home Park Lot Expansion and Wastewater Project – Water and
 Sewer Plan Amendment Application**

Dear reviewers:

RAUCH inc. is assisting in the concept and planning phase of a mobile home park expansion and wastewater treatment upgrade Bishopville, MD. Riverview Mobile Home Park proposes to add 60 lots to its existing 66 lots. Please find the subsequent application package for your review.

The County's Comprehensive Plan Objectives include:

- Provide for adequate housing opportunities for all income and age groups
- Accommodate planned future growth through designated "growth centers" with development standards designed to minimize environmental and habitat disruption
- Provide adequate public health, safety, social, recreation, and waste disposal services
- Maintain and enhance the county's livability

The Riverview Park, located in Bishopville, is in The Plan as a multi-use septic system serving the residents of the park. Maximum number of trailers was capped at 66, and they have run between 58-63 units in our historical records and have the ability to add the last system connections. The septic is a single system, with a low pressure-dosed drain field that has the old system as a backup. They have conventional (zero) treatment at the present, and the system and drain field is an innovative system repair located entirely in the critical area. There is no guaranteed state funding for pre-treatment (a package plant) that would be required with a system replacement should the existing system fail. This is the only large multi-use septic systems (over 5,000 gpd) that does not have groundwater discharge permit, is located within the critical area, and is not adjacent to any sewer planning area, and does not have a state funding source for the addition of treatment (systems located in our state parks).



The park currently contributes 1,214 pounds of nitrogen annually to the Coastal Bays using Maryland Department of the Environment's (MDE's) nitrogen delivery ratio for systems located within the 1,000 ft critical area (attached). A treatment plant would dramatically reduce this loading to the watershed with the advanced treatment technologies available today. Grants for a system of this size would be very hard to secure. The water quality funding scoring in Maryland is geared towards larger community systems, systems that have failed or need significant repair, or systems under a consent order. This park is not under a consent order. A replacement of the system with treatment would be an immense debt burden imposed on the rental rates for the existing park residents. The owner believes that getting additional units for the park within the existing property would assist in spreading the cost of the upgrade to treatment to an affordable price point that would provide a stable future for the park's residents and perhaps add to the park's ability to provide affordable housing for additional individuals. They have explored additional onsite testing to expand the septic capability and explored adjacent properties for spray irrigation and have not been able to find or secure these outlets for additional land application of treated effluent.

The expansion project will contribute to these goals by utilizing existing development areas (EDAs) currently classified as IDA and LDA. Furthermore, the project will reduce the overall nutrients impacting the Atlantic Coastal Bay's Bishopville Prong from Riverview Mobile Home Park. A text amendment to the Worcester County Comprehensive Water and Sewer Plan is concurrently proposed which would modify Section 1.2.2 D Protection of the Environment and allow point discharges within the County subject to the criteria included within the proposed text amendment. This proposed text amendment would facilitate the Riverview Mobile Home Park project and is included as Appendix A-7 within the Riverview Mobile Home Park Lot Expansion and Wastewater Project – Water and Sewer Plan Amendment Application.

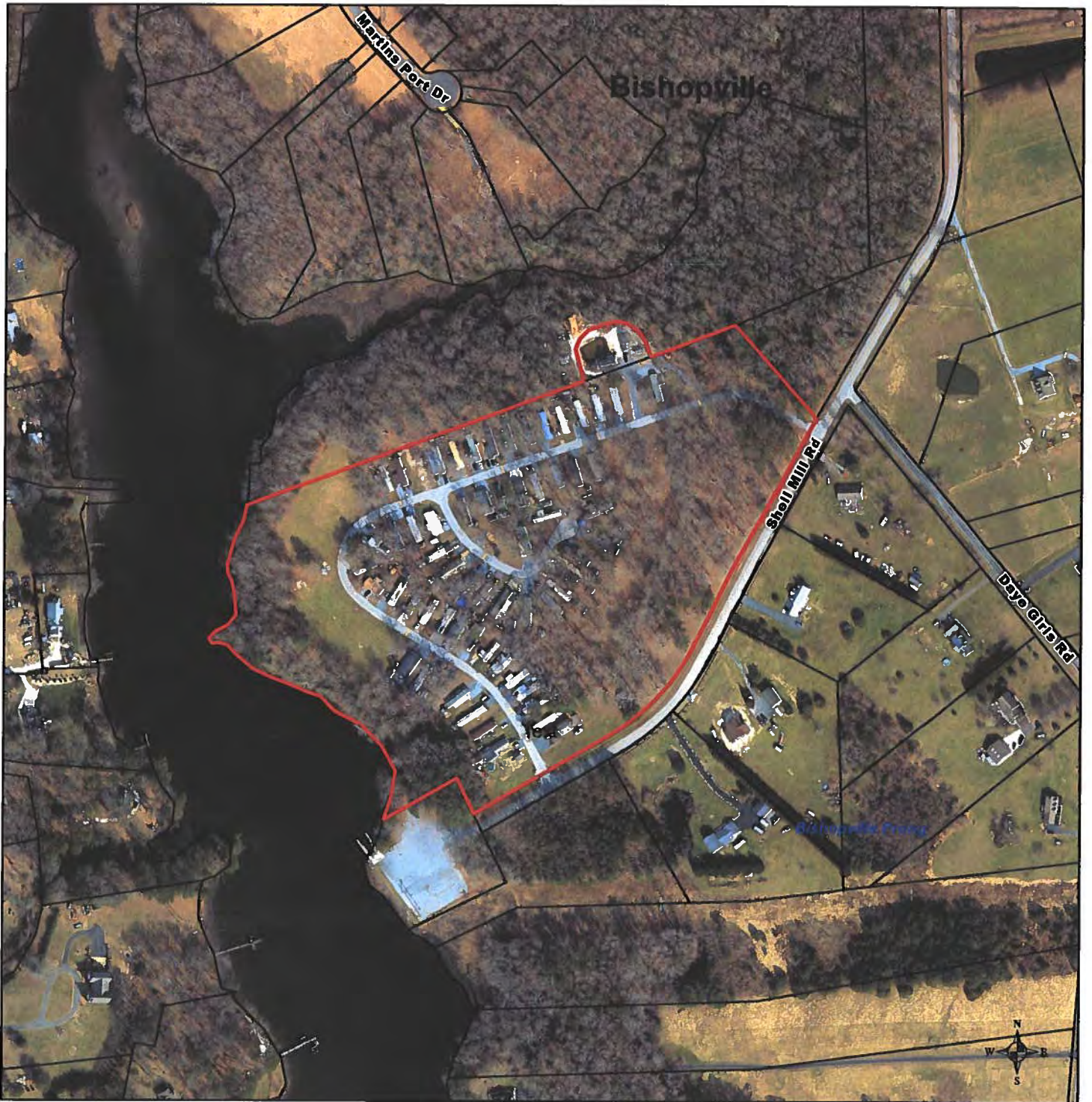
We believe this project is consistent with Worcester County goals and will help the County achieve its stated goals. If any further information is needed or you wish to discuss our project, please contact James Cook at 410-770-9081.

Best regards,

James Cook
Project Manager, RAUCH inc.
jcook@raucheng.com
410-770-9081

Attachment 2

Maps



Proposed Area

Aerial

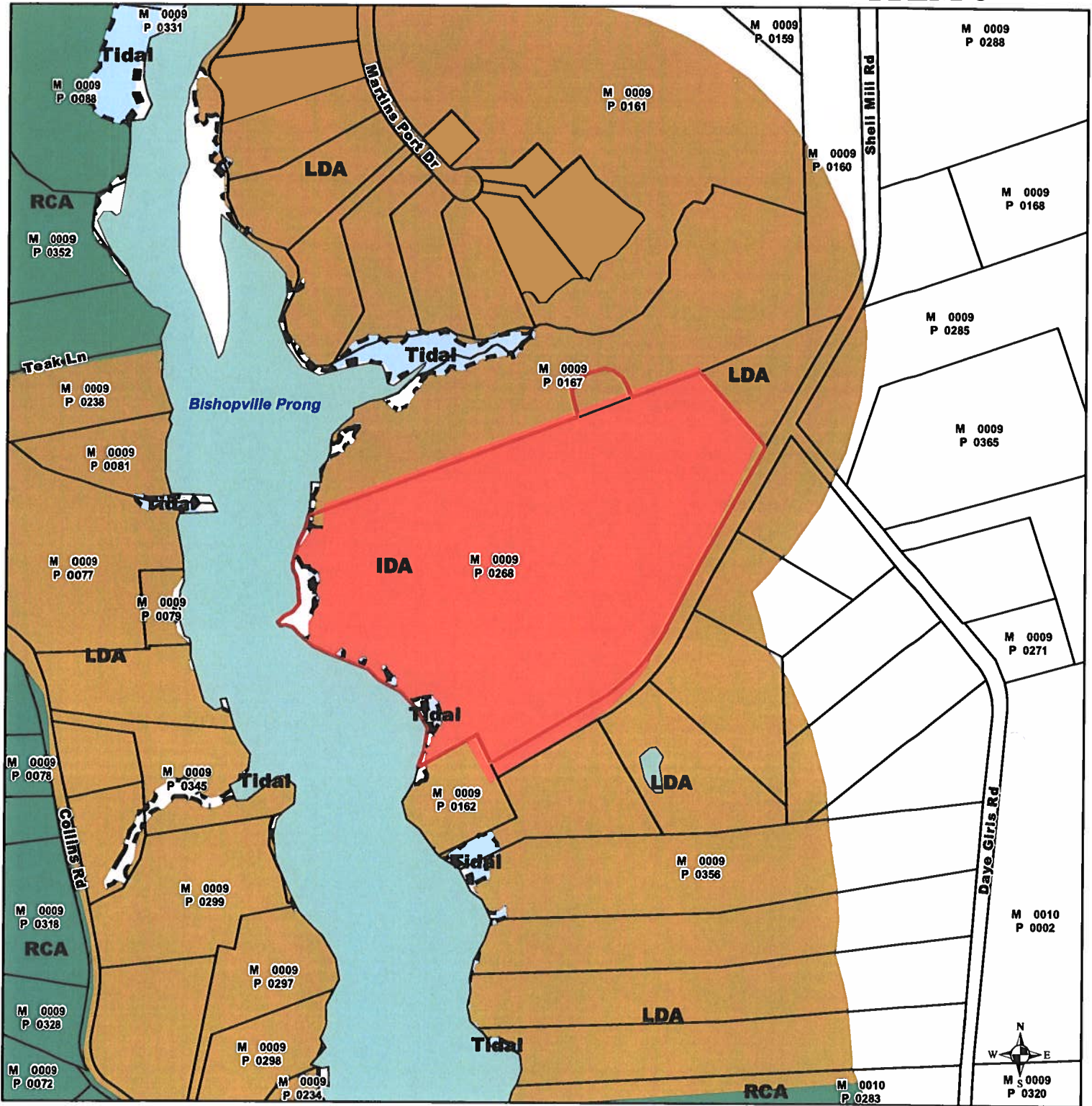
Riverview Mobile Home Park

Tax Map: 9

Parcel: 268 & 167

Water and Sewer Amendment





Legend

- Proposed Area
- IDA - Intensely Development Areas
- LDA - Limited Development Areas
- RCA - Resource Conservation Areas
- Tidally Influenced Areas

Critical Areas

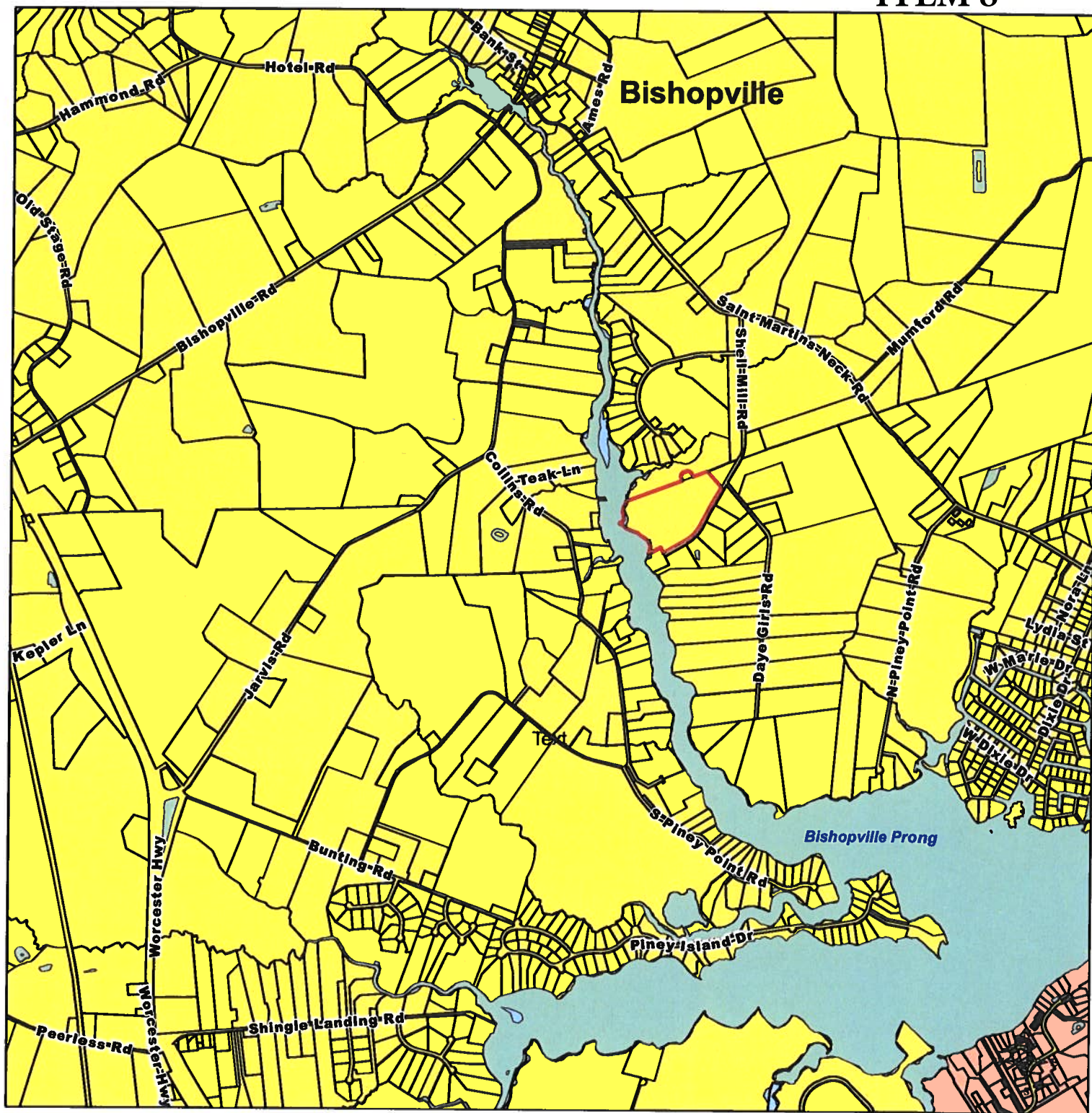
Riverview Mobile Home Park

Tax Map: 9

Parcel: 268 & 167

Water and Sewer Amendment





General Location

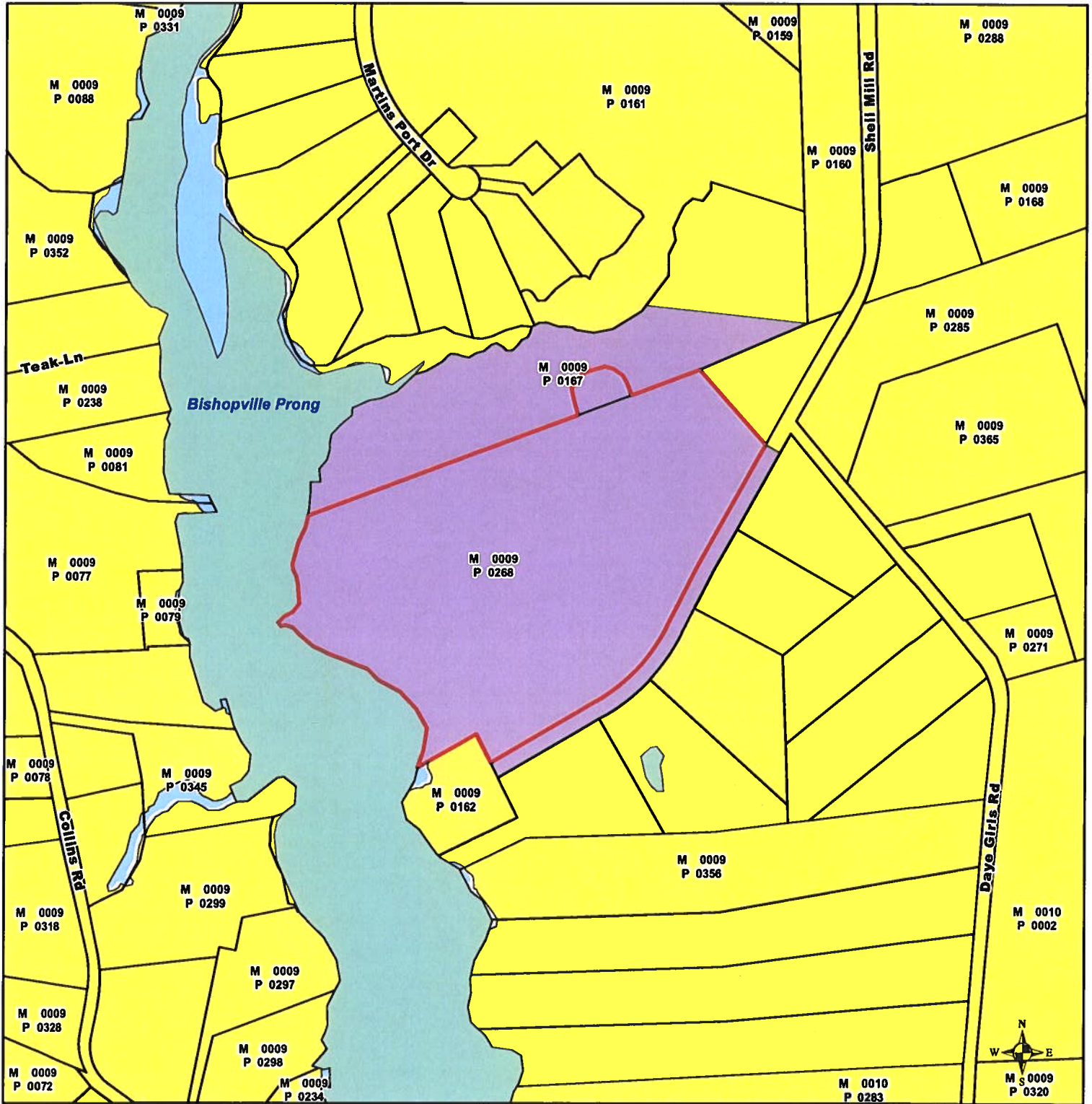
Riverview Mobile Home Park

Tax Map: 9

Parcel: 268 & 167

Water and Sewer Amendment





Legend

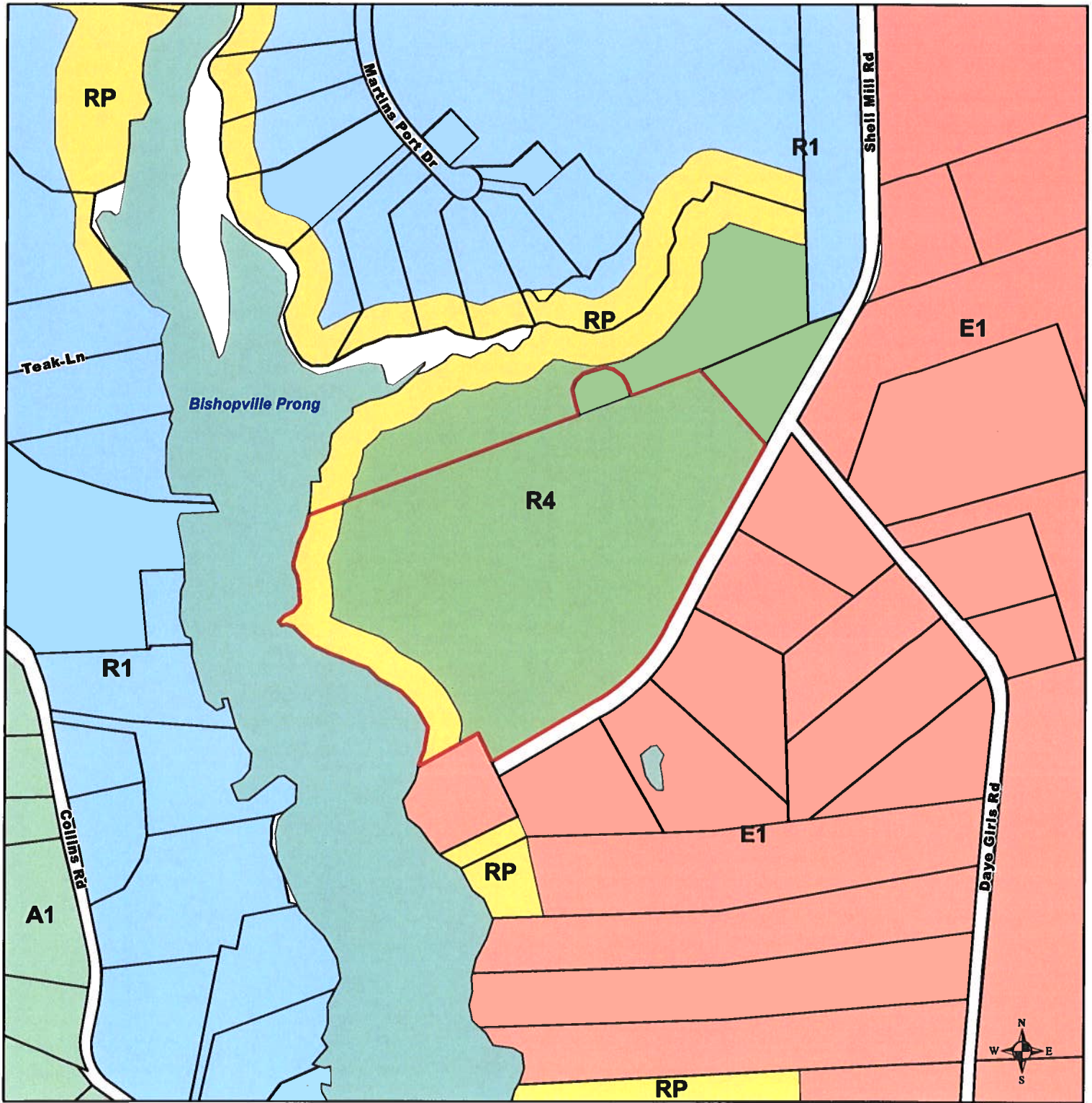
- Proposed Area
- Priority Funding Area

Riverview Mobile Home Park

Tax Map: 9
Parcel: 268 & 167

Water and Sewer Amendment





Legend

Proposed Area

Zoning

 E1	 RP
 R1	 A1

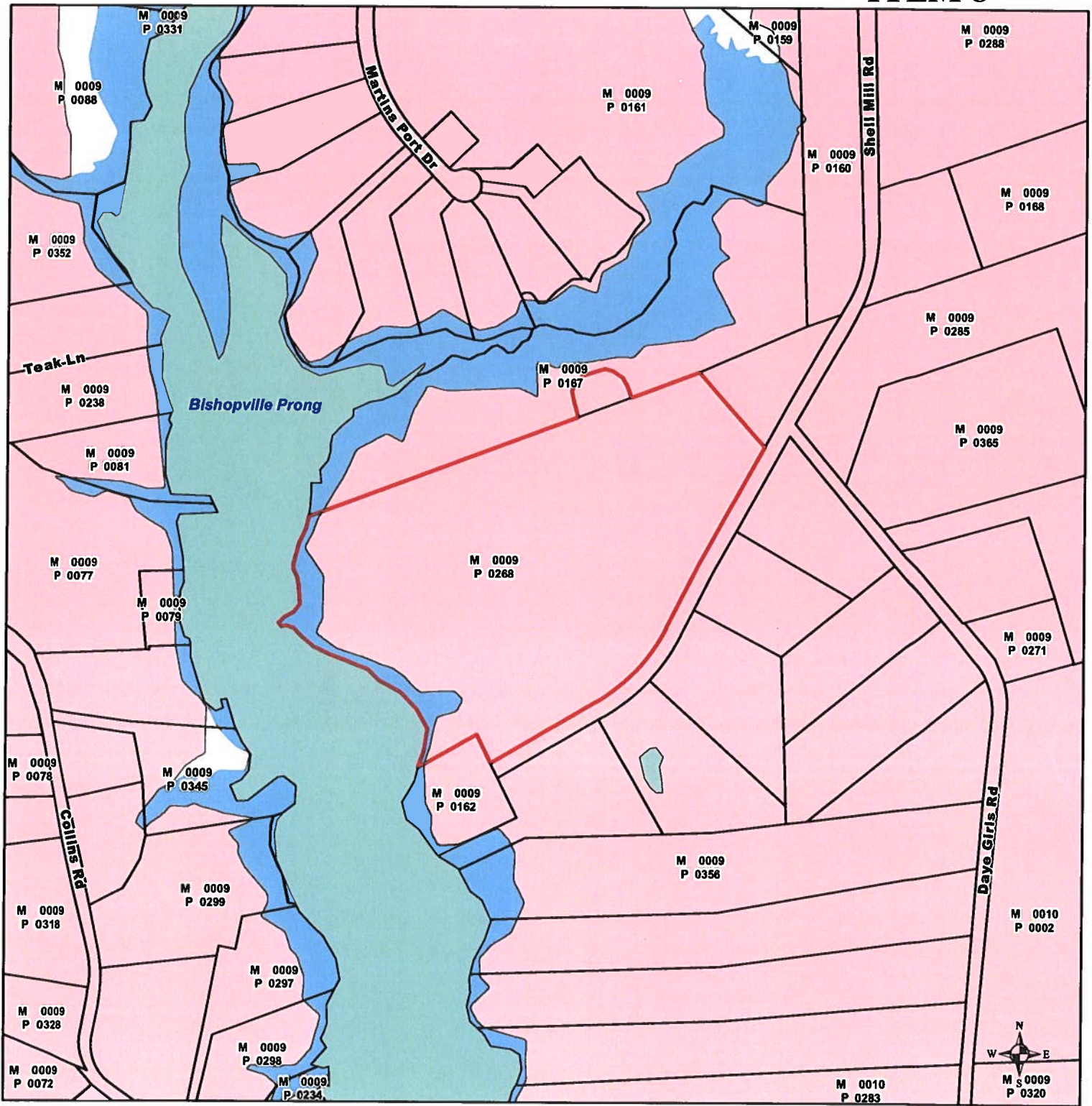
Riverview Mobile Home Park

Tax Map: 9

Parcel: 268 & 167

Water and Sewer Amendment





Legend

Proposed Area

Floodplain

Flood Zone

100 Year Floodplain
 500 Year Floodplain

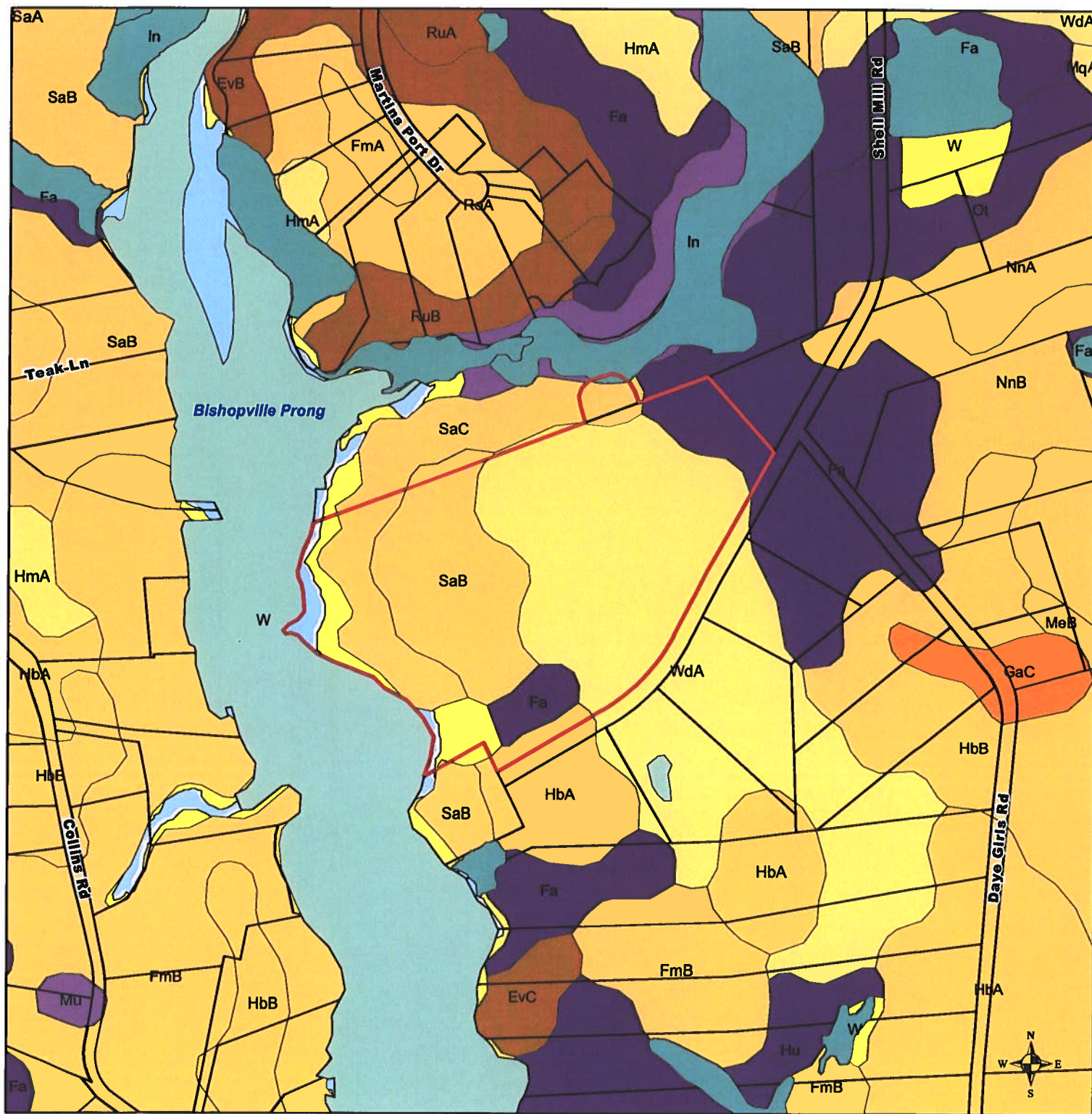
Riverview Mobile Home Park

Tax Map: 9

Parcel: 268 & 167

Water and Sewer Amendment





Legend

 Proposed Area

Soil

 Excessively drained	 Somewhat excessively drained
 Moderately well drained	 Very poorly drained
 Poorly drained	 Well drained

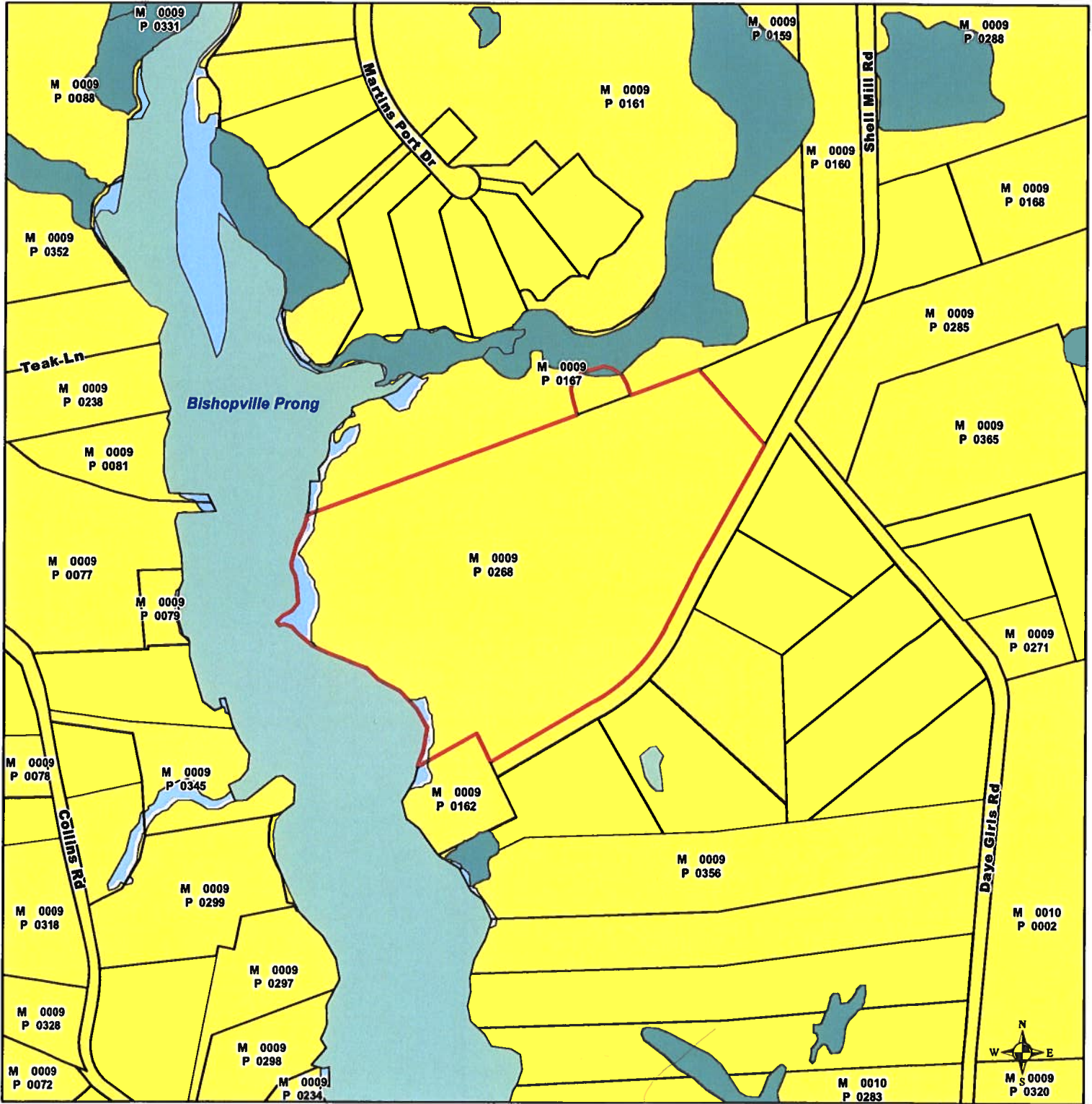
Soils

Riverview Mobile Home Park

Tax Map: 9
Parcel: 268 & 167

Water and Sewer Amendment





Legend

- Proposed Area
- Wetlands

Wetlands

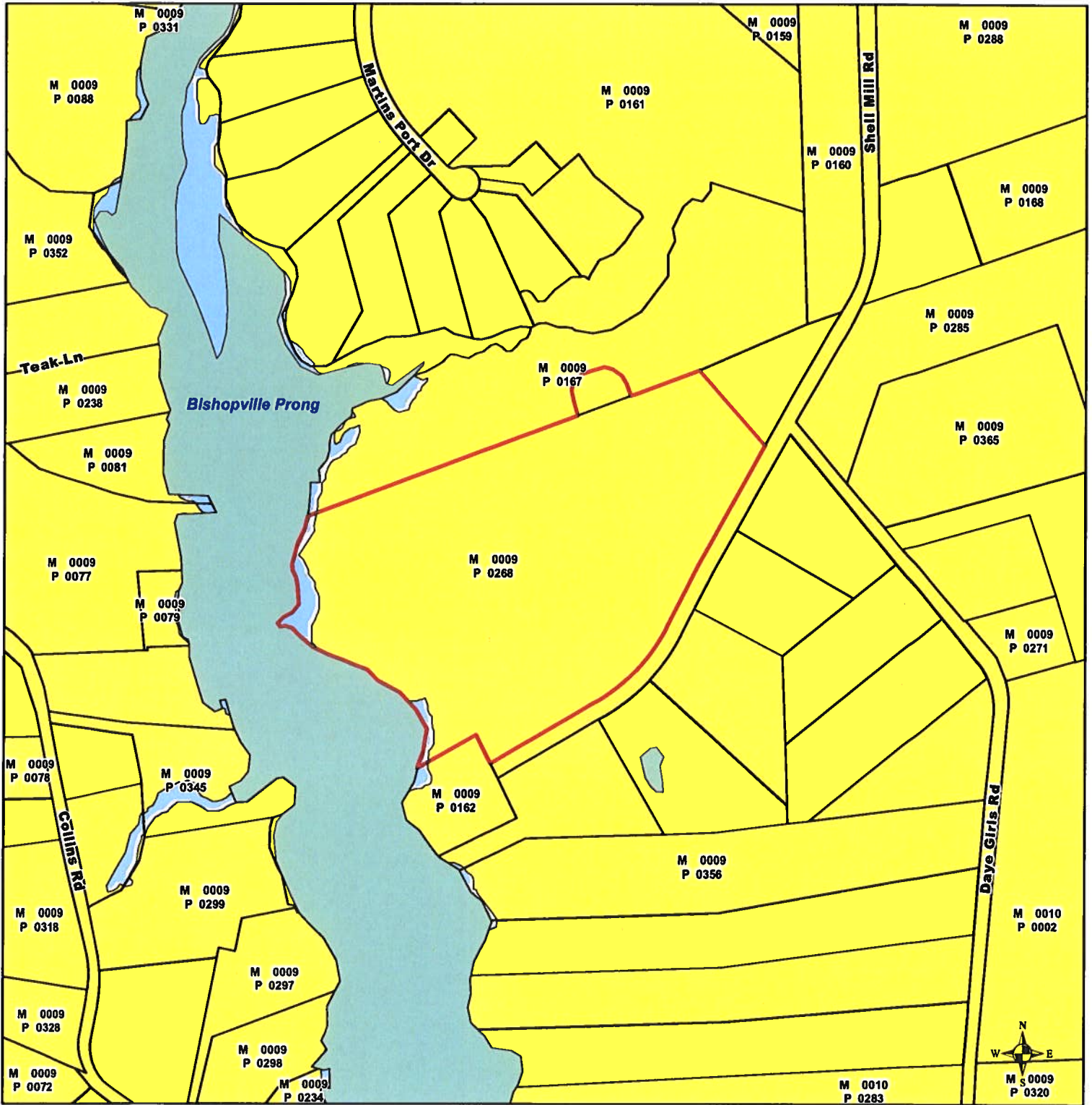
Riverview Mobile Home Park

Tax Map: 9

Parcel: 268 & 167

Water and Sewer Amendment





Legend

Proposed Area

Water Planning Area

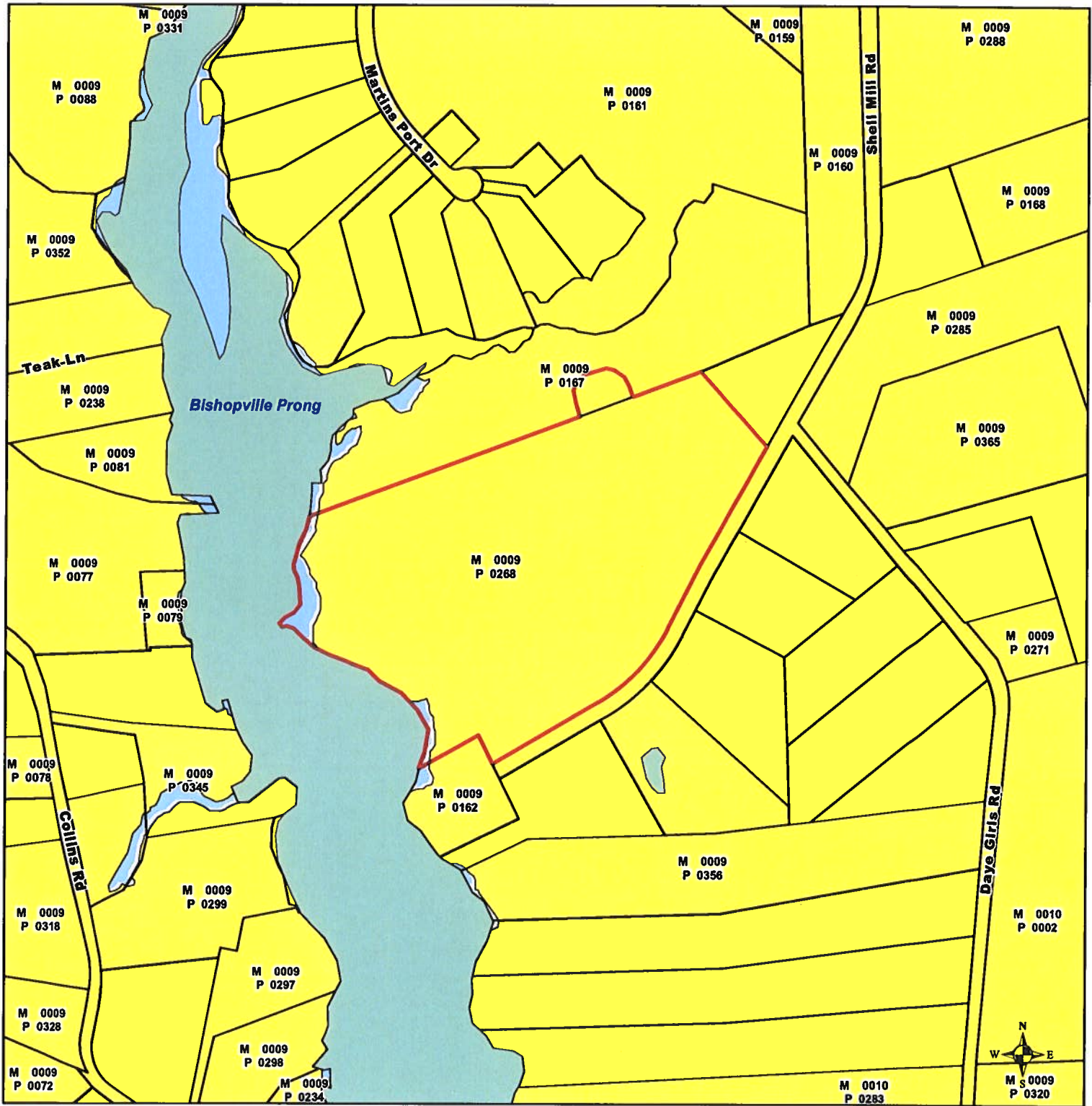
Riverview Mobile Home Park

Tax Map: 9

Parcel: 268 & 167

Water and Sewer Amendment





Legend

 Proposed Area

Sewer Planning Area

Riverview Mobile Home Park

Tax Map: 9

Parcel: 268 & 167

Water and Sewer Amendment



Attachment 2

**Minutes
Planning Commission
November 3, 2022**

III. Comprehensive Water and Sewerage Plan Amendment

- A. As the next item of business, the Planning Commission reviewed an application for a text amendment to allow for a discharge permit and wastewater and water plant improvements to serve the existing and future expansion of the Riverview Mobile Home Park in Bishopville, Maryland. The proposed amendment would only serve the mobile home park in this proposed modification for the park in the *Master Water and Sewerage Plan (The Plan)*. Rauch Engineering submitted the amendment on behalf of the Owner, James Latchum. Robert Mitchell, Director of Environmental Programs presented the staff report to the Planning Commission.

Mr. Mitchell explained that the applicant applied for this amendment to allow for the construction of a wastewater treatment plant for stream discharge and modifications to the existing water treatment plant to serve an expansion of the park up to sixty (60) units. The existing conventional subsurface multi-use septic system would be connected to the proposed wastewater plant, water plant improvements made, and septic would be properly abandoned after the required year-long timeframe for operational testing of the wastewater treatment plant. To allow for the review of such a discharge permit, it is also necessary to modify Section 1.2.2 D (Protection of the Environment) of *The Plan*, and provide amended language that would make it possible for this facility to apply for a discharge permit.

Mr. Mitchell then disclosed that a previously Planning Commission-approved amendment failed at the state level due to necessary text language changes. He explained that the prior amendments for this park were not approved due to language revisions that MDE wanted included in the text amendment. Those changes have been discussed and reviewed in the interim and the revised language is presented in this amendment. Mr. Mitchell then reviewed the history of the Riverview park, located in Bishopville, which is in *The Plan* as a multi-use septic system serving the residents of the park. Maximum number of trailers was capped at 66, and they have run between 58-63 units in our historical records and have the ability to add the last system connections. Their septic is a single system, with a low pressure-dosed drain field that has the old system as a backup. They have conventional (zero) treatment at the present, and the current system and drain field is an innovative system repair located entirely in the critical area. Mr. Mitchell offered that state funding for pre-treatment (a package plant) that would be required with a system replacement should the existing system fail, is not a guarantee as there are scoring systems involved that are very competitive for these grants. He further explained that the system servicing this mobile home park is the only large multi-use septic system (over 5,000 gpd) that does not have groundwater discharge permit, is located within the critical area, is not adjacent to any sewer planning area, and does not have a more secure state funding source for the addition of treatment (systems located in our state parks).

Mr. Mitchell then provided a summary of the nutrient reductions with this conversation to treatment and the strict permit requirements that would be imposed by the state with this amendment language. The proposed point discharge to the Bishopville Prong requires a net zero total phosphorus load to the Prong due to the impaired status of the waterway. The Owner's consultant has indicated that the load must be mitigated to achieve a net-zero TP discharge to the Bishopville Prong and

even that small amount needs to be offset through treatment practices within the watershed. The consultant indicates the Owner proposes to achieve a minimum of the required phosphorus removal from naturally generated sources on owner-controlled and owned parcel adjacent to the proposed MHP expansion shown and will demonstrate this to MDE on a subsequent permit application after amendment approval.

The extent the owners and their consultants have explored as alternatives were briefly described by Mr. Mitchell to the Planning Commission members. He indicated that they tried additional onsite testing to expand the septic capability, they explored adjacent properties for spray irrigation, they looked for sewer plant connections, but have been unable to find or secure these outlets. He finished this point with the observation that there has been a concerted effort over the last couple years by the owners, while also being reviewed by the county, to examine options and confer with state agency staffs any alternatives to a point source discharge for this park.

The actual language was the last part of the amendment reviewed by Mr. Mitchell and he offered that the text additions were significantly more burdensome on the owner than before. These additions were included to protect the environment and ensure the owner and their consultant took into account items that were needed to achieve that net-zero option with mitigation of nutrient inputs as well. The documentation requirements that need to accompany any future discharge permit application, should this amendment be successful, were also reviewed.

The Planning Commission members did have a few comments. Mr. Church asked if this language was reviewed with the state and Mr. Mitchell indicated it had. Follow-up comments from the mobile home owners present in the audience indicated that they did meet with the state on this amendment and they also met with local environmental groups in Worcester County who they said were in favor of this amendment.

Following the discussion, a motion was made by Ms. Knight, seconded by Ms. Ott, to find this application consistent with the *Comprehensive Plan* and recommended that they forward a favorable recommendation to the County Commissioners. The vote was unanimous with only Mr. Wells and Mr. Clayville missing from the meeting.



Worcester County Administration

One West Market St. Room 1103 | Snow Hill MD 21863 | (410) 632-1194 | www.co.worcester.md.us

ITEM 9

TO: Weston S. Young, Chief Administrative Officer
FROM: Candace I. Savage, Deputy Chief Administrative Officer *CS*
DATE: November 4, 2022
SUBJECT: Commissioners' Meeting Schedule and Budget Schedule for 2023

Attached, please find a proposed schedule of the County Commissioners' meeting dates for calendar year 2023 and a proposed Budget Schedule for fiscal year 2024. For informational purposes, I have also attached a copy of the schedule of holidays for 2023 in accordance with the Personnel Rules and Regulations (Section 6.11.A).

County Commissioners' meetings are generally held on the 1st and 3rd Tuesday of each month, except where such dates fall on a legal holiday or other conflicting event. The proposed alternative to the July 4th, 2023 meeting is Wednesday, July 5th, 2023.

Regarding Legislative Sessions, the Code of Public Local Laws of Worcester County, Maryland (Section CG 2-203) provides that the County Commissioners may hold regular Legislative Sessions on the 1st, 2nd or 3rd Tuesday of each month. Since the Commissioners regularly meet on the 1st and 3rd Tuesday of each month, those will be scheduled for a regular Legislative Session.

2023
WORCESTER COUNTY COMMISSIONERS' MEETING DATES

The Worcester County Commissioners have established the following meeting dates for 2023. Regular meetings are generally held on the first and third Tuesday of each month, except where such dates fall on a legal holiday or other scheduling conflict. All meetings will be held in the Worcester County Government Center, Room 1101, One West Market Street, Snow Hill, Maryland with the open session to commence at 10:00 a.m. unless otherwise noted.

January 3, 2023	Regular Meeting
January 17, 2023	Regular Meeting
February 7, 2023	Regular Meeting
February 21, 2023	Regular Meeting
March 7, 2023	Regular Meeting
March 21, 2023	Regular Meeting
March 28, 2023	Budget Work Session - 9am-4pm Discussion with Board of Education. Commissioner Operating Budget Review with selected Departments and Agencies
April 4, 2023	Regular Meeting
April 11, 2023	Budget Work Session - 9am-4pm Commissioner Operating Budget Review with selected Departments and Agencies.
April 18, 2023	Regular Meeting
May 2, 2023	Regular Meeting – FY24 Budget Public Hearing
May 9, 2023	Budget Work Session - 9am-4pm - Discussion w/ Departments and Personnel Matters
May 16, 2023	Regular Meeting - Budget Work Session - afternoon (1pm to 4pm)
June 6, 2023	Regular Meeting – FY24 Budget Adoption FY24 Enterprise Funds Public Hearing
June 20, 2023	Regular Meeting FY24 Water and Wastewater Service Enterprise Fund Budget Adopted FY24 Solid Waste Enterprise Fund Budget Adopted
Wednesday, July 5, 2023	Regular Meeting
July 18, 2023	Regular Meeting
August 1, 2023	Regular Meeting
August 15, 2023	Regular Meeting
September 5, 2023	Regular Meeting
September 19, 2023	Regular Meeting
October 3, 2023	Regular Meeting
October 17, 2023	Regular Meeting
November 7, 2023	Regular Meeting
November 21, 2023	Regular Meeting
December 5, 2023	Regular Meeting
December 19, 2023	Regular Meeting

§ CG 2-203 Legislative sessions and procedures of the County Code designates the first, second, and third Tuesday of each month as Legislative Sessions



Worcester County Administration

One West Market St. Room 1103 | Snow Hill MD 21863 | (410) 632-1194 | www.co.worcester.md.us

WORCESTER COUNTY FY2024 Budget Schedule

As of November 2, 2022

Monday, December 8, 2022	FY2024 Operating Budget Information Available for Distribution
Thursday, January 26, 2023	Department & Agency Operating Budget finalized in New World Systems
February 13, 14, 15, 2023	Departments meet with County Administration
Wednesday, February 15, 2023	Operating Budgets Submitted to County Administrator from Municipals and Ocean Pines Association Board of Education submit to County Administrator MOE for FY2024 Board of Education submit to County Administrator Non-Recurring FY2024
Tuesday, March 7, 2023	County Commissioners review requests of Municipalities & Ocean Pines Association
Tuesday, March 7, 2023	Operating Budget from Board of Education submitted to County Administrator
Tuesday, March 21, 2023	Requested FY2024 Consolidated Operating Budget to Commissioners Non-Recurring MOE Discussion–Deadline to file March 31 Maintenance of Effort Discussion - Deadline to file MOE Waiver is April 1
Tuesday, March 28, 2023	Budget work session/Discussion with Board of Education (9-4) Commissioner Operating Budget Review with Selected Departments/Agencies
Tuesday, April 11, 2023	Commissioner Operating Budget Review with Selected Departments/Agencies (9-4)
Tuesday, May 2, 2023	Requested FY2024 Operating Budget Public Hearing
Tuesday, May 9, 2023	Budget Work Session Discussion with Departments personnel matters
Tuesday, May 16, 2023	Budget Work Session (start 1:00 pm)
Tuesday, June 6, 2023	FY2024 Consolidated General Fund Operating Budget Adopted Proposed FY2024 Enterprise Funds Public Hearing at Government Center
Tuesday, June 20, 2023	FY2024 Water & Wastewater Services Enterprise Fund Budget Adopted FY2024 Solid Waste Enterprise Fund Budgets Adopted



Worcester County Government

One West Market Street | Room 1103 | Snow Hill MD 21863-1195

(410) 632-1194 | (410) 632-3131 (fax) | admin@co.worcester.md.us | www.co.worcester.md.us

Worcester County Government Holiday Schedule Calendar Year 2023

New Year's Day	Observed on Monday, January 2, 2023
Dr. Martin Luther King Jr.'s Birthday	Monday, January 16, 2023
Presidents' Day	Monday, February 20, 2023
Good Friday	Friday, April 7, 2023
Memorial Day	Monday, May 29, 2023
Juneteenth National Independence Day	Monday, June 19, 2023
Independence Day	Tuesday, July 4, 2023
Labor Day	Monday, September 4, 2023
Columbus Day	Monday, October 9, 2023
Veterans' Day	Observed on Friday, November 10, 2023
Thanksgiving Day	Thursday, November 23, 2023
American Indian Heritage Day	Friday, November 24, 2023
Christmas Day	Monday, December 25, 2023

Adopted in accordance with Section 6.11.A of the Worcester County Government Personnel Rules & Regulations.

TEL: 410-632-5623
 FAX: 410-632-1753
 WEB: co.worcester.md.us



Worcester County
DEPARTMENT OF PUBLIC WORKS
 6113 TIMMONS ROAD
 SNOW HILL, MD 21863

DALLAS BAKER JR., P.E.
 DIRECTOR

CHRISTOPHER CLASING, P.E.
 DEPUTY DIRECTOR

MEMORANDUM

To: Weston S. Young, P.E. Chief Administrative Officer
 Candace Savage, Deputy Chief Administrative Officer
From: Dallas Baker, Jr., P.E. Director *Dallas Baker Jr*
Date: November 7, 2022
Re: Leachate Wet Well Repairs at Central Site Landfill

The Department of Public Works, Solid Waste Division is requesting Commissioner approval to spend \$72,328.60 for repairs on 10 leachate wet wells at Central Site cells 2, 3, 4, and 5. While this is an unbudgeted repair request, funds are available in 680.7002.6550.020, Buildings & Grounds Maintenance. Solid Waste service contractor Envirep will be performing the repairs.

Since coming on board, Solid Waste Superintendent, David Candy, has been inspecting the various equipment and facilities at Central Site. In his review, David discovered multiple leachate wet wells on Cells 2, 3, 4, and 5 in disrepair. Envirep was brought on board to evaluate the mechanical portions (pumps, piping, valves, and appurtenances) of the wet wells as they are the local rep for the pump/wet well equipment manufacturer. Their findings are detailed in the attached inspection reports. In a brief summary, it was discovered several pumps & flow meters are not working, piping & appurtenances are corroded, and bypass/isolation valves are seized shut. The outlined repairs are needed to make all of the wet wells operational again and meet the requirements of the County's solid waste permit.

It should be noted, MDE has been made aware of the issues and is monitoring the repair progress. No site complaints or fines have been issued at this point. In addition, issues with the alarm and SCADA system are being evaluated and will be presented for repair funding once a full assessment is complete.

Please let me know if there are any questions.

Attachments

Cc: Chris Clasing
 David Candy



ENVIREP, INC.
3705 TRINDLE ROAD
CAMP HILL, PA 17011
O (717) 761-7884
F (717) 737-5817

ITEM 10 QUOTATION

**PLEASE VERIFY BILLING AND SHIPPING
ADDRESSES BEFORE RETURNING
APPROVED QUOTE.**

Quote Number: 4813
Quote Date: Nov 2, 2022

Page: 1

Quoted To:
ATTN: WATER/WASTEWATE DEP WORCESTER CO DEPT OF PUBLIC WORKS 1000 SHORE LANE BERLIN, MD 21811

Ship To:
WORCESTER CO DEPT OF PUBLIC WORKS 1000 SHORE LANE ATTN DAVID CANDY BERLIN, MD 21811

Customer ID	Good Thru	Payment Terms	Sales Rep
WORCESTER	12/2/22	Net 30 Days	IAN T. STAUFFER

Quantity	Item	Description	Unit Price	Amount
		PARTS RECOMMENDED FOLLOWING ANNUAL SERVICE **INCLUDES THREE-WAY VALVES		
7.00	S5169B	DEZURIK THREE-WAY PLUG VALVE, 4", WITH GREASE FITTINGS	4,493.16	31,452.12
1.00	MISC	MISC HARDWARE & GASKETS FOR NEW THREE WAY VALVES	750.00	750.00
4.00	48313-839	INTEGRINEX STANDARD, RETROFIT KIT FOR STATIONS 201, 202, 203, 301	3,453.63	13,814.52
1.00	28258-703	MOTOR, 7.5 HP, 3 PH, TEFC FOR STATION 203	840.00	840.00
1.00	27321-942	GE C/B TED134020WL FOR STATION 401	1,168.75	1,168.75
6.00	27320-360	COPPER LUGS FOR GE C/B	31.00	186.00
2.00	3VX500	V-BELTS FOR STATION 201	28.70	57.40
4.00	26853-721	SUCTION GAUGE, WIKA, 0-34 0/34 FOR STATIONS 201 & 203	129.46	517.84
4.00	26851-363	DISCHARGE GAUGE, WIKA, 140' FOR STATIONS 201 & 203	129.46	517.84
8.00	GAUGECA	GAUGE CONNECTION ASSY FOR STATIONS 201 & 203	57.26	458.08
40.00	18513-302	HOSE .37 ID X FT FOR STATIONS 201 & 203	11.47	458.80
8.00	26523-015	HOSE END FOR STATIONS 201 & 203	13.65	109.20

ACCEPTED: _____
Authorized Signature

DATE: _____

P.O. NUMBER (if applicable): _____

Subtotal	Continued
Sales Tax	Continued
TOTAL	Continued

**A 3% FEE WILL BE APPLIED TO ALL
CREDIT CARD TRANSACTIONS**



ENVIREP, INC.
3705 TRINDLE ROAD
CAMP HILL, PA 17011
O (717) 761-7884
F (717) 737-5817

ITEM 10 QUOTATION

**PLEASE VERIFY BILLING AND SHIPPING
ADDRESSES BEFORE RETURNING
APPROVED QUOTE.**

Quote Number: 4813
Quote Date: Nov 2, 2022

Page: 2

Quoted To:
ATTN: WATER/WASTEWATE DEP WORCESTER CO DEPT OF PUBLIC WORKS 1000 SHORE LANE BERLIN, MD 21811

Ship To:
WORCESTER CO DEPT OF PUBLIC WORKS 1000 SHORE LANE ATTN DAVID CANDY BERLIN, MD 21811

Customer ID	Good Thru	Payment Terms	Sales Rep
WORCESTER	12/2/22	Net 30 Days	IAN T. STAUFFER

Quantity	Item	Description	Unit Price	Amount
8.00	26523-333	HOSE BARB MALE NPT FOR STATIONS 201 & 203	11.52	92.16
4.00	46421-214	CHECK VALVE, 4", LH, PAINTED WHITE FOR STATIONS 203, 204, 301, 302	1,254.22	5,016.88
4.00	46421-215	CHECK VALVE, 4", RH, PAINTED WHITE FOR STATIONS 203, 204, 301, 302	1,254.22	5,016.88
16.00	25113-034	CHECK VALVE FLANGE GASKET, 4", FOR STATIONS 203, 204, 301, 302	6.43	102.88
112.00	B1012 (15991)	HEX HEAD CAPSCREW, CHECK VALVE HARDWARE	2.97	332.64
16.00	B1008 (15991)	HED HD CAPSCREW STL, CHECK VALVE HARDWARE	1.86	29.76
112.00	D10 (15991)	HEX NUT #10-24, CHECK VALVE HARDWARE	1.01	113.12
128.00	AK10 (15991)	LOCK WASHER, CHECK VALVE HARDWARE	0.90	115.20
128.00	21161-442	FLAT WASHER, CHECK VALVE HARDWARE	0.69	88.32
		DOOR HANDLE & LATCH ASSEMBLY PARTS FOR STATION 202:		
1.00	22814-652	HANDLE KEYED	25.75	25.75
1.00	33247-006 (1502X)	BAR	35.42	35.42
2.00	31615-010 (23050)	CAM ROLLER	7.27	14.54
2.00	21771-553	SCREW	0.64	1.28
1.00	22565-212	NYL COLLAR LOCKNUT	0.90	0.90
2.00	21481-009	SHDR SCREW	3.19	6.38
2.00	D05 (15991)	HEX NUT	0.58	1.16

ACCEPTED: _____
Authorized Signature

DATE: _____

P.O. NUMBER (if applicable): _____

Subtotal	Continued
Sales Tax	Continued
TOTAL	Continued

**A 3% FEE WILL BE APPLIED TO ALL
CREDIT CARD TRANSACTIONS**



ENVIREP, INC.
3705 TRINDLE ROAD
CAMP HILL, PA 17011
O (717) 761-7884
F (717) 737-5817

ITEM 10 QUOTATION

**PLEASE VERIFY BILLING AND SHIPPING
ADDRESSES BEFORE RETURNING
APPROVED QUOTE.**

Quote Number: 4813
Quote Date: Nov 2, 2022

Page: 3

Quoted To:

ATTN: WATER/WASTEWATE DEP
WORCESTER CO DEPT OF PUBLIC WORKS
1000 SHORE LANE
BERLIN, MD 21811

Ship To:

WORCESTER CO DEPT OF PUBLIC WORKS
1000 SHORE LANE
ATTN DAVID CANDY
BERLIN, MD 21811

Customer ID	Good Thru	Payment Terms	Sales Rep
WORCESTER	12/2/22	Net 30 Days	IAN T. STAUFFER

Quantity	Item	Description	Unit Price	Amount
2.00	21481-004	SHDR SCREW	2.39	4.78
1.00	LABOR	TRAVEL/LABOR/LODGING TO INSTALL ALL OF THE COMPONENTS LISTED ON THIS QUOTE	11,000.00	11,000.00
1.00	FREIGHT STATEMENT	ABOVE PRICING DOES NOT INCLUDE FREIGHT. FREIGHT WILL BE PREPAID AND ADDED TO INVOICE.		
1.00	SIGNATURE	TO ORDER PLEASE SIGN WHERE INDICATED BELOW AND RETURN TO SALES@ENVIREP.COM		

ACCEPTED: _____
Authorized Signature

DATE: _____

P.O. NUMBER (if applicable): _____

Subtotal	72,328.60
Sales Tax	
TOTAL	72,328.60

**A 3% FEE WILL BE APPLIED TO ALL
CREDIT CARD TRANSACTIONS**



ENVIREP
3705 Trindle Road
Camp Hill, PA 17011
717-761-7884
www.envirep.com

SERVICE AGREEMENT CHECKLIST **GORMAN-RUPP - SUCTION LIFT**

Owner: Worcester Co. Landfill
 Owners Description: PS #201
 Location: Berlin, MD
 Date: 10/18/2022 Pump Station Serial #: 96-4710-AM

CONTACT INFORMATION	Envirep	Customer
Name	Ian Stauffer	David Candy
Cell Phone Number	717-585-7786	410-251-8315
Email Address	IStauffer@Envirep.com	
Toll Free Telephone Number	800-733-7884	
Fax Number	717-737-5817	

EQUIPMENT DESCRIPTION

Manufacturer: Gorman Rupp
 Number of Pumps: 2
 Pump Model Number: T3A24-B/WW
 Impeller Material: SST
 Wear Plate Material: SST
 Control Manufacturer: Gorman Rupp
 Starter Type: FVNR
 Building/Enclosure Type: 6x6

The following items were performed under this service agreement:

GENERAL

Update the database registry card if the impeller and wear plate material is different than what was originally provided.
 Verify that the pump nameplate data matches the database registry card.
 Update all customer contacts on Envirep Database (names, phone numbers, email addresses, physical plant address, admin address, etc.)
 Confirm photos of application are on Envirep server
 Visual inspection of exterior and interior of the pumping station and equipment
 Pump wet well down to check condition of wet well (if applicable)
 Confirm there are no openings between wet well and pump room that will allow sewer gas from wet well to enter pump room
 Clean pump station to best of service techs ability
 Inspect/change wet well aeration inlet filter if applicable

OK
OK
OK
OK
NOTE
NOTE
OK
OK
N/A



Worcester County Landfill
PS #201
Berlin, MD

PUMPS

Check pump operation for excessive noise or vibration
Change oil in seal cavity and bearing cavity
Adjust clearance between impeller and wear plate
Inspect pump interior if needed, check condition of impellers and wear plates
Compare pump speed to startup data
Verify suction flap valve is operating properly
Compare suction and discharge gauge readings to startup data
Perform shutoff head test and record results
Check operation of high temperature sensors
Record force main static gauge reading and compare to equipment startup report data
(NCP = no connection point)

OK
NOTE
OK
OK
OK
OK
OK
NOTE
OK
NCP

ENCLOSURE/BUILDING

Check entrance doors, weather stripping and latches
Check heater and thermostat
Check vent fan and thermostat operation
Adjust thermostatically controlled intake and exhaust louvers if needed
Check operation of exterior and interior lighting
Check operation of emergency lighting
Check operation of sump pump

NOTE
OK
OK
N/A
N/A
N/A
N/A

MOTORS AND DRIVES

Check motor operation for excessive noise or vibration
Grease motor bearings (if applicable)
Check alignment of v-belt drive sheaves and adjust (if applicable)
Check condition of belts and adjust belt tension

OK
N/A
OK
NOTE

VALVES

Lubricate and inspect air release valves
Confirm ARV discharge pipe is unclogged
Exercise shutoff valves
Confirm proper check valve operation, clean if needed

OK
OK
NOTE
NOTE

CONTROLS

Check operation of control panel components including HOA switches, elapsed time meters, and lights
Replace filter on air pumps and exercise standby air pump
Check Humidisorb moisture & corrosion packet - recommend replacement if over 10 years old

NOTE
NOTE
OK



Worcester County Landfill
PS #201
Berlin, MD

If panel has VFD's or SMC's confirm exhaust fan operation and clean/replace filters
Check level control operation
Check level control settings
Check pump lead/lag operation
Verify backup float system is operating properly
Test high water alarm and high pump temp alarms
Verify alarms are functional and calls are received by customer's alarm system
Test dry well flood alarm (if applicable)

N/A
OK
OK
OK
N/A
OK
N/A
N/A

****Customer will be charged for additional parts used during optional services listed below unless parts are provided by the customer beforehand****

OPTIONAL ITEMS

Install new impeller and/or wearplate
Replace suction flap valve
Perform drawdown test to determine pumping rate
Replace mechanical seal and pressure check
Install new belts and/or sheaves
Rebuild automatic air release valve
Repair/rebuild air pumps
Install replacement air pump
Install replacement air pump in-line check valve
Replace defective float (low, lead, lag, high, high-high)

RECORDINGS	Pump #1	Pump #2	Pump #3	Pump #4
Pump Serial Number	112367	112368		
Pump Speed, RPM	1503	1496		
Suction Gauge, FT	-21	-26		
Discharge Gauge, FT	23	17		
SH Suction Gauge, FT	Note	Note		
SH Discharge Gauge, FT	Note	Note		
Elapsed Time Meter, Hrs.	608	185		
Avg Flow Meter, GPM	N/A	N/A		
Force Main Static Gauge Reading, FT	NCP			



Worcester County Landfill
PS #201
Berlin, MD

ADDITIONAL ITEMS USED DURING SERVICE:

3-Qt. SAE 30 weight non-detergent oil
1-WISA Air Pump

COMMENTS AND RECOMMENDATIONS TO IMPROVE EFFICIENCY, PERFORMANCE, SAFETY, AND RELIABILITY:

1. Flowmeter in panel is not reading properly, Envirep suspects issue with flowmeter in valve vault.
2. 3-way valve is seized so shut off readings could not be taken.
3. Installed new Wisa Air Pump in place of air pump #1 due to old one no longer functioning.
4. Station has old classic style EPS. Envirep recommends replacing due to age of level controller as well as wet well level bouncing up and down on controller screen, Envirep believes this is due to age of pressure transducer in controller.
5. Suction and discharge gauges on both pumps should be replaced as well as gauge connections.
6. Wet well has a lot of debris in it around suction pipes and air bubbler line. Envirep believes this may be giving EPS a false reading on the wet well level. Envirep recommends getting wet well cleaned out.
7. Envirep believes there is a partial suction clog in Pump #2 due to suction gauge reading very high and discharge pressure being low. Envirep believes this could be an issue down in the wet well where all the debris are around suction legs.
8. Pump #1 only has 1 belt. Belt #3VX500.
9. Small amount of water came out of seal oil on Pump #2. Envirep pressure checked and deemed "Okay".
10. Station needs new bulb for alarm light.
11. Pump station is online and functioning at this time.

Service performed by: Ian Stauffer, Service Technician
Envirep, Inc.
717-585-7786
Email: IStauffer@Envirep.com



ENVIREP
3705 Trindle Road
Camp Hill, PA 17011
717-761-7884
www.envirep.com

SERVICE AGREEMENT CHECKLIST **GORMAN-RUPP - SUCTION LIFT**

Owner: Worcester Co. Landfill
 Owners Description: PS #202
 Location: Berlin, MD
 Date: 10/17/2022 Pump Station Serial #: 96-4711-AM

CONTACT INFORMATION	Envirep	Customer
Name	Ian Stauffer	David Candy
Cell Phone Number	717-585-7786	410-251-8315
Email Address	IStauffer@Envirep.com	
Toll Free Telephone Number	800-733-7884	
Fax Number	717-737-5817	

EQUIPMENT DESCRIPTION

Manufacturer: Gorman Rupp
 Number of Pumps: 2
 Pump Model Number: T3A24-B/WW
 Impeller Material: SST
 Wear Plate Material: SST
 Control Manufacturer: Gorman Rupp
 Starter Type: FVNR
 Building/Enclosure Type: 6x6

The following items were performed under this service agreement:

GENERAL

Update the database registry card if the impeller and wear plate material is different than what was originally provided.
 Verify that the pump nameplate data matches the database registry card.
 Update all customer contacts on Envirep Database (names, phone numbers, email addresses, physical plant address, admin address, etc.)
 Confirm photos of application are on Envirep server
 Visual inspection of exterior and interior of the pumping station and equipment
 Pump wet well down to check condition of wet well (if applicable)
 Confirm there are no openings between wet well and pump room that will allow sewer gas from wet well to enter pump room
 Clean pump station to best of service techs ability
 Inspect/change wet well aeration inlet filter if applicable

OK
OK
OK
OK
NOTE
OK
OK
OK
N/A



Worcester County Landfill
PS #202
Berlin, MD

PUMPS

Check pump operation for excessive noise or vibration
Change oil in seal cavity and bearing cavity
Adjust clearance between impeller and wear plate
Inspect pump interior if needed, check condition of impellers and wear plates
Compare pump speed to startup data
Verify suction flap valve is operating properly
Compare suction and discharge gauge readings to startup data
Perform shutoff head test and record results
Check operation of high temperature sensors
Record force main static gauge reading and compare to equipment startup report data
(NCP = no connection point)

OK
OK
OK
OK
OK
OK
OK
NOTE
OK
NCP

ENCLOSURE/BUILDING

Check entrance doors, weather stripping and latches
Check heater and thermostat
Check vent fan and thermostat operation
Adjust thermostatically controlled intake and exhaust louvers if needed
Check operation of exterior and interior lighting
Check operation of emergency lighting
Check operation of sump pump

NOTE
OK
OK
N/A
N/A
N/A
N/A

MOTORS AND DRIVES

Check motor operation for excessive noise or vibration
Grease motor bearings (if applicable)
Check alignment of v-belt drive sheaves and adjust (if applicable)
Check condition of belts and adjust belt tension

OK
N/A
OK
OK

VALVES

Lubricate and inspect air release valves
Confirm ARV discharge pipe is unclogged
Exercise shutoff valves
Confirm proper check valve operation, clean if needed

OK
OK
NOTE
NOTE

CONTROLS

Check operation of control panel components including HOA switches, elapsed time meters, and lights
Replace filter on air pumps and exercise standby air pump
Check Humidisorb moisture & corrosion packet - recommend replacement if over 10 years old

NOTE
NOTE
OK



Worcester County Landfill
PS #202
Berlin, MD

If panel has VFD's or SMC's confirm exhaust fan operation and clean/replace filters
Check level control operation
Check level control settings
Check pump lead/lag operation
Verify backup float system is operating properly
Test high water alarm and high pump temp alarms
Verify alarms are functional and calls are received by customer's alarm system
Test dry well flood alarm (if applicable)

N/A
OK
OK
OK
N/A
OK
N/A
N/A

****Customer will be charged for additional parts used during optional services listed below unless parts are provided by the customer beforehand****

OPTIONAL ITEMS

Install new impeller and/or wearplate
Replace suction flap valve
Perform drawdown test to determine pumping rate
Replace mechanical seal and pressure check
Install new belts and/or sheaves
Rebuild automatic air release valve
Repair/rebuild air pumps
Install replacement air pump
Install replacement air pump in-line check valve
Replace defective float (low, lead, lag, high, high-high)

RECORDINGS	Pump #1	Pump #2	Pump #3	Pump #4
Pump Serial Number	1112369	1112370		
Pump Speed, RPM	1501	1484		
Suction Gauge, FT	-20	-20		
Discharge Gauge, FT	26	25		
SH Suction Gauge, FT	Note	Note		
SH Discharge Gauge, FT	Note	Note		
Elapsed Time Meter, Hrs.	1,636	3,610		
Avg Flow Meter, GPM	N/A	N/A		
Force Main Static Gauge Reading, FT	NCP			



Worcester County Landfill
PS #202
Berlin, MD

ADDITIONAL ITEMS USED DURING SERVICE:

2- In-line Air Release Check valves
4-WISA ISO-Rings

COMMENTS AND RECOMMENDATIONS TO IMPROVE EFFICIENCY, PERFORMANCE, SAFETY, AND RELIABILITY:

1. Flowmeter in panel is not reading properly, Envirep suspects issue with flowmeter in valve vault.
2. Replaced In-line check valves for both air pumps due to old ones no longer functioning properly.
3. 3-way valve is seized so shut off readings could not be taken.
4. Installed new ISO-Rings on Air Pump #1 due to old ones being broken.
5. Installed new In-Line check valves on both air pumps due to old ones no longer functioning.
6. Station has old classic style EPS. Envirep recommends replacing due to age of level controller as well as wet well level bouncing up and down on controller screen, Envirep believes this is due to age of pressure transducer in controller.
7. Door to left side of the 6x6 enclosure is broken and does not shut properly.
8. Station needs new bulb for alarm light.
9. Pump station is online and functioning at this time.

Service performed by: Ian Stauffer, Service Technician
Envirep, Inc.
717-585-7786
Email: IStauffer@Envirep.com



ENVIREP
3705 Trindle Road
Camp Hill, PA 17011
717-761-7884
www.envirep.com

SERVICE AGREEMENT CHECKLIST **GORMAN-RUPP - SUCTION LIFT**

Owner: Worcester Co. Landfill
 Owners Description: PS #501
 Location: Berlin, MD
 Date: 10/17/2022 Pump Station Serial #: 17-8325-AM

CONTACT INFORMATION	Envirep	Customer
Name	Ian Stauffer	David Candy
Cell Phone Number	717-585-7786	410-251-8315
Email Address	IStauffer@Envirep.com	
Toll Free Telephone Number	800-733-7884	
Fax Number	717-737-5817	

EQUIPMENT DESCRIPTION

Manufacturer: Gorman Rupp
 Number of Pumps: 2
 Pump Model Number: T3A61S-B/WW
 Impeller Material: SST
 Wear Plate Material: SST
 Control Manufacturer: Gorman Rupp
 Starter Type: FVNR
 Building/Enclosure Type: 6x6

The following items were performed under this service agreement:

GENERAL

Update the database registry card if the impeller and wear plate material is different than what was originally provided.
 Verify that the pump nameplate data matches the database registry card.
 Update all customer contacts on Envirep Database (names, phone numbers, email addresses, physical plant address, admin address, etc.)
 Confirm photos of application are on Envirep server
 Visual inspection of exterior and interior of the pumping station and equipment
 Pump wet well down to check condition of wet well (if applicable)
 Confirm there are no openings between wet well and pump room that will allow sewer gas from wet well to enter pump room
 Clean pump station to best of service techs ability
 Inspect/change wet well aeration inlet filter if applicable

OK
OK
OK
OK
OK
OK
OK
OK
N/A



Worcester County Landfill
PS #501
Berlin, MD

PUMPS

Check pump operation for excessive noise or vibration
Change oil in seal cavity and bearing cavity
Adjust clearance between impeller and wear plate
Inspect pump interior if needed, check condition of impellers and wear plates
Compare pump speed to startup data
Verify suction flap valve is operating properly
Compare suction and discharge gauge readings to startup data
Perform shutoff head test and record results
Check operation of high temperature sensors
Record force main static gauge reading and compare to equipment startup report data
(NCP = no connection point)

OK
OK
OK
OK
OK
OK
OK
OK
OK
NCP

ENCLOSURE/BUILDING

Check entrance doors, weather stripping and latches
Check heater and thermostat
Check vent fan and thermostat operation
Adjust thermostatically controlled intake and exhaust louvers if needed
Check operation of exterior and interior lighting
Check operation of emergency lighting
Check operation of sump pump

OK
OK
OK
N/A
N/A
N/A
N/A

MOTORS AND DRIVES

Check motor operation for excessive noise or vibration
Grease motor bearings (if applicable)
Check alignment of v-belt drive sheaves and adjust (if applicable)
Check condition of belts and adjust belt tension

OK
N/A
OK
OK

VALVES

Lubricate and inspect air release valves
Confirm ARV discharge pipe is unclogged
Exercise shutoff valves
Confirm proper check valve operation, clean if needed

OK
OK
OK
OK

CONTROLS

Check operation of control panel components including HOA switches, elapsed time meters, and lights
Replace filter on air pumps and exercise standby air pump
Check Humidisorb moisture & corrosion packet - recommend replacement if over 10 years old

OK
NOTE
OK



Worcester County Landfill
PS #501
Berlin, MD

If panel has VFD's or SMC's confirm exhaust fan operation and clean/replace filters
Check level control operation
Check level control settings
Check pump lead/lag operation
Verify backup float system is operating properly
Test high water alarm and high pump temp alarms
Verify alarms are functional and calls are received by customer's alarm system
Test dry well flood alarm (if applicable)

N/A
OK
OK
OK
N/A
OK
N/A
N/A

****Customer will be charged for additional parts used during optional services listed below unless parts are provided by the customer beforehand****

OPTIONAL ITEMS

Install new impeller and/or wearplate
Replace suction flap valve
Perform drawdown test to determine pumping rate
Replace mechanical seal and pressure check
Install new belts and/or sheaves
Rebuild automatic air release valve
Repair/rebuild air pumps
Install replacement air pump
Install replacement air pump in-line check valve
Replace defective float (low, lead, lag, high, high-high)

RECORDINGS	Pump #1	Pump #2	Pump #3	Pump #4
Pump Serial Number	1657353N	1657354N		
Pump Speed, RPM	1648	1669		
Suction Gauge, FT	-18	-21		
Discharge Gauge, FT	44	40		
SH Suction Gauge, FT	-20	-18		
SH Discharge Gauge, FT	70	71		
Elapsed Time Meter, Hrs.	347	308		
Avg Flow Meter, GPM	Note	Note		
Force Main Static Gauge Reading, FT	NCP			



Worcester County Landfill
PS #501
Berlin, MD

ADDITIONAL ITEMS USED DURING SERVICE:

2- In-line Air Release Check valves
3-Qt. SAE 30 weight non-detergent oil

COMMENTS AND RECOMMENDATIONS TO IMPROVE EFFICIENCY, PERFORMANCE, SAFETY, AND RELIABILITY:

1. Flowmeter in panel is not reading properly, Envirep suspects issue with flowmeter in valve vault.
2. Replaced In-line check valves for both air pumps due to old ones no longer functioning properly.
3. Pump station is online and functioning properly at this time.

Service performed by: Ian Stauffer, Service Technician
Envirep, Inc.
717-585-7786
Email: IStauffer@Envirep.com



ENVIREP
3705 Trindle Road
Camp Hill, PA 17011
717-761-7884
www.envirep.com

SERVICE AGREEMENT CHECKLIST **GORMAN-RUPP - SUCTION LIFT**

Owner: Worcester Co. Landfill
 Owners Description: PS #301
 Location: Berlin, MD
 Date: 10/21/2022 Pump Station Serial #: 01-5916-AM

CONTACT INFORMATION	Envirep	Customer
Name	Ian Stauffer	David Candy
Cell Phone Number	717-585-7786	410-251-8315
Email Address	IStauffer@Envirep.com	
Toll Free Telephone Number	800-733-7884	
Fax Number	717-737-5817	

EQUIPMENT DESCRIPTION

Manufacturer: Gorman Rupp
 Number of Pumps: 2
 Pump Model Number: T3A61-B/WW
 Impeller Material: SST
 Wear Plate Material: SST
 Control Manufacturer: Gorman Rupp
 Starter Type: FVNR
 Building/Enclosure Type: 6x6

The following items were performed under this service agreement:

GENERAL

Update the database registry card if the impeller and wear plate material is different than what was originally provided.
 Verify that the pump nameplate data matches the database registry card.
 Update all customer contacts on Envirep Database (names, phone numbers, email addresses, physical plant address, admin address, etc.)
 Confirm photos of application are on Envirep server
 Visual inspection of exterior and interior of the pumping station and equipment
 Pump wet well down to check condition of wet well (if applicable)
 Confirm there are no openings between wet well and pump room that will allow sewer gas from wet well to enter pump room
 Clean pump station to best of service techs ability
 Inspect/change wet well aeration inlet filter if applicable

OK
OK
OK
OK
OK
OK
OK
OK
N/A



Worcester County Landfill
PS #301
Berlin, MD

PUMPS

Check pump operation for excessive noise or vibration
Change oil in seal cavity and bearing cavity
Adjust clearance between impeller and wear plate
Inspect pump interior if needed, check condition of impellers and wear plates
Compare pump speed to startup data
Verify suction flap valve is operating properly
Compare suction and discharge gauge readings to startup data
Perform shutoff head test and record results
Check operation of high temperature sensors
Record force main static gauge reading and compare to equipment startup report data
(NCP = no connection point)

OK
NOTE
OK
OK
OK
OK
OK
NOTE
OK
NCP

ENCLOSURE/BUILDING

Check entrance doors, weather stripping and latches
Check heater and thermostat
Check vent fan and thermostat operation
Adjust thermostatically controlled intake and exhaust louvers if needed
Check operation of exterior and interior lighting
Check operation of emergency lighting
Check operation of sump pump

OK
OK
OK
N/A
N/A
N/A
N/A

MOTORS AND DRIVES

Check motor operation for excessive noise or vibration
Grease motor bearings (if applicable)
Check alignment of v-belt drive sheaves and adjust (if applicable)
Check condition of belts and adjust belt tension

OK
N/A
OK
OK

VALVES

Lubricate and inspect air release valves
Confirm ARV discharge pipe is unclogged
Exercise shutoff valves
Confirm proper check valve operation, clean if needed

OK
OK
NOTE
NOTE

CONTROLS

Check operation of control panel components including HOA switches, elapsed time meters, and lights
Replace filter on air pumps and exercise standby air pump
Check Humidisorb moisture & corrosion packet - recommend replacement if over 10 years old

OK
NOTE
OK



Worcester County Landfill
PS #301
Berlin, MD

If panel has VFD's or SMC's confirm exhaust fan operation and clean/replace filters
Check level control operation
Check level control settings
Check pump lead/lag operation
Verify backup float system is operating properly
Test high water alarm and high pump temp alarms
Verify alarms are functional and calls are received by customer's alarm system
Test dry well flood alarm (if applicable)

N/A
NOTE
OK
OK
N/A
OK
N/A
N/A

****Customer will be charged for additional parts used during optional services listed below unless parts are provided by the customer beforehand****

OPTIONAL ITEMS

Install new impeller and/or wearplate
Replace suction flap valve
Perform drawdown test to determine pumping rate
Replace mechanical seal and pressure check
Install new belts and/or sheaves
Rebuild automatic air release valve
Repair/rebuild air pumps
Install replacement air pump
Install replacement air pump in-line check valve
Replace defective float (low, lead, lag, high, high-high)

RECORDINGS	Pump #1	Pump #2	Pump #3	Pump #4
Pump Serial Number	1212719	1212720		
Pump Speed, RPM	Note	Note		
Suction Gauge, FT	Note	Note		
Discharge Gauge, FT	Note	Note		
SH Suction Gauge, FT	Note	Note		
SH Discharge Gauge, FT	Note	Note		
Elapsed Time Meter, Hrs.	13,755	4,832		
Avg Flow Meter, GPM	Note	Note		
Force Main Static Gauge Reading, FT	NCP			



Worcester County Landfill
PS #301
Berlin, MD

ADDITIONAL ITEMS USED DURING SERVICE:

1-Qt. SAE 30 weight non-detergent oil
2-In-Line Air Pump Check Valves
1-WISA Air Pump

COMMENTS AND RECOMMENDATIONS TO IMPROVE EFFICIENCY, PERFORMANCE, SAFETY, AND RELIABILITY:

1. 3-Way valve is seized.
2. Both check valves should be rebuilt/replaced.
3. Installed new In-line check valves for both Air Pumps due to old ones no longer functioning.
4. Envirep replaced Air Pump #2 due to old one no longer working.
5. Pump #2 has a suction clog that Envirep believes is down near bottom of wet well. Contractor is coming on Nov. 7th to fix force main and Envirep recommends having them remove clog then since they will be in wet well.
6. Force main is broken at flange before leaving the wet well. Contractor is set to come and fix on Nov. 7th.
7. Due to force main being broken accurate gauge readings could not be taken.
8. EPS 2000 screen cannot be read any longer, Envirep recommends replacing with Integrinex standard.
9. Light bulb needs replaced for alarm light.
10. Pump station is online and functioning properly at this time.

Service performed by: Ian Stauffer, Service Technician
Envirep, Inc.
717-585-7786
Email: IStauffer@Envirep.com



ENVIREP
3705 Trindle Road
Camp Hill, PA 17011
717-761-7884
www.envirep.com

SERVICE AGREEMENT CHECKLIST **GORMAN-RUPP - SUCTION LIFT**

Owner: Worcester Co. Landfill
 Owners Description: PS #401
 Location: Berlin, MD
 Date: 10/21/2022 Pump Station Serial #: 06-6941-AM

CONTACT INFORMATION	Envirep	Customer
Name	Ian Stauffer	David Candy
Cell Phone Number	717-585-7786	410-251-8315
Email Address	IStauffer@Envirep.com	
Toll Free Telephone Number	800-733-7884	
Fax Number	717-737-5817	

EQUIPMENT DESCRIPTION

Manufacturer: Gorman Rupp
 Number of Pumps: 2
 Pump Model Number: T3A61-B/WW
 Impeller Material: SST
 Wear Plate Material: SST
 Control Manufacturer: Gorman Rupp
 Starter Type: FVNR
 Building/Enclosure Type: 6x6

The following items were performed under this service agreement:

GENERAL

Update the database registry card if the impeller and wear plate material is different than what was originally provided.
 Verify that the pump nameplate data matches the database registry card.
 Update all customer contacts on Envirep Database (names, phone numbers, email addresses, physical plant address, admin address, etc.)
 Confirm photos of application are on Envirep server
 Visual inspection of exterior and interior of the pumping station and equipment
 Pump wet well down to check condition of wet well (if applicable)
 Confirm there are no openings between wet well and pump room that will allow sewer gas from wet well to enter pump room
 Clean pump station to best of service techs ability
 Inspect/change wet well aeration inlet filter if applicable

OK
OK
OK
OK
OK
OK
OK
OK
N/A



Worcester County Landfill
PS #401
Berlin, MD

PUMPS

Check pump operation for excessive noise or vibration
Change oil in seal cavity and bearing cavity
Adjust clearance between impeller and wear plate
Inspect pump interior if needed, check condition of impellers and wear plates
Compare pump speed to startup data
Verify suction flap valve is operating properly
Compare suction and discharge gauge readings to startup data
Perform shutoff head test and record results
Check operation of high temperature sensors
Record force main static gauge reading and compare to equipment startup report data
(NCP = no connection point)

OK
NOTE
OK
OK
OK
OK
OK
NOTE
OK
NCP

ENCLOSURE/BUILDING

Check entrance doors, weather stripping and latches
Check heater and thermostat
Check vent fan and thermostat operation
Adjust thermostatically controlled intake and exhaust louvers if needed
Check operation of exterior and interior lighting
Check operation of emergency lighting
Check operation of sump pump

OK
OK
OK
N/A
N/A
N/A
N/A

MOTORS AND DRIVES

Check motor operation for excessive noise or vibration
Grease motor bearings (if applicable)
Check alignment of v-belt drive sheaves and adjust (if applicable)
Check condition of belts and adjust belt tension

OK
N/A
OK
OK

VALVES

Lubricate and inspect air release valves
Confirm ARV discharge pipe is unclogged
Exercise shutoff valves
Confirm proper check valve operation, clean if needed

OK
OK
NOTE
OK

CONTROLS

Check operation of control panel components including HOA switches, elapsed time meters, and lights
Replace filter on air pumps and exercise standby air pump
Check Humidisorb moisture & corrosion packet - recommend replacement if over 10 years old

OK
NOTE
OK



Worcester County Landfill
PS #401
Berlin, MD

If panel has VFD's or SMC's confirm exhaust fan operation and clean/replace filters
Check level control operation
Check level control settings
Check pump lead/lag operation
Verify backup float system is operating properly
Test high water alarm and high pump temp alarms
Verify alarms are functional and calls are received by customer's alarm system
Test dry well flood alarm (if applicable)

N/A
OK
OK
OK
N/A
OK
N/A
N/A

****Customer will be charged for additional parts used during optional services listed below unless parts are provided by the customer beforehand****

OPTIONAL ITEMS

Install new impeller and/or wearplate
Replace suction flap valve
Perform drawdown test to determine pumping rate
Replace mechanical seal and pressure check
Install new belts and/or sheaves
Rebuild automatic air release valve
Repair/rebuild air pumps
Install replacement air pump
Install replacement air pump in-line check valve
Replace defective float (low, lead, lag, high, high-high)

RECORDINGS	Pump #1	Pump #2	Pump #3	Pump #4
Pump Serial Number	1347101N	1347102N		
Pump Speed, RPM	1455	Note		
Suction Gauge, FT	-22	Note		
Discharge Gauge, FT	27	Note		
SH Suction Gauge, FT	Note	Note		
SH Discharge Gauge, FT	Note	Note		
Elapsed Time Meter, Hrs.	1,343	1,327		
Avg Flow Meter, GPM	N/A	N/A		
Force Main Static Gauge Reading, FT	NCP			



Worcester County Landfill
PS #401
Berlin, MD

ADDITIONAL ITEMS USED DURING SERVICE:

4-WISA Air Pump ISO-Rings
2-In-Line Air Pump Check Valves
Used customers Oil

COMMENTS AND RECOMMENDATIONS TO IMPROVE EFFICIENCY, PERFORMANCE, SAFETY, AND RELIABILITY:

1. 3-Way valve is able to be turned but is very difficult. Envirep recommends exercising regularly. Due to being hard to turn it cannot be turned towards Pump #1 due to bypass connection being in way.
2. Installed new ISO-Rings on air pump #2.
3. Installed new In-line check valves for both Air Pumps due to old ones no longer functioning.
4. Light bulb needs replaced for alarm light.
5. Pump #2 breaker is bad and trips out as soon as pump is called to run. Envirep recommends replacing as soon as possible.
6. Pump station is online and functioning at this time.

Service performed by: Ian Stauffer, Service Technician
Envirep, Inc.
717-585-7786
Email: IStauffer@Envirep.com



ENVIREP
3705 Trindle Road
Camp Hill, PA 17011
717-761-7884
www.envirep.com

SERVICE AGREEMENT CHECKLIST **GORMAN-RUPP - SUCTION LIFT**

Owner: Worcester Co. Landfill
 Owners Description: PS #402
 Location: Berlin, MD
 Date: 10/21/2022 Pump Station Serial #: 06-6940-AM

CONTACT INFORMATION	Envirep	Customer
Name	Ian Stauffer	David Candy
Cell Phone Number	717-585-7786	410-251-8315
Email Address	IStauffer@Envirep.com	
Toll Free Telephone Number	800-733-7884	
Fax Number	717-737-5817	

EQUIPMENT DESCRIPTION

Manufacturer: Gorman Rupp
 Number of Pumps: 2
 Pump Model Number: T3A61-B/WW
 Impeller Material: SST
 Wear Plate Material: SST
 Control Manufacturer: Gorman Rupp
 Starter Type: FVNR
 Building/Enclosure Type: 6x6

The following items were performed under this service agreement:

GENERAL

Update the database registry card if the impeller and wear plate material is different than what was originally provided.
 Verify that the pump nameplate data matches the database registry card.
 Update all customer contacts on Envirep Database (names, phone numbers, email addresses, physical plant address, admin address, etc.)
 Confirm photos of application are on Envirep server
 Visual inspection of exterior and interior of the pumping station and equipment
 Pump wet well down to check condition of wet well (if applicable)
 Confirm there are no openings between wet well and pump room that will allow sewer gas from wet well to enter pump room
 Clean pump station to best of service techs ability
 Inspect/change wet well aeration inlet filter if applicable

OK
OK
OK
OK
OK
OK
OK
OK
N/A



Worcester County Landfill
PS #402
Berlin, MD

PUMPS

Check pump operation for excessive noise or vibration
Change oil in seal cavity and bearing cavity
Adjust clearance between impeller and wear plate
Inspect pump interior if needed, check condition of impellers and wear plates
Compare pump speed to startup data
Verify suction flap valve is operating properly
Compare suction and discharge gauge readings to startup data
Perform shutoff head test and record results
Check operation of high temperature sensors
Record force main static gauge reading and compare to equipment startup report data
(NCP = no connection point)

OK
NOTE
OK
OK
OK
OK
OK
NOTE
OK
NCP

ENCLOSURE/BUILDING

Check entrance doors, weather stripping and latches
Check heater and thermostat
Check vent fan and thermostat operation
Adjust thermostatically controlled intake and exhaust louvers if needed
Check operation of exterior and interior lighting
Check operation of emergency lighting
Check operation of sump pump

OK
OK
OK
N/A
N/A
N/A
N/A

MOTORS AND DRIVES

Check motor operation for excessive noise or vibration
Grease motor bearings (if applicable)
Check alignment of v-belt drive sheaves and adjust (if applicable)
Check condition of belts and adjust belt tension

OK
N/A
OK
OK

VALVES

Lubricate and inspect air release valves
Confirm ARV discharge pipe is unclogged
Exercise shutoff valves
Confirm proper check valve operation, clean if needed

OK
OK
NOTE
OK

CONTROLS

Check operation of control panel components including HOA switches, elapsed time meters, and lights
Replace filter on air pumps and exercise standby air pump
Check Humidisorb moisture & corrosion packet - recommend replacement if over 10 years old

OK
NOTE
OK



Worcester County Landfill
PS #402
Berlin, MD

If panel has VFD's or SMC's confirm exhaust fan operation and clean/replace filters
Check level control operation
Check level control settings
Check pump lead/lag operation
Verify backup float system is operating properly
Test high water alarm and high pump temp alarms
Verify alarms are functional and calls are received by customer's alarm system
Test dry well flood alarm (if applicable)

N/A
OK
OK
OK
N/A
OK
N/A
N/A

****Customer will be charged for additional parts used during optional services listed below unless parts are provided by the customer beforehand****

OPTIONAL ITEMS

Install new impeller and/or wearplate
Replace suction flap valve
Perform drawdown test to determine pumping rate
Replace mechanical seal and pressure check
Install new belts and/or sheaves
Rebuild automatic air release valve
Repair/rebuild air pumps
Install replacement air pump
Install replacement air pump in-line check valve
Replace defective float (low, lead, lag, high, high-high)

RECORDINGS	Pump #1	Pump #2	Pump #3	Pump #4
Pump Serial Number	1347033N	1347100N		
Pump Speed, RPM	1468	1654		
Suction Gauge, FT	-20	-20		
Discharge Gauge, FT	31	31		
SH Suction Gauge, FT	Note	Note		
SH Discharge Gauge, FT	Note	Note		
Elapsed Time Meter, Hrs.	1,258	1,246		
Avg Flow Meter, GPM	Note	Note		
Force Main Static Gauge Reading, FT	NCP			



Worcester County Landfill
PS #402
Berlin, MD

ADDITIONAL ITEMS USED DURING SERVICE:

4-WISA Air Pump ISO-Rings
2-In-Line Air Pump Check Valves
Used customers Oil

COMMENTS AND RECOMMENDATIONS TO IMPROVE EFFICIENCY, PERFORMANCE, SAFETY, AND RELIABILITY:

1. 3-Way valve is seized and cannot be turned.
2. Installed new ISO-Rings on air pump #2.
3. Installed new In-line check valves for both Air Pumps due to old ones no longer functioning.
4. Light bulb needs replaced for alarm light.
5. Pump #2 had small amount of water in seal oil when drained. Envirep pressure checked seal and was deemed "Okay".
6. Pump station is online and functioning properly at this time.

Service performed by: Ian Stauffer, Service Technician
Envirep, Inc.
717-585-7786
Email: IStauffer@Envirep.com



ENVIREP
3705 Trindle Road
Camp Hill, PA 17011
717-761-7884
www.envirep.com

SERVICE AGREEMENT CHECKLIST **GORMAN-RUPP - SUCTION LIFT**

Owner: Worcester Co. Landfill
 Owners Description: PS #203
 Location: Berlin, MD
 Date: 10/21/2022 Pump Station Serial #: 96-4712-AM

CONTACT INFORMATION	Envirep	Customer
Name	Ian Stauffer	David Candy
Cell Phone Number	717-585-7786	410-251-8315
Email Address	IStauffer@Envirep.com	
Toll Free Telephone Number	800-733-7884	
Fax Number	717-737-5817	

EQUIPMENT DESCRIPTION

Manufacturer: Gorman Rupp
 Number of Pumps: 2
 Pump Model Number: T3A24-B/WW
 Impeller Material: SST
 Wear Plate Material: SST
 Control Manufacturer: Gorman Rupp
 Starter Type: FVNR
 Building/Enclosure Type: 6x6

The following items were performed under this service agreement:

GENERAL

Update the database registry card if the impeller and wear plate material is different than what was originally provided.
 Verify that the pump nameplate data matches the database registry card.
 Update all customer contacts on Envirep Database (names, phone numbers, email addresses, physical plant address, admin address, etc.)
 Confirm photos of application are on Envirep server
 Visual inspection of exterior and interior of the pumping station and equipment
 Pump wet well down to check condition of wet well (if applicable)
 Confirm there are no openings between wet well and pump room that will allow sewer gas from wet well to enter pump room
 Clean pump station to best of service techs ability
 Inspect/change wet well aeration inlet filter if applicable

OK
OK
OK
OK
POOR
OK
OK
OK
N/A



Worcester County Landfill
PS #203
Berlin, MD

PUMPS

Check pump operation for excessive noise or vibration
Change oil in seal cavity and bearing cavity
Adjust clearance between impeller and wear plate
Inspect pump interior if needed, check condition of impellers and wear plates
Compare pump speed to startup data
Verify suction flap valve is operating properly
Compare suction and discharge gauge readings to startup data
Perform shutoff head test and record results
Check operation of high temperature sensors
Record force main static gauge reading and compare to equipment startup report data
(NCP = no connection point)

N/A
OK
OK
OK
NOTE
OK
NOTE
NOTE
NOTE
NCP

ENCLOSURE/BUILDING

Check entrance doors, weather stripping and latches
Check heater and thermostat
Check vent fan and thermostat operation
Adjust thermostatically controlled intake and exhaust louvers if needed
Check operation of exterior and interior lighting
Check operation of emergency lighting
Check operation of sump pump

OK
OK
OK
N/A
N/A
N/A
N/A

MOTORS AND DRIVES

Check motor operation for excessive noise or vibration
Grease motor bearings (if applicable)
Check alignment of v-belt drive sheaves and adjust (if applicable)
Check condition of belts and adjust belt tension

NOTE
N/A
OK
OK

VALVES

Lubricate and inspect air release valves
Confirm ARV discharge pipe is unclogged
Exercise shutoff valves
Confirm proper check valve operation, clean if needed

OK
OK
NOTE
NOTE

CONTROLS

Check operation of control panel components including HOA switches, elapsed time meters, and lights
Replace filter on air pumps and exercise standby air pump
Check Humidisorb moisture & corrosion packet - recommend replacement if over 10 years old

OK
NOTE
OK



Worcester County Landfill
PS #203
Berlin, MD

If panel has VFD's or SMC's confirm exhaust fan operation and clean/replace filters
Check level control operation
Check level control settings
Check pump lead/lag operation
Verify backup float system is operating properly
Test high water alarm and high pump temp alarms
Verify alarms are functional and calls are received by customer's alarm system
Test dry well flood alarm (if applicable)

N/A
NOTE
OK
OK
N/A
OK
N/A
N/A

****Customer will be charged for additional parts used during optional services listed below unless parts are provided by the customer beforehand****

OPTIONAL ITEMS

Install new impeller and/or wearplate
Replace suction flap valve
Perform drawdown test to determine pumping rate
Replace mechanical seal and pressure check
Install new belts and/or sheaves
Rebuild automatic air release valve
Repair/rebuild air pumps
Install replacement air pump
Install replacement air pump in-line check valve
Replace defective float (low, lead, lag, high, high-high)

RECORDINGS	Pump #1	Pump #2	Pump #3	Pump #4
Pump Serial Number	1112365	1112366		
Pump Speed, RPM	1485	Note		
Suction Gauge, FT	-16	Note		
Discharge Gauge, FT	44	Note		
SH Suction Gauge, FT	Note	Note		
SH Discharge Gauge, FT	Note	Note		
Elapsed Time Meter, Hrs.	475	1,087		
Avg Flow Meter, GPM	200	N/A		
Force Main Static Gauge Reading, FT	NCP			



Worcester County Landfill
PS #203
Berlin, MD

ADDITIONAL ITEMS USED DURING SERVICE:

3-Qt. SAE 30 weight non-detergent oil
2-In-Line Air Pump Check Valves
1-WISA Air Pump

COMMENTS AND RECOMMENDATIONS TO IMPROVE EFFICIENCY, PERFORMANCE, SAFETY, AND RELIABILITY:

1. 3-Way valve is seized.
2. Both check valves should be rebuilt/replaced.
3. Installed new In-line check valves for both Air Pumps due to old ones no longer functioning.
4. Installed new WISA Air Pump in place of air pump #1 due to old one no longer functioning.
5. Upon arrival Pump #1 motor starter was tripped. After investigation Envirep believes that the motor on Pump #1 is bad and will need replaced.
6. Gauge connections on both pumps are very brittle and should be replaced.
7. Suction and discharge gauges on both pumps should be replaced as well as old ones do not read properly.
8. High temperature sensor on Pump #2 is laying on floor and not on pump. Pump #2 will not shut off If prime is lost and cannot be regained due to this issue. Envirep recommends getting this fixed as soon as possible as it is the only functioning pump at the station.
9. Station has old classic style EPS which is still functioning but is very outdated. Envirep recommends replacing this due to age.
10. Pump station is online and functioning at this time.

Service performed by: Ian Stauffer, Service Technician
Envirep, Inc.
717-585-7786
Email: IStauffer@Envirep.com



ENVIREP
3705 Trindle Road
Camp Hill, PA 17011
717-761-7884
www.envirep.com

SERVICE AGREEMENT CHECKLIST **GORMAN-RUPP - SUCTION LIFT**

Owner: Worcester Co. Landfill
 Owners Description: PS #204
 Location: Berlin, MD
 Date: 10/21/2022 Pump Station Serial #: 96-4713-AM

CONTACT INFORMATION	Envirep	Customer
Name	Ian Stauffer	David Candy
Cell Phone Number	717-585-7786	410-251-8315
Email Address	IStauffer@Envirep.com	
Toll Free Telephone Number	800-733-7884	
Fax Number	717-737-5817	

EQUIPMENT DESCRIPTION

Manufacturer: Gorman Rupp
 Number of Pumps: 2
 Pump Model Number: T3A24-B/WW
 Impeller Material: SST
 Wear Plate Material: SST
 Control Manufacturer: Gorman Rupp
 Starter Type: FVNR
 Building/Enclosure Type: 6x6

The following items were performed under this service agreement:

GENERAL

Update the database registry card if the impeller and wear plate material is different than what was originally provided.
 Verify that the pump nameplate data matches the database registry card.
 Update all customer contacts on Envirep Database (names, phone numbers, email addresses, physical plant address, admin address, etc.)
 Confirm photos of application are on Envirep server
 Visual inspection of exterior and interior of the pumping station and equipment
 Pump wet well down to check condition of wet well (if applicable)
 Confirm there are no openings between wet well and pump room that will allow sewer gas from wet well to enter pump room
 Clean pump station to best of service techs ability
 Inspect/change wet well aeration inlet filter if applicable

OK
OK
OK
OK
OK
OK
OK
OK
N/A



Worcester County Landfill
PS #204
Berlin, MD

PUMPS

Check pump operation for excessive noise or vibration
Change oil in seal cavity and bearing cavity
Adjust clearance between impeller and wear plate
Inspect pump interior if needed, check condition of impellers and wear plates
Compare pump speed to startup data
Verify suction flap valve is operating properly
Compare suction and discharge gauge readings to startup data
Perform shutoff head test and record results
Check operation of high temperature sensors
Record force main static gauge reading and compare to equipment startup report data
(NCP = no connection point)

OK
OK
OK
NOTE
OK
OK
OK
NOTE
NOTE
NCP

ENCLOSURE/BUILDING

Check entrance doors, weather stripping and latches
Check heater and thermostat
Check vent fan and thermostat operation
Adjust thermostatically controlled intake and exhaust louvers if needed
Check operation of exterior and interior lighting
Check operation of emergency lighting
Check operation of sump pump

OK
OK
OK
N/A
N/A
N/A
N/A

MOTORS AND DRIVES

Check motor operation for excessive noise or vibration
Grease motor bearings (if applicable)
Check alignment of v-belt drive sheaves and adjust (if applicable)
Check condition of belts and adjust belt tension

OK
N/A
OK
OK

VALVES

Lubricate and inspect air release valves
Confirm ARV discharge pipe is unclogged
Exercise shutoff valves
Confirm proper check valve operation, clean if needed

OK
OK
NOTE
NOTE

CONTROLS

Check operation of control panel components including HOA switches, elapsed time meters, and lights
Replace filter on air pumps and exercise standby air pump
Check Humidisorb moisture & corrosion packet - recommend replacement if over 10 years old

OK
NOTE
OK



Worcester County Landfill
PS #204
Berlin, MD

If panel has VFD's or SMC's confirm exhaust fan operation and clean/replace filters
Check level control operation
Check level control settings
Check pump lead/lag operation
Verify backup float system is operating properly
Test high water alarm and high pump temp alarms
Verify alarms are functional and calls are received by customer's alarm system
Test dry well flood alarm (if applicable)

N/A
NOTE
OK
OK
N/A
OK
N/A
N/A

****Customer will be charged for additional parts used during optional services listed below unless parts are provided by the customer beforehand****

OPTIONAL ITEMS

Install new impeller and/or wearplate
Replace suction flap valve
Perform drawdown test to determine pumping rate
Replace mechanical seal and pressure check
Install new belts and/or sheaves
Rebuild automatic air release valve
Repair/rebuild air pumps
Install replacement air pump
Install replacement air pump in-line check valve
Replace defective float (low, lead, lag, high, high-high)

RECORDINGS	Pump #1	Pump #2	Pump #3	Pump #4
Pump Serial Number	1112363	1112364		
Pump Speed, RPM	1484	1497		
Suction Gauge, FT	-18	-15		
Discharge Gauge, FT	29	32		
SH Suction Gauge, FT	Note	Note		
SH Discharge Gauge, FT	Note	Note		
Elapsed Time Meter, Hrs.	418	375		
Avg Flow Meter, GPM	Note	Note		
Force Main Static Gauge Reading, FT	NCP			



Worcester County Landfill
PS #204
Berlin, MD

ADDITIONAL ITEMS USED DURING SERVICE:

2-In-Line Air Pump Check Valves
4-WISA Air Pump ISO-Rings
Used Customers Oil

COMMENTS AND RECOMMENDATIONS TO IMPROVE EFFICIENCY, PERFORMANCE, SAFETY, AND RELIABILITY:

1. 3-Way valve is seized.
2. Flowmeter in panel is not reading properly, Envirep suspects issue with flowmeter in valve vault.
3. Both check valves should be rebuilt/replaced.
4. Installed new In-line check valves for both Air Pumps due to old ones no longer functioning.
5. Replaced ISO-Rings on air pump #2.
6. Pump #2 had bad mechanical seal. Replaced rotating assembly using customers spare.
7. Light bulb needs replaced for alarm light.
8. Integrinex has lines running through screen but can still be read. Envirep believes water may have gotten into panel.
9. Pump station is online and functioning properly at this time.

Service performed by: Ian Stauffer, Service Technician
Envirep, Inc.
717-585-7786
Email: IStauffer@Envirep.com



ENVIREP
3705 Trindle Road
Camp Hill, PA 17011
717-761-7884
www.envirep.com

SERVICE AGREEMENT CHECKLIST **GORMAN-RUPP - SUCTION LIFT**

Owner: Worcester Co. Landfill
 Owners Description: PS #502
 Location: Berlin, MD
 Date: 10/20/2022 Pump Station Serial #: 17-8326-AM

CONTACT INFORMATION	Envirep	Customer
Name	Ian Stauffer	David Candy
Cell Phone Number	717-585-7786	410-251-8315
Email Address	IStauffer@Envirep.com	
Toll Free Telephone Number	800-733-7884	
Fax Number	717-737-5817	

EQUIPMENT DESCRIPTION

Manufacturer: Gorman Rupp
 Number of Pumps: 2
 Pump Model Number: T3A61S-B/WW
 Impeller Material: SST
 Wear Plate Material: SST
 Control Manufacturer: Gorman Rupp
 Starter Type: FVNR
 Building/Enclosure Type: 6x6

The following items were performed under this service agreement:

GENERAL

Update the database registry card if the impeller and wear plate material is different than what was originally provided.
 Verify that the pump nameplate data matches the database registry card.
 Update all customer contacts on Envirep Database (names, phone numbers, email addresses, physical plant address, admin address, etc.)
 Confirm photos of application are on Envirep server
 Visual inspection of exterior and interior of the pumping station and equipment
 Pump wet well down to check condition of wet well (if applicable)
 Confirm there are no openings between wet well and pump room that will allow sewer gas from wet well to enter pump room
 Clean pump station to best of service techs ability
 Inspect/change wet well aeration inlet filter if applicable

OK
OK
OK
OK
OK
OK
OK
OK
N/A



Worcester County Landfill
PS #502
Berlin, MD

PUMPS

Check pump operation for excessive noise or vibration
Change oil in seal cavity and bearing cavity
Adjust clearance between impeller and wear plate
Inspect pump interior if needed, check condition of impellers and wear plates
Compare pump speed to startup data
Verify suction flap valve is operating properly
Compare suction and discharge gauge readings to startup data
Perform shutoff head test and record results
Check operation of high temperature sensors
Record force main static gauge reading and compare to equipment startup report data
(NCP = no connection point)

OK
OK
OK
OK
OK
OK
OK
OK
OK
NCP

ENCLOSURE/BUILDING

Check entrance doors, weather stripping and latches
Check heater and thermostat
Check vent fan and thermostat operation
Adjust thermostatically controlled intake and exhaust louvers if needed
Check operation of exterior and interior lighting
Check operation of emergency lighting
Check operation of sump pump

OK
OK
OK
N/A
N/A
N/A
N/A

MOTORS AND DRIVES

Check motor operation for excessive noise or vibration
Grease motor bearings (if applicable)
Check alignment of v-belt drive sheaves and adjust (if applicable)
Check condition of belts and adjust belt tension

OK
N/A
OK
OK

VALVES

Lubricate and inspect air release valves
Confirm ARV discharge pipe is unclogged
Exercise shutoff valves
Confirm proper check valve operation, clean if needed

OK
OK
OK
OK

CONTROLS

Check operation of control panel components including HOA switches, elapsed time meters, and lights
Replace filter on air pumps and exercise standby air pump
Check Humidisorb moisture & corrosion packet - recommend replacement if over 10 years old

OK
NOTE
OK



Worcester County Landfill
PS #502
Berlin, MD

If panel has VFD's or SMC's confirm exhaust fan operation and clean/replace filters
Check level control operation
Check level control settings
Check pump lead/lag operation
Verify backup float system is operating properly
Test high water alarm and high pump temp alarms
Verify alarms are functional and calls are received by customer's alarm system
Test dry well flood alarm (if applicable)

N/A
OK
OK
OK
N/A
OK
N/A
N/A

****Customer will be charged for additional parts used during optional services listed below unless parts are provided by the customer beforehand****

OPTIONAL ITEMS

Install new impeller and/or wearplate
Replace suction flap valve
Perform drawdown test to determine pumping rate
Replace mechanical seal and pressure check
Install new belts and/or sheaves
Rebuild automatic air release valve
Repair/rebuild air pumps
Install replacement air pump
Install replacement air pump in-line check valve
Replace defective float (low, lead, lag, high, high-high)

RECORDINGS	Pump #1	Pump #2	Pump #3	Pump #4
Pump Serial Number	1658063N	1658064N		
Pump Speed, RPM	1688	1689		
Suction Gauge, FT	-20	-18		
Discharge Gauge, FT	46	47		
SH Suction Gauge, FT	-16	-16		
SH Discharge Gauge, FT	67	66		
Elapsed Time Meter, Hrs.	1,279	331		
Avg Flow Meter, GPM	Note	Note		
Force Main Static Gauge Reading, FT	NCP			



Worcester County Landfill
PS #502
Berlin, MD

ADDITIONAL ITEMS USED DURING SERVICE:

3-Qt. SAE 30 weight non-detergent oil

COMMENTS AND RECOMMENDATIONS TO IMPROVE EFFICIENCY, PERFORMANCE, SAFETY, AND RELIABILITY:

1. Flowmeter in panel is not reading properly, Envirep suspects issue with flowmeter in valve vault.
2. Air line on Air Pump #2 had come off, Envirep re-attached and zip ties to ensure connection would not come apart again.
3. Pump #1 belts were very loose and was running 400 RPM slower than Pump #2. Envirep believes this was going on for some time and is why Pump #1 Elapsed Time Meter has a lot more hours on it.
4. Pump station is online and functioning properly at this time.

Service performed by: Ian Stauffer, Service Technician
Envirep, Inc.
717-585-7786
Email: IStauffer@Envirep.com



ENVIREP
3705 Trindle Road
Camp Hill, PA 17011
717-761-7884
www.envirep.com

SERVICE AGREEMENT CHECKLIST **GORMAN-RUPP - SUCTION LIFT**

Owner: Worcester Co. Landfill
 Owners Description: PS #302
 Location: Berlin, MD
 Date: 10/21/2022 Pump Station Serial #: 01-5915-AM

CONTACT INFORMATION	Envirep	Customer
Name	Ian Stauffer	David Candy
Cell Phone Number	717-585-7786	410-251-8315
Email Address	IStauffer@Envirep.com	
Toll Free Telephone Number	800-733-7884	
Fax Number	717-737-5817	

EQUIPMENT DESCRIPTION

Manufacturer: Gorman Rupp
 Number of Pumps: 2
 Pump Model Number: T3A61-B/WW
 Impeller Material: SST
 Wear Plate Material: SST
 Control Manufacturer: Gorman Rupp
 Starter Type: FVNR
 Building/Enclosure Type: 6x6

The following items were performed under this service agreement:

GENERAL

Update the database registry card if the impeller and wear plate material is different than what was originally provided.
 Verify that the pump nameplate data matches the database registry card.
 Update all customer contacts on Envirep Database (names, phone numbers, email addresses, physical plant address, admin address, etc.)
 Confirm photos of application are on Envirep server
 Visual inspection of exterior and interior of the pumping station and equipment
 Pump wet well down to check condition of wet well (if applicable)
 Confirm there are no openings between wet well and pump room that will allow sewer gas from wet well to enter pump room
 Clean pump station to best of service techs ability
 Inspect/change wet well aeration inlet filter if applicable

OK
OK
OK
OK
OK
N/A
OK
OK
N/A



Worcester County Landfill
PS #302
Berlin, MD

PUMPS

Check pump operation for excessive noise or vibration
Change oil in seal cavity and bearing cavity
Adjust clearance between impeller and wear plate
Inspect pump interior if needed, check condition of impellers and wear plates
Compare pump speed to startup data
Verify suction flap valve is operating properly
Compare suction and discharge gauge readings to startup data
Perform shutoff head test and record results
Check operation of high temperature sensors
Record force main static gauge reading and compare to equipment startup report data
(NCP = no connection point)

N/A
OK
OK
OK
NOTE
OK
NOTE
NOTE
OK
NCP

ENCLOSURE/BUILDING

Check entrance doors, weather stripping and latches
Check heater and thermostat
Check vent fan and thermostat operation
Adjust thermostatically controlled intake and exhaust louvers if needed
Check operation of exterior and interior lighting
Check operation of emergency lighting
Check operation of sump pump

OK
OK
OK
N/A
N/A
N/A
N/A

MOTORS AND DRIVES

Check motor operation for excessive noise or vibration
Grease motor bearings (if applicable)
Check alignment of v-belt drive sheaves and adjust (if applicable)
Check condition of belts and adjust belt tension

N/A
N/A
OK
OK

VALVES

Lubricate and inspect air release valves
Confirm ARV discharge pipe is unclogged
Exercise shutoff valves
Confirm proper check valve operation, clean if needed

OK
OK
NOTE
NOTE

CONTROLS

Check operation of control panel components including HOA switches, elapsed time meters, and lights
Replace filter on air pumps and exercise standby air pump
Check Humidisorb moisture & corrosion packet - recommend replacement if over 10 years old

OK
NOTE
OK



Worcester County Landfill
PS #302
Berlin, MD

If panel has VFD's or SMC's confirm exhaust fan operation and clean/replace filters
Check level control operation
Check level control settings
Check pump lead/lag operation
Verify backup float system is operating properly
Test high water alarm and high pump temp alarms
Verify alarms are functional and calls are received by customer's alarm system
Test dry well flood alarm (if applicable)

N/A
OK
OK
OK
N/A
OK
N/A
N/A

****Customer will be charged for additional parts used during optional services listed below unless parts are provided by the customer beforehand****

OPTIONAL ITEMS

Install new impeller and/or wearplate
Replace suction flap valve
Perform drawdown test to determine pumping rate
Replace mechanical seal and pressure check
Install new belts and/or sheaves
Rebuild automatic air release valve
Repair/rebuild air pumps
Install replacement air pump
Install replacement air pump in-line check valve
Replace defective float (low, lead, lag, high, high-high)

RECORDINGS	Pump #1	Pump #2	Pump #3	Pump #4
Pump Serial Number	1197925	1197926		
Pump Speed, RPM	Note	Note		
Suction Gauge, FT	Note	Note		
Discharge Gauge, FT	Note	Note		
SH Suction Gauge, FT	Note	Note		
SH Discharge Gauge, FT	Note	Note		
Elapsed Time Meter, Hrs.	3,980	4,022		
Avg Flow Meter, GPM	Note	Note		
Force Main Static Gauge Reading, FT	NCP			



Worcester County Landfill
PS #302
Berlin, MD

ADDITIONAL ITEMS USED DURING SERVICE:

3-Qt. SAE 30 weight non-detergent oil
2-In-Line Air Pump Check Valves

COMMENTS AND RECOMMENDATIONS TO IMPROVE EFFICIENCY, PERFORMANCE, SAFETY, AND RELIABILITY:

1. Flowmeter in panel is not reading properly, Envirep suspects issue with flowmeter in valve vault.
2. 3-Way valve is seized.
3. Force main is broken at flange before leaving the wet well therefore Envirep could not run pumps to obtain and gauges readings or RPMs.
4. Force Main is set to be fixed by contractor on November 7TH.
5. Both check valves should be rebuilt/replaced.
6. Installed new In-line check valves for both Air Pumps due to old ones no longer functioning.

Service performed by: Ian Stauffer, Service Technician
Envirep, Inc.
717-585-7786
Email: IStauffer@Envirep.com

TEL: 410-632-5623
 FAX: 410-632-1753
 WEB: co.worcester.md.us



Worcester County
DEPARTMENT OF PUBLIC WORKS
 6113 TIMMONS ROAD
 SNOW HILL, MD 21863

DALLAS BAKER JR., P.E.
 DIRECTOR

CHRISTOPHER CLASING, P.E.
 DEPUTY DIRECTOR

MEMORANDUM

TO: Weston S. Young P.E., Chief Administrative Officer
 Candace Savage, Deputy Chief Administrative Officer
FROM: Dallas Baker Jr., P.E., Director *Dallas Baker Jr*
DATE: November 7, 2022
SUBJECT: Newark Water Tower Cellular Lease Exhibit Approval

Public Works is requesting Commissioner approval of the attached Cellular Lease Exhibit for cellular antennae on the Newark Water Tower. This past June, the Commissioners adopted the Cellular Site Approval Process which was put in place to help standardize the approval process for cellular providers to lease space on County-owned water towers for mounting equipment. Public Works staff has been working through this process throughout the past few months with T-Mobile for a space lease on the Newark Water Tower.

Staff has moved through the first few steps of the process and has finalized review of the Lease Exhibit drawings and finds the concept plan acceptable. Per this plan, T-Mobile proposes to place a total of 10 antennae on the tower with minimal impact to County infrastructure.

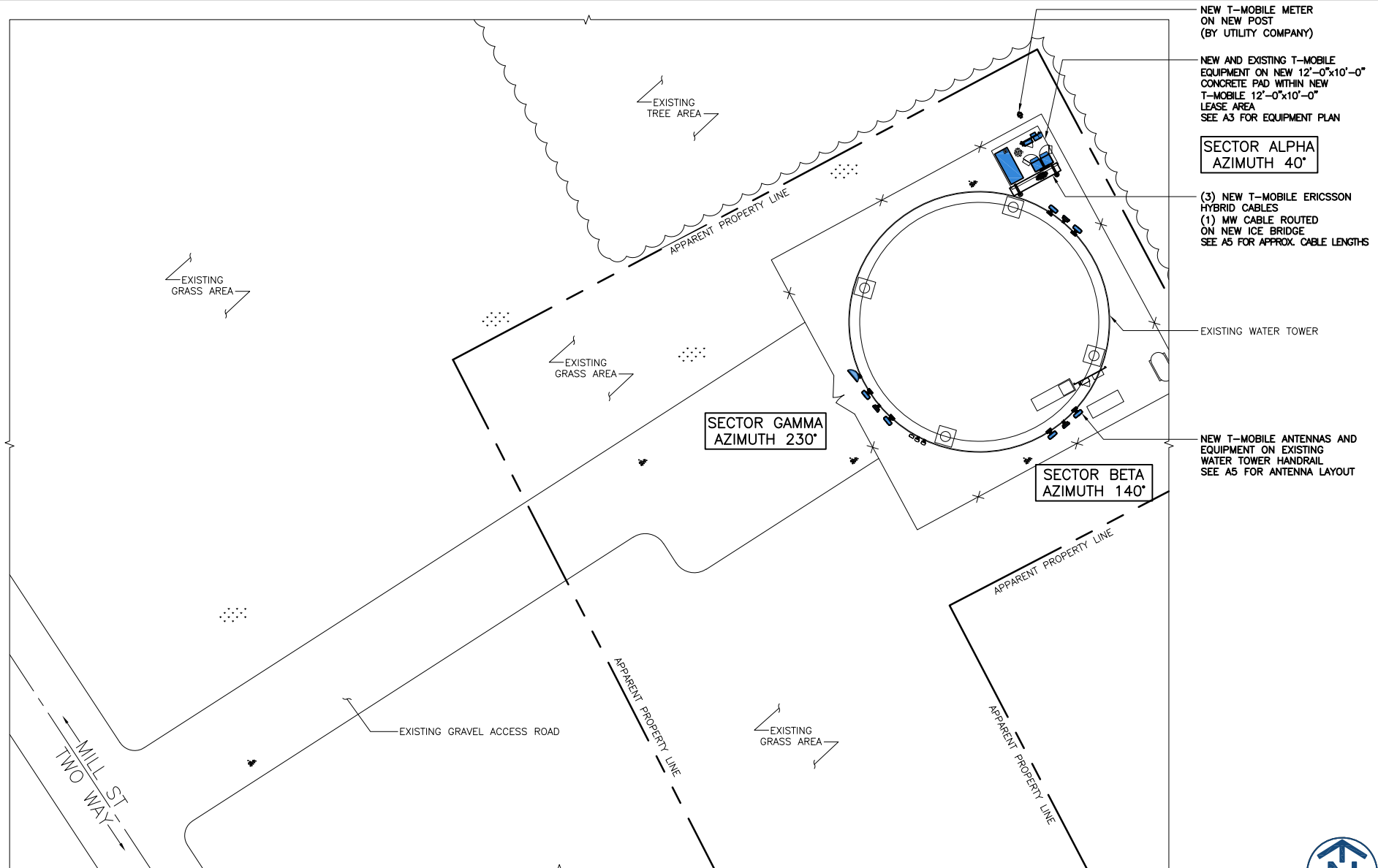
If the lease exhibits are approved by the Commissioners, staff will work with T-Mobile on the next steps towards project fruition. The most critical will be the full Construction Drawing review and approval. Public Works will work with a third-party engineering consultant for a full review and comment of the structural impacts the project may have on the water tower. Once any concerns are addressed with the construction drawings, staff will work on finalization of the lease agreement, insurance, and bonding with T-Mobile.

Please let me know if there are any questions.

Attachments

cc: Christopher Clasing, P.E., Deputy Director
 Tony Fascelli, Water and Wastewater Superintendent

ITEM 11

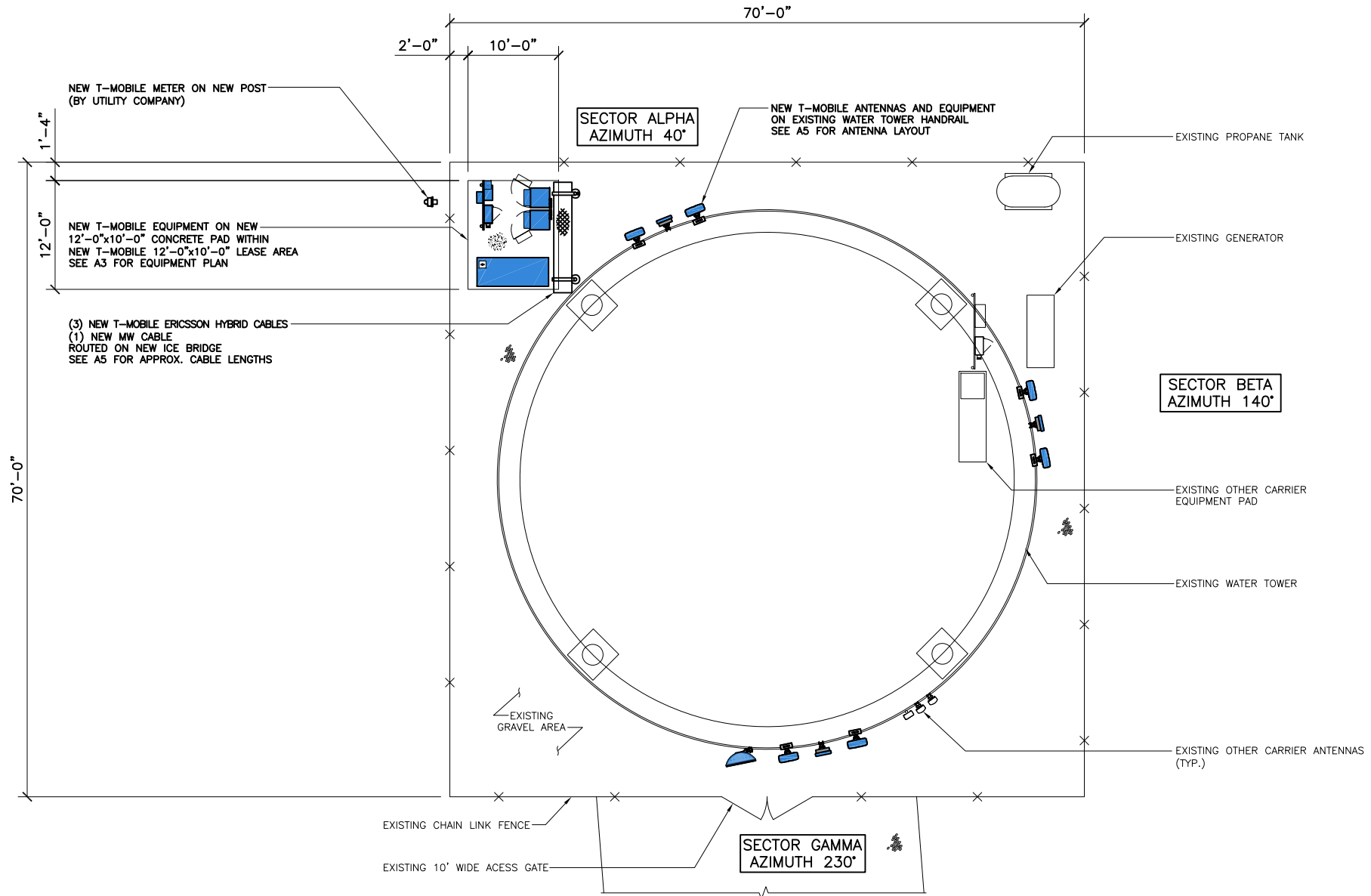


SITE PLAN

SCALE: 1/32" = 1'-0" 1

SITE NAME	SITE NUMBER:	SITE ADDRESS	SHEET NAME	SHEET NUMBER	REV	DATE	DESCRIPTION	BY	
WORCESTER WATER TANK	7SAL163A	7210 MILL ST NEWARK, MD 21841	SITE PLAN	A1	A	09/14/22	LEASE EXHIBIT	MK	
					12920 SE 38TH STREET BELLEVUE, WA 98006 (425) 378-4000				1100 E. WOODFIELD ROAD, SUITE 500 AUBURN, IL 60173 TEL: 847-908-8400 COA #07-49185 www.FullertonEngineering.com

ITEM 11



COMPOUND LAYOUT

SCALE: 1/16" = 1'-0" 1

SITE NAME	SITE NUMBER:	SITE ADDRESS	SHEET NAME	SHEET NUMBER	REV	DATE	DESCRIPTION	BY
WORCESTER WATER TANK	7SAL163A	7210 MILL ST NEWARK, MD 21841	COMPOUND LAYOUT	A2	A	09/14/22	LEASE EXHIBIT	MK

12920 SE 38TH STREET
BELLEVUE, WA 98006
(425) 378-4000

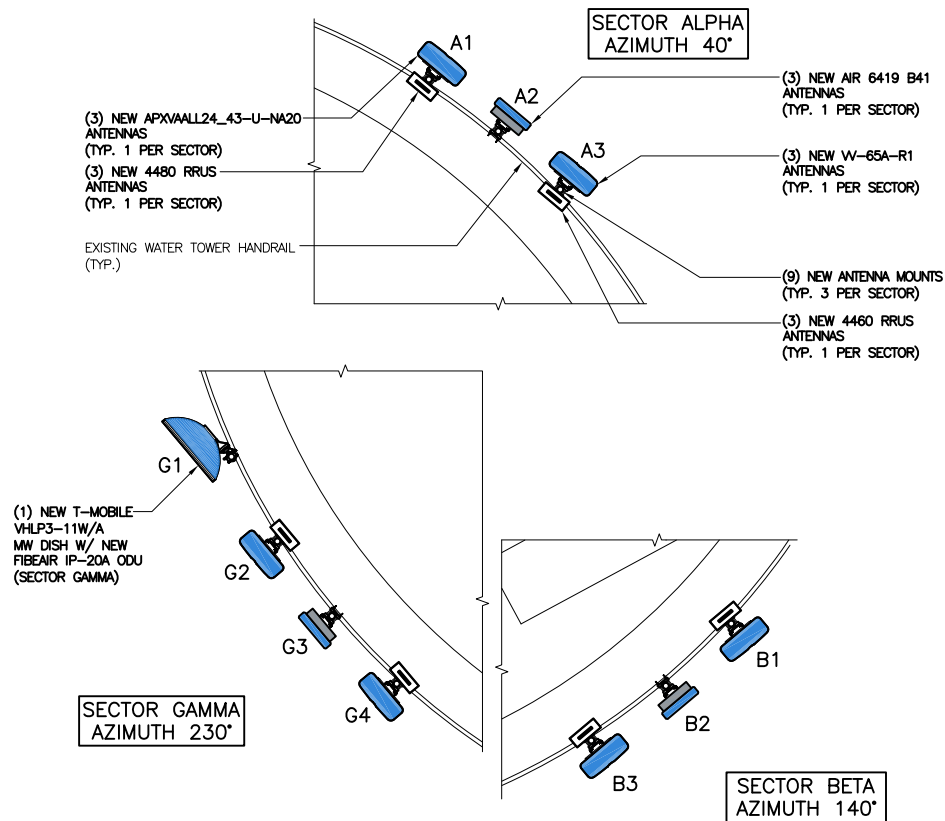
1100 E. WOODFIELD ROAD, SUITE 500
HAUBURG, ILLINOIS 60173
TEL: 847-908-8400
COA #07-49185
www.FullertonEngineering.com

11 - 3

ITEM 11

NOTE:

CONTRACTOR SHALL ENSURE THAT NO BEAR METAL OF THE TANK STRUCTURE IS LEFT WITHOUT A COATING POST INSTALLATION



ANTENNA SCHEDULE

SECTOR	ALPHA			BETA				GAMMA		
ANTENNA POSITION	A-1	A-2	A-3	B-1	B-2	B-3	G-1	G-2	G-3	G-4
ANTENNA TYPE	L600+L700+ N600	L2500 + N2500	L1900 + L2100 + G1900	L600+L700+ N600	L2500 + N2500	L1900 + L2100 + G1900	MW DISH	L600+L700+ N600	L2500 + N2500	L1900 + L2100 + G1900
AZIMUTH	40°	40°	40°	140°	140°	140°	230°	230°	230°	230°
RAD CENTER (AGL)	128'	128'	128'	128'	128'	128'	128'	128'	128'	128'
MODEL	RFS - APXVAALL24_43-U-NA20	ERICSSON - AIR 6419 B41	COMMSCOPE - W-65A-R1	RFS - APXVAALL24_43-U-NA20	ERICSSON - AIR 6419 B41	COMMSCOPE - W-65A-R1	VHLP3-11W /A	RFS - APXVAALL24_43-U-NA20	ERICSSON - AIR 6419 B41	COMMSCOPE - W-65A-R1
SHARED LENGTH	(1) 250' SHARED HYBRID CABLE			(1) 225' SHARED HYBRID CABLE			(1) MW CABLE	(1) 275' SHARED HYBRID CABLE		
FEEDER LENGTH	±15'-0"	-	±15'-0"	±15'-0"	-	±15'-0"	-	±15'-0"	-	±15'-0"

ANTENNA TABLE

2

ANTENNA LAYOUT

SCALE: 1/8" = 1'-0"

1

NOT USED

3

SITE NAME

WORCESTER
WATER TANK

SITE NUMBER:

7SAL163A

SITE ADDRESS

7210 MILL ST
NEWARK, MD 21841

SHEET NAME

ANTENNA & DISH
PLAN

SHEET NUMBER

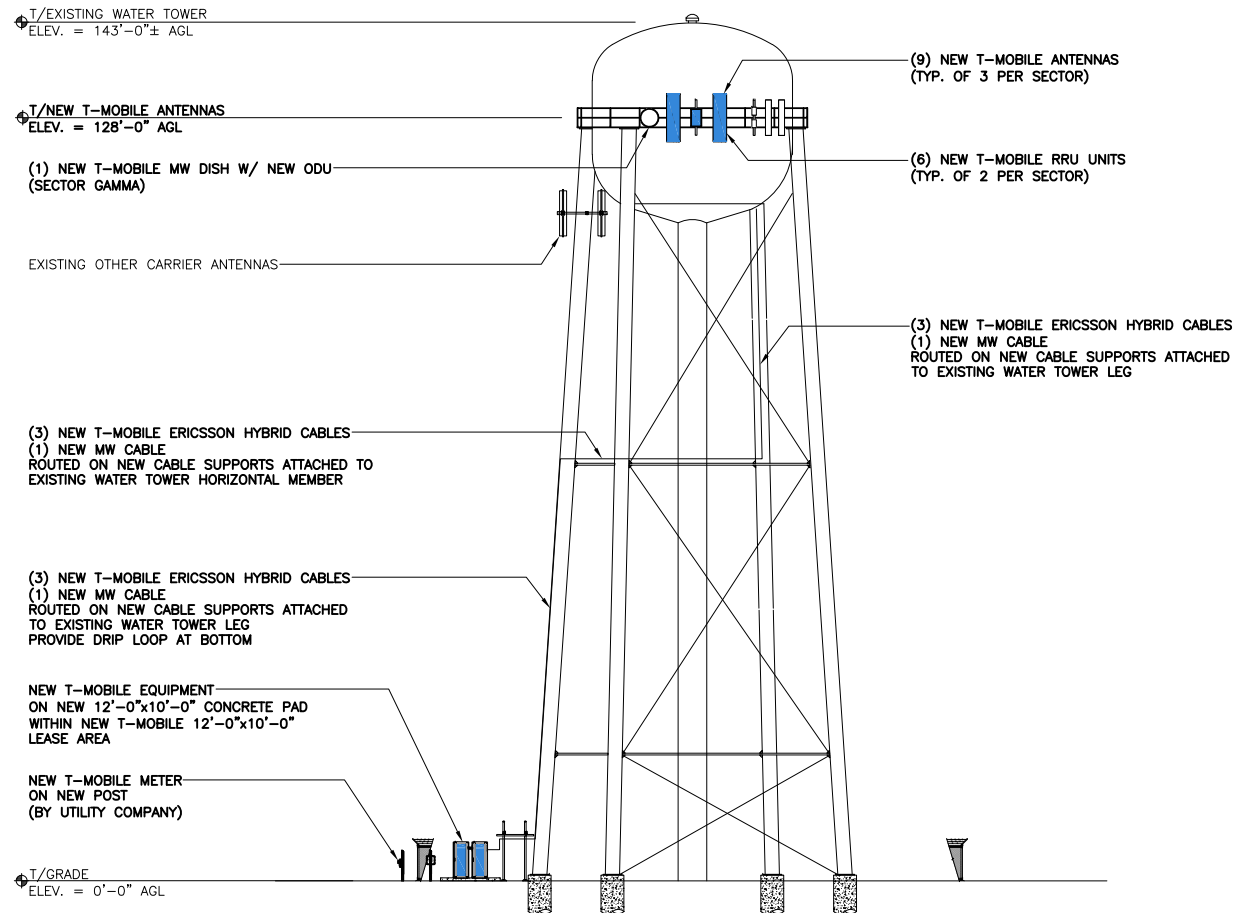
A3

REV	DATE	DESCRIPTION	BY
A	09/14/22	LEASE EXHIBIT	MK

T-Mobile

FULLERTON

11 - 4
12920 SE 38TH STREET
BELLEVUE, WA 98006
(425) 378-4000
1100 E WOODFIELD ROAD, SUITE 500
HAUBURG, ILLINOIS 60173
TEL: 847-908-8400
COA #07-49185
www.FullertonEngineering.com



ELEVATION

SCALE: 1/32" = 1'-0"

1

SITE NAME

WORCESTER
WATER TANK

SITE NUMBER:

7SAL163A

SITE ADDRESS

7210 MILL ST
NEWARK, MD 21841

SHEET NAME

SITE
ELEVATION

SHEET NUMBER

A4

REV	DATE	DESCRIPTION	BY
A	09/14/22	LEASE EXHIBIT	MK

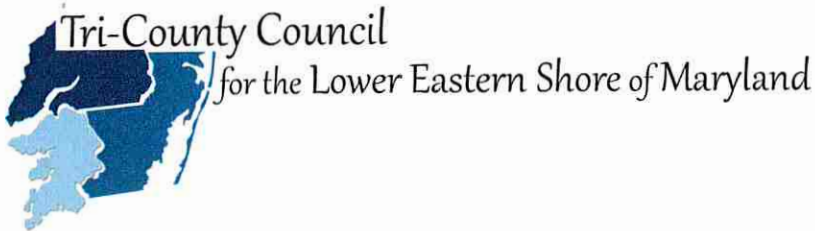
T-Mobile

FULLERTON

12920 SE 38TH STREET
BELLEVUE, WA 98006
(425) 378-4000

1100 E. WOODFIELD ROAD, SUITE 500
HAUBURG, ILLINOIS 60173
TEL: 847-908-8400
COA #07-49185
www.FullertonEngineering.com

11 - 5



Tri-County Council

for the Lower Eastern Shore of Maryland

ITEM 12

31901 TRI-COUNTY WAY
SUITE 203
SALISBURY, MARYLAND 21804
PHONE: 410-341-8989
FAX: 410-341-8988
WWW.LOWERSHORE.ORG

September 20, 2022

Weston Young
Chief Administrator Officer
Worcester County
One West Market Street, Room 1103
Snow Hill, MD 21863

Dear Mr. Young,

I would like to take this opportunity to thank the Worcester County Commissioners for their service to the Tri-County Council the past year. As we look forward to 2023, it is time to solicit nominations for next year.

Tri-County Council Full Board

According to the Tri-County Council Bylaws, Article V, Section 9, *"At the end of a term, a member continues to serve until a successor is appointed."* Five Worcester County Commissioners are required to serve. The following Commissioners are currently service:

- Commissioner Ted Elder
- Commissioner Josh Nordstrom
- Commissioner President Joe Mitrecic
- Commissioner Diana Purnell
- Commissioner Bud Church

Tri-County Council Executive Board

On the 2023 Tri-County Council Executive Board, Worcester County will hold the office of Chair and Third Vice Chair. The following individuals are currently serving on the Executive Board in the following positions:

- Commissioner Ted Elder, First Vice Chair
- Commissioner Josh Nordstrom, Secretary

I would appreciate it if the Worcester County Commission would confirm its give members along with its nominations for the Executive Board. Please contact me with your nominations by Friday, November 18, 2022.

Sincerely,

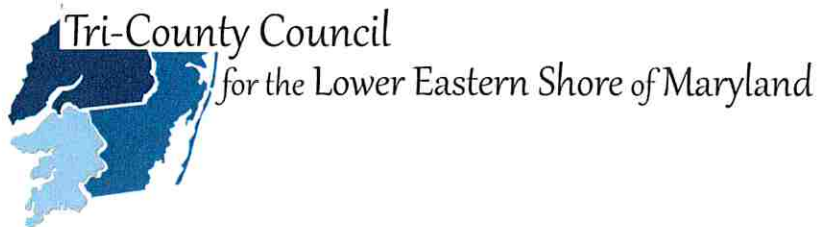
Gregory Padgham
Executive Director



Serving Somerset, Wicomico and Worcester Counties



12 - 1



ITEM 12

31901 TRI-COUNTY WAY
SUITE 203
SALISBURY, MARYLAND 21804
PHONE: 410-341-8989
FAX: 410-341-8988
WWW.LOWERSHORE.ORG

Attachments

- 2023 Tri-County Council Full Board
- 2023 Tri-County Council Executive Board
- Bylaws of the Tri-County Council for the Lower Eastern Shore



Serving Somerset, Wicomico and Worcester Counties



Tri-County Council for the Lower Eastern Shore of Maryland

Under the Bylaws of Tri-County Council for the Lower Eastern Shore of Maryland, Article V,
Section 1: "The members of the organization entitled to vote shall be Five (5) County
Commissioners of Worcester County."

2022 Worcester County Voting Members

Ted Elder – 1st Vice Chair

Josh Nordstrom - Secretary

Joe Mitrecic - Member

Diana Purnell - Member

Bud Church - Member

2023 Worcester County Voting Members

Tri-County Council for the Lower Eastern Shore of Maryland

2022 Executive Board

John Cannon – Chair, Somerset County

Ted Elder – 1st Vice Chair, Wicomico County

Eldon Willing– 2nd Vice Chair, Worcester County

Josh Hastings – 3rd Vice Chair, Somerset County

Josh Nordstrom – Secretary, Wicomico County

Randy Laird– Treasurer, Worcester County

Senator Mary Beth Carozza – At-Large

Rex Simpkins– Past Chair (Non-Voting), Worcester County

2023 Executive Board Positions for Nomination

_____	Chair, Worcester County
_____	1 st Vice Chair, Somerset County
_____	2 nd Vice Chair, Wicomico County
_____	3 rd Vice Chair, Worcester County
_____	Secretary, Somerset County
_____	Treasurer, Wicomico County
Senator Mary Beth Carozza	At-Large
John Cannon	Immediate Past Chair, Wicomico County

Amended 12/10/2009

BYLAWS OF TRI-COUNTY COUNCIL FOR THE LOWER EASTERN SHORE OF MARYLAND

ARTICLE I

Name

The name of the organization shall be Tri-County Council for the Lower Eastern Shore of Maryland, hereby known as the Council, which said organization is a public body politic and corporate of the State of Maryland. Unless otherwise specified in these bylaws, terms used herein that are defined in the Economic Development Article of the Annotated Code of Maryland shall have the meanings specified therein.

ARTICLE II

Purpose

Section 1: The Council is a tax-exempt public body politic and corporate that shall operate as a cooperative regional planning and development agency within the area consisting of Somerset, Wicomico, and Worcester Counties to foster the physical, economic and social development of the Region and utilize effectively the assistance provided by the State or other public or private sources. It shall initiate and coordinate regional plans and projects for the development of human and economic resources of the Lower Shore. It shall also serve as a resource for the three local governments to assist them with developing of grants, conducting research, and other activities deemed appropriate by the Council.

Section 2: The Council shall perform any and all duties as required or any duties which it determines are in the best interest of the Area, as set forth in the Economic Development Article of the Annotated Code of Maryland, as amended.

ARTICLE III

Authority and Relationship to Other Agencies

Section 1: The Council obtains its authority from the public laws of Maryland as set forth in the Economic Development Article of the Annotated Code of Maryland, as amended. The Council will cooperate with any and all State departments and agencies concerned and submit for approval plans and projects of the Council in which such departments or agencies have statutory functions and responsibilities and coordinate with all of the counties. At the request of the County government, the Council may review that County's local plans, proposals for projects, and

ordinances having an impact outside the boundaries of that County and within the Region.
The Council also has the authority to:

- (a) Sue and be sued in contract and in tort;
- (b) Complain and defend in all courts;
- (c) Make and enter into all contracts or agreements necessary or incidental to the performance of its duties;
- (d) Borrow money and apply for and accept advances, loans, grants, contributions and any other form of assistance from the federal government, the State, or other public body, or from any sources, public or private; and
- (e) Execute any instruments and perform any acts or things necessary, convenient, or desirable for its purposes or to carry out the powers expressly given in the Economic Development Article of the Annotated Code of Maryland, as amended.

Section 2: The Council shall select and retain its own legal counsel.

Section 3: Notwithstanding Section 2 of this article, the Attorney General of Maryland may serve as legal adviser to the Council in all matters pertaining to the Council's activities.

ARTICLE IV

Seal

The corporate seal of the Council shall be in such form and shall have such inscription thereon as the Council may determine.

ARTICLE V

Membership

Section 1: The members of the organization entitled to vote shall be as follows:

- (a) Five (5) County Commissioners of Somerset County;
- (b) The County Executive of Wicomico County;
- (c) Four (4) County Councilpersons of Wicomico County;
 - (i) The County Council must provide written notification to the Council prior to its annual meeting as to which members will be serving as voting members for that year.
- (d) Five County Commissioners of Worcester County;
- (e) Three (3) municipal elected officials, one (1) from each County,
 - (i) Appointed by their respective municipal corporations; or
 - (ii) If the municipal corporations located within a County are unable to choose a municipal elected official within a reasonable period of time determined by the Council, The Eastern Shore Municipal Association shall appoint an

- elected municipal official to represent the municipal corporations of that County;
- (f) Members of the General Assembly representing the Region the majority of whose legislative districts are in the Region.
 - (g) Private individuals designated as additional members of the Council by the Executive Board.

Section 2: Other members of the General Assembly representing the Region the majority of whose legislative districts are not in the region, County Commissioners/Councilpersons who are not selected by their respective Counties as voting members, the three (3) County Administrators/Managers, one from each County, and one (1) representative from the Maryland Department of Business and Economic Development or its successors will serve as non-voting members.

Section 3: Other County staff may be added as non-voting members as determined by the Council.

Section 4: Each member of the Council shall be entitled to one (1) vote, except those members specified in Article V, Sections 2 and 3 above, who shall have no vote on any issue to come before the Council.

Section 5: A voting commissioner/councilperson or Wicomico County Executive, as defined in Section 1 a, b c, and d, may designate another commissioner/councilperson or County administrator/manager representing the same County to vote by proxy on behalf of the voting commissioner/councilperson or Wicomico County Executive when the voting commissioner/councilperson or Wicomico County Executive is absent from a meeting.

Section 6: Members of the Council shall serve without compensation.

Section 7: The members of the Council who hold membership by virtue of their elected or appointed positions shall retain their membership on the Council only during their terms of office.

Section 8: Vacancies on the Council by reason of death, resignation, change of residence, or other cause shall be filled for the duration of the term in the same manner as is provided for in the original appointment.

Section 9: At the end of a term, a member continues to serve until a successor is appointed.

Section 10: If a County commission increases its official membership to more than five (5) members, it must provide written notification to the Council prior to the annual meeting of which five (5) members will be serving as voting members for that year.

ARTICLE VI

Officers

Section 1: The officers of the organization shall be a Chairman, First Vice-Chairman, Second Vice-Chairman, Third Vice-Chairman, Secretary, and Treasurer who must be selected from among the voting members of the Council.

Section 2: Each Vice-Chairman shall be from a different County.

Section 3: The officers shall be elected for a term of one (1) year at the annual meeting of the council and shall hold office for a one (1) year period or until the next annual meeting. The Chairman may not be re-elected to serve more than one consecutive term.

Section 4: The officers and members of the Executive Board of the Council shall be elected by a majority vote of the voting members of the Council.

Section 4.1: The office of chairman shall rotate annually among the counties. Each year at the annual meeting, the chairman shall be selected from the county holding the office of first vice-chairman during the immediately preceding year.

Section 5: The offices of First, Second, and Third Vice-Chairman shall rotate annually, county by county, according to the following order: in the first year the First, Second, and Third Vice-Chairmen shall be from Somerset, Wicomico, and Worcester counties respectively; in the second year – Wicomico, Worcester, and Somerset; in the third year – Worcester, Somerset, and Wicomico; and beginning with the fourth year the process shall be repeated.

Section 6: The Executive Board shall consist of the officers of the Council, plus one (1) at-large member assuring balanced representation. There will be no more than three (3) representatives from each County on the Executive Board. For the purposes of this Section, County representation is defined as the County's municipal representative, County commissioners/councilpersons, and the Wicomico County Executive. Decisions of the Executive Board shall be subject to the ratification of the full Council.

Section 7: The newly elected officers and Executive Board shall assume their duties upon election at the annual meeting of the Council.

Section 8: The election of the Council officers will occur at the first meeting following the General Election in November. A five (5) member nominating committee made up of three (3) members of the Executive Board and two (2) members of the Council not on the Executive Board will submit a slate of officers at that meeting. Other nominations will be accepted from the floor. Once nominations are complete, elections will be held.

Section 9: The Immediate Past Chairman will be a non-voting member of the Executive Board.

ARTICLE VII

Duties of the Council and Its Officers

Section 1: The Council shall establish the general policies and procedures for the organization, adopt the annual budget, elect the officers and Executive Board members, and appoint the Executive Director of the Council.

Section 2: The Chairman Shall preside at all of the meetings of the Council and the Executive Board. The Chairman shall perform all duties pertaining to the office, including the appointment of all standing and special committees, ensuring that those committees consist of a cross-section of the Council's membership.

Section 3: The Vice-Chairmen. In the absence or temporary incapacity of the Chairman, the First Vice-Chairman shall perform the duties and exercise the powers of the Chairman. In the event of the death of the Chairman or his resignation, the First Vice-Chairman shall become the Acting Chairman, performing the duties and exercising the powers of the Chairman until the members of the Council elect a new Chairman. If the remaining term of the Chairman is greater than six (6) months, the remaining members of the Executive Board shall call a special meeting of the Council for the election of a new Chairman. The Second Vice-Chairman and the Third Vice-Chairman shall be succeeding officers to the Chairman's position in the event of incapacity, resignation or death of the Chairman and First Vice-Chairman and shall perform the duties required of the officer whom they succeed.

Section 4: The Treasurer shall receive, or cause to be received, all monies and make all disbursements of funds. The Treasurer shall be accountable for all financial transactions and be responsible for reporting on the financial condition of the Council and the end of the fiscal year. The Treasurer shall maintain all books of account and monies of the Council, have the authority to sign checks issued by the Council, keep and maintain complete and accurate accounts of all receipts and disbursements, and make reports thereof at each meeting. All financial transactions will require signatures from two of the following: Executive Director, Chairman, Treasurer, or one member to be determined by the Executive Board.

Section 5: The Secretary shall take or cause to be taken and keep the minutes of each meeting of the Council and shall have custody of and maintain all records of proceedings of the various meetings, including committee reports and all other official reports of the Council. The Secretary shall maintain a list of all members of the Council and record and keep such other records as may be required.

Section 6: The Executive Board shall have the responsibility for monitoring the implementation of Council policies and procedures by the Executive Director and for recommendation of new policies and procedures for the consideration of the Council as appropriate. The Executive Board shall have additional responsibilities and powers as may be granted to it by the Council.

ARTICLE VIII

Executive Director

Section 1: The Council shall have the power to hire an Executive Director.

Section 2: The Executive Director is the chief administrative, fiscal, and planning officer and regular technical advisor of the Council. Subject to the approval of the Executive Board, the Executive Director may make agreements with local planning agencies and economic development agencies, within the jurisdiction of the Council, with the concurrence of appropriate public officials for temporary transfer or joint use of staff employees and may contract for professional or consultative services from other governmental and private agencies. The Executive Director shall serve as the co-custodian with the Secretary of all minutes of the Council.

Section 3: The Council shall be authorized to pay to the Executive Director an established salary that is commensurate with the responsibilities of the position and contingent upon the Council's funding. The Council shall authorize the Executive Director, in accordance with the law establishing the Council, to hire employees to assist the Executive Director in carrying out the purposes of the Council as set forth in the law establishing the Council and shall authorize the Executive Director to pay established salaries to the employees within the confines of the budget available to the Council.

Section 4: The Executive Board shall designate not more than three (3) of its members to conduct an annual performance evaluation of the Executive Director to determine whether the Executive Director is meeting organizational goals and objectives that have been set by the Council. The Executive Director serves at the pleasure of the Council.

ARTICLE IX

Meetings

Section 1: The Council shall meet at least quarterly, and any special meetings of the Council may be called at the discretion of a simple majority of the Executive Board or of the Chairman of the Council at any time upon giving notice as required herein. The annual meeting of the Council shall be held as close to the beginning of the Council's Fiscal Year as is practical.

Section 2: The Executive Board shall meet as necessary.

Section 3: At all meetings of the Council there shall be a quorum when at least twelve (12) voting members of the Council are present, including at least two (2) voting members from each County. For these purposes, the members from each County are defined as the voting commissioners/councilpersons and Wicomico County Executive, their proxies, and the Counties' municipal representatives.

Section 4: The Secretary shall give written notice to the members at least fourteen (14) days in advance of all meetings of the Council and at least five (5) days in advance of all meetings of the Executive Board if practical.

Section 5: At all meetings of the Executive Board there shall be a quorum when at least four (4) members of the Executive Board are present.

ARTICLE X

Voting

The members shall be entitled to vote as previously stated in Article V entitled “Membership,” and no one shall have more than one (1) vote.

ARTICLE XI

Fiscal Year

The fiscal year of the Council shall begin on the first day of July and end on the thirtieth day of June of the following year.

ARTICLE XII

Independent Audit

Beginning in Fiscal Year 2003, an independent auditor, certified in the State of Maryland, shall be retained to audit the financial records of the Council at the end of the fiscal year, whose report and findings will be presented to the Council at the next quarterly meeting.

ARTICLE XIII

Committees

The Chairman of the Council, with the approval of the Executive Board, may appoint such balanced committees as the work of the Council may from time to time require. The Chairman and the Executive Board have the express authority to appoint such committees without receiving the approval of the full Council, notwithstanding Article VI Section 6 of these bylaws.

ARTICLE XIV

Governing Rules

The rules contained in Robert’s Rules of Order Revised shall govern the organization in all cases to which they are applicable and where they are not inconsistent with these bylaws.

ARTICLE XV

Amendments

Amendments to these bylaws may be adopted at a meeting of the Council where a quorum is present, two-thirds or more of the voting members present approve the proposed amendments, and notice of the meeting and the text of the proposed amendments has been provided to all voting members of the Council at least fourteen (14) calendar days in advance of the meeting at which approval of the proposed amendments is requested.



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

OFFICE OF THE
 COUNTY COMMISSIONERS
Worcester County
 GOVERNMENT CENTER
 ONE WEST MARKET STREET • ROOM 1103
 SNOW HILL, MARYLAND
 21863-1195

WESTON S. YOUNG, P.E.
 CHIEF ADMINISTRATIVE OFFICER

ROSCOE R. LESLIE
 COUNTY ATTORNEY

November 7, 2022

TO: Worcester County Commissioners
 FROM: Karen Hammer, Administrative Assistant V
 SUBJECT: Upcoming Board Appointments -Terms Beginning January 1, 2022

Attached, please find copies of the Board Summary sheets for all County Boards or Commissions (8), which have current or upcoming vacancies (16). The annual report for each board is also included. I have circled the members whose terms have expired or will expire on each of these boards.

President Mitrecic - You have assigned all positions

Commissioner Purnell – You have assigned all positions

Commissioner Bunting - You have Two (2) position open:

- David Deutsch - Term Ending - Dec. 21- Ethics Board
- Susan Childs – Resigned – April, 2022 – Commission For Women

Commissioner Nordstrom - You have One (1) position open:

- C. D. Hall – Resigned – Housing Review Board

Commissioner Church - You have Seven (7) positions open:

- Martin Kwesko - Term Ending - Dec. 21-Water & Sewer Advisory Council, Mystic Harbour
- Richard Jendrek- passed- Water & Sewer Advisory Council, Mystic Harbour
- Bruce Bums -passed- Water & Sewer Advisory Council, Mystic Harbour
- Keith Swanton -Term Ending-Dec. 21- Water & Sewer Advisory Council, West Ocean City
- Elizabeth Rodier -Term Ending-Dec. 21- Commission for Women- Not a Reappointment
- Cam Bunting – Local Development Council Ocean Downs – available and in agreement to be reappointed Berlin – Resident
- Chase Church – Resigned – Housing Review Board

Commissioner Elder - You have assigned all positions

Commissioner Bertino – You have assigned all positions

TEL: 410-632-1194
FAX: 410-632-3131
WEB: www.co.worcester.md.us



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

OFFICE OF THE
COUNTY COMMISSIONERS

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET • ROOM 1103

SNOW HILL, MARYLAND

21863-1195

WESTON S. YOUNG, P.E.
CHIEF ADMINISTRATIVE OFFICER
JOSEPH E. PARKER, III
DEPUTY CHIEF ADMINISTRATIVE OFFICER
ROSCOE R. LESLIE
COUNTY ATTORNEY

All Commissioners:

- **(1)-Adult Public Guardianship Board-** (1) Vacancy/Resignation- Dr. Kenneth Widra - Psychiatrist - The Health Department is researching for a suitable candidate for this position.
- **(1) -Drug and Alcohol Abuse Council - 1 Position** - (Passing of Dr. Cragway, Jr., also Knowledgeable of Substance Abuse Treatment), Mr. Orris hopes to have recommendations for The Commissioners later this year, however, if the Commissioners have someone they'd like to appoint, please advise.
- **(3) - At Large position on Local Development Council For the Ocean Downs Casino-4 yr.** Mark Wittmyer (Business-Ocean Pines) Terms Ending-Dec. 21 for (3)- Gee Williams (Church), David Massey (At-Large-Business O.P.),
- **(1) – LDCODC** – available and in agreement to be reappointed – Cam Bunting-Business, Berlin
- **(3) - Water and Sewer Advisory Council - Mystic Harbour** (Passing of Richard Jendrek and Bruce Burns) (1)-Term Ending-Dec. 21- Martin Kwesko
- **(1)- Water and Sewer Advisory Council- West Ocean City-(1) Term Endings-Dec. 21 -** Keith Swanton
- **(3) - Commission for Women-** Elizabeth Rodier, (Church) does not choose to be reappointed. Resignation of Susan Childs (Bunting) and the resignation of Kris Heiser (Public Safety Department)

Pending Board Appointments - By Commissioner

District 1 - Nordstrom p. 10 - Housing Review Board – Resignation of C. D. Hall

District 2 - Purnell Thank you! All of your positions are assigned.

District 3 - Church

- p. 8 - Local Development Council for Ocean Downs Casino – Cam Bunting (reappoint)
- p. 10 - Housing Review Board – Resignation of Chase Church
- p. 11 - Water & Sewer - Mystic Harbour - Martin Kwesko
- p. 11 - Water & Sewer - Mystic Harbour - Richard Jendrek
- p. 11 - Water & Sewer - Mystic Harbour - Bruce Burns
- p. 12 - Water and Sewer Advisory Board -West Ocean City - Keith Swanton
- p. 13 - Commission for Women - Elizabeth Rodier

District 4 - Elder Thank you! All of your positions are assigned

District 5 - Bertino Thank you! All of your positions are assigned

District 6 - Bunting

- p. 9 – Ethics Board – David Deutsch
- p. 13 – Commission For Women – Susan Childs - resigned

District 7 - Mitrecic

Thank you! All of your positions are assigned.

All Commissioners

p. 4 (1) – Adult Public Guardianship Board- (1) Vacancy - Psychiatrist

p. 6 (1) -Drug and Alcohol Abuse Council - 1 Position - (Passing of Dr. Cragway, Jr., also Knowledgeable of Substance Abuse Treatment), Mr. Orris hopes to have recommendations for The Commissioners later this year, **however**, if the Commissioners have someone they'd like to appoint, please advise.

p. 8 (3) - At Large position on Local Development Council For the Ocean Downs Casino-4 yr. Mark Wittmyer (Business – Ocean Pines) Terms Ending – Dec. 21 for (3) – Gee Williams (Church), David Massey (At-Large- Business O.P.)

(1) – Terms Ending – Available for Reappointment – Cam Bunting 9 At Large- Berlin Business)

p. 11 (3) - Water and Sewer Advisory Council – Mystic Harbour (Passing of Richard Jendrek and Bruce Burns) (1) – Term Ending-Dec. 21- Martin Kwesko

p. 12 (1) - Water and Sewer Advisory Council- West Ocean City – (1) Term Endings – Dec. 21 – Keith Swanton

p. 13 (4) – Commission for Women – Elizabeth Rodier (Church) does not choose to be reappointed. Resignation of Susan Childs (Bunting) and Resignation – Kris Heiser (Public Safety Department)

ADULT PUBLIC GUARDIANSHIP BOARD

Reference: PGL Family Law 14-402, Annotated Code of Maryland

Appointed by: County Commissioners

Function: Advisory
Perform 6-month reviews of all guardianships held by a public agency.
Recommend that the guardianship be continued, modified or terminated.

Number/Term: 11/3 year terms
Terms expire December 31st

Compensation: None, travel expenses (under Standard State Travel Regulations)

Meetings: Semi-annually

Special Provisions: 1 member must be a professional representative of the local department
1 member must be a physician
1 member must be a psychiatrist from the local department of health
1 member must be a representative of a local commission on aging
1 member must be a representative of a local nonprofit social services organization
1 member must be a lawyer
2 members must be lay individuals
1 member must be a public health nurse
1 member must be a professional in the field of disabilities
1 member must be a person with a physical disability

Staff Contact: Department of Social Services - Roberta Baldwin (410-677-6872)

Current Members:

<u>Member's Name</u>	<u>Representing</u>	<u>Years of Term(s)</u>
Dr. Kenneth Widra	Psychiatrist	18-21
Dr. William Greer	Physician	07-10-13-16-19, 19-22
Richard Collins	Lawyer	95-98-01-04-07-10-13-16-19-22
Nancy Howard	Lay Person	*17-19, 19-22
Connie Wessels	Lay Person	*15-16-19, 19-22
Brandy Trader	Non-profit Soc. Service Rep.	*15-17, 17-20, 20-23
LuAnn Siler	Commission on Aging Rep.	17-20, 20-23
Jack Ferry	Professional in field of disabilities	*14-14-17-20, 20-23
Thomas Donoway	Person with physical disability	17-20, 20-23
Roberta Baldwin	Local Dept. Rep. - Social Services	03-06-09-12-15-18-21-24
Melissa Banks	Public Health Nurse	*02-03-06-09-12-15-18-21-24

ADULT PUBLIC GUARDIANSHIP BOARD
(Continued)

Prior Members:

Since 1972

Dr. Donald Harting
 Maude Love
 Thomas Wall
 Dr. Dorothy Holzworth
 B. Randall Coates
 Kevin Douglas
 Sheldon Chandler
 Martha Duncan
 Dr. Francis Townsend
 Luther Schultz
 Mark Bainum
 Thomas Mulligan
 Dr. Paul FloryBarbara Duerr
 Craig Horseman
 Faye Thornes
 Mary Leister
 Joyce Bell
 Ranndolph Barr
 Elsie Briddell
 John Sauer
 Dr. Timothy Bainum
 Ernestine Bailey
 Terri Selby (92-95)
 Pauline Robbins (92-95)
 Darryl Hagey
 Dr. Ritchie Shoemaker (92-95)
 Barry Johansson (93-96)
 Albert Straw (91-97)
 Nate Pearson (95-98)
 Dr. William Greer, III (95-98)
 Rev. Arthur L. George (95-99)
 Irvin Greene (96-99)
 Mary Leister (93-99)
 Otho Aydelotte, Jr. (93-99)
 Shirley D'Aprix (98-00)
 Theresa Bruner (91-02)
 Tony Devereaux (93-02)
 Dr. William Krone (98-02)
 David Hatfield (99-03)
 Dr. Kimberly Richardson (02-03)
 Ina Hiller (91-03)
 Dr. David Pytlewski (91-06)
 Jerry Halter (99-06)
 Dr. Glenn Arzadon (04-07)
 Madeline Waters (99-08)
 Mimi Peuser (03-08)
 Dr. Gergana Dimitrova
 (07-08)Carolyn Cordial (08-13)
 June Walker (02-13)
 Bruce Broman (00-14)
 Lori Carson (13-14)

Pattie Tingle (15-16)
 The Rev. Guy H. Butler
 (99-17)Debbie Ritter (07-17)
 Dean Perdue (08-17)
 Dr. Dia Arpon *(10-18)

Reference: PGL Health-General, Section 8-1001

Appointed by: County Commissioners

Functions: Advisory
Develop and implement a plan for meeting the needs of the general public and the criminal justice system for alcohol and drug abuse evaluation, prevention and treatment services.

Number/Term: At least 18 - At least 7 At-Large, and 11 ex-officio (also several non-voting members)
At-Large members serve 4-year terms; Terms expire December 31

Compensation: None

Meetings: As Necessary

Special Provisions: Former Alcohol and Other Drugs Task Force was converted to Drug and Alcohol Abuse Council on October 5, 2004.

Staff Contact: Regina Mason, Council Secretary, Health Department (410-632-1100)
Doug Dods, Council Chair, Sheriff's Office (410-632-1111)

Current Members:

<u>Name</u>	<u>Representing</u> <u>At-Large Members</u>	<u>Years of Term(s)</u>
Eric Gray (Christina Purcell)	Substance Abuse Treatment Provider	*15-18, 18-22
Sue Abell-Rodden	Recipient of Addictions Treatment Services	10-14-18, 18-22
Colonel Doug Dods	Knowledgeable on Substance Abuse Issues	04-10 (adv)-14-18-22
Jaclyn Sturgis	Knowledgeable on Substance Abuse Issues	*22-23
Jim Freeman, Jr.	Knowledgeable on Substance Abuse Issues	04-11-15, 15-19, 19-23
Mimi Dean	Substance Abuse Prevention Provider	*18-19, 19-23
Kim Moses	Knowledgeable on Substance Abuse Issues	08-12-16-20, 20-24
Dr. Roy W. Cragway, Jr.	Knowledgeable on Substance Abuse Issues	*17-20, 20-24
Rev. James Jones	Knowledge of Substance Abuse Issues	*21-25
Tina Simmons	Knowledge of Substance Abuse Treatment	21-25
	<u>Ex-Officio Members</u>	
Rebecca Jones	Health Officer	Ex-Officio, Indefinite
Roberta Baldwin	Social Services Director	Ex-Officio, Indefinite
Spencer Lee Tracy, Jr.	Juvenile Services, Regional Director	Ex-Officio, Indefinite
Trudy Brown	Parole & Probation, Regional Director	Ex-Officio, Indefinite
Kris Heiser	State's Attorney	Ex-Officio, Indefinite
Burton Anderson	District Public Defender	Ex-Officio, Indefinite
Sheriff Matt Crisafulli	County Sheriff	Ex-Officio, Indefinite
William Gordy (Eloise Henry Gordy)	Board of Education President	Ex-Officio, Indefinite
Diana Purnell	County Commissioners	Ex-Officio, Indefinite
Judge Brian Shockley (Jen Bauman)	Circuit Court Administrative Judge	Ex-Officio, Indefinite
Judge Gerald Purnell (Tracy Simpson)	District Court Administrative Judge	Ex-Officio, Indefinite
Donna Bounds	Warden, Worcester County Jail	Ex-Officio, Indefinite

Advisory Members

Lt. Earl W. Starner	Maryland State Police	Since 2004
Charles "Buddy" Jenkins	Business Community - Jolly Roger Amusements	
Chief Ross Buzzuro (Lt. Rick Moreck)	Ocean City Police Dept.	
Leslie Brown	Hudson Health Services, Inc.	
James Mcquire, P.D.	Health Care Professional - Pharmacist	Since 2018
Shane Ferguson	Wor-Wic Community College Rep.	Since 2018
Jessica Sexauer, Director	Local Behavioral Health Authority	Since 2018

Prior Members:

Since 2004

Vince Gisriel	Peter Buesgens
Michael McDermott	Aaron Dale
Marion Butler, Jr.	Garry Mumford
Judge Richard Bloxom	Sharon Smith
Paula Erdie	Jennifer Standish
Tom Cetola	Karen Johnson (14-17)
Gary James (04-08)	Rev. Bill Sterling (13-17)
Vickie Wrenn	Kat Gunby (16-18)
Deborah Winder	William McDermott
Garry Mumford	Sheriff Reggie Mason
Judge Theodore Eschenburg	Colleen Wareing (*06-19)
Andrea Hamilton	Rev. Matthew D'Amario(*18-21)
Fannie Birckhead	Donna Nordstron *(19-21)
Sharon DeMar Reilly	Jennifer LaMade (*12-22)
Lisa Gebhardt	
Jenna Miller	
Dick Stegmaier	
Paul Ford	
Megan Griffiths	
Ed Barber	
Eloise Henry-Gordy	
Lt. Lee Brumley	
Ptl. Noal Waters	
Ptl. Vicki Fisher	
Chief John Groncki	
Chief Arnold Downing	
Frank Pappas	
Captain William Harden	
Linda Busick (06-10)	
Sheriff Chuck Martin	
Joel Todd	
Diane Anderson (07-10)	
Joyce Baum (04-10)	
James Yost (08-10)	
Ira "Buck" Shockley (04-13)	
Teresa Fields (08-13)	
Frederick Grant (04-13)	
Doris Moxley (04-14)	
Commissioner Merrill Lockfaw	
Kelly Green (08-14)	
Sheila Warner - Juvenile Services	
Chief Bernadette DiPino - OCPD	
Chief Kirk Daugherty -SHPD	
Mike Shamburek - Hudson Health	
Shirleen Church - BOE	
Tracy Tilghman (14-15)	
Marty Pusey (04-15)	
Debbie Goeller	

**LOCAL DEVELOPMENT COUNCIL
FOR THE OCEAN DOWNS CASINO**

ITEM 13

Reference: Subsection 9-1A-31(c) - State Government Article, Annotated Code of Maryland

Appointed by: County Commissioners

Function: Advisory
Review and comment on the multi-year plan for the expenditure of the local impact grant funds from video lottery facility proceeds for specified public services and improvements; Advise the County on the impact of the video lottery facility on the communities and the needs and priorities of the communities in the immediate proximity to the facility.

Number/Term: 15/4-year terms; Terms Expire December 31

Compensation: None

Meetings: At least semi-annually

Special Provisions: Membership to include State Delegation (or their designee); one representative of the Ocean Downs Video Lottery Facility, seven residents of communities in immediate proximity to Ocean Downs, and four business or institution representatives located in immediate proximity to Ocean Downs.

Staff Contacts: Kim Moses, Public Information Officer, 410-632-1194
Roscoe Leslie, County Attorney, 410-632-1194

Current Members:

<u>Member's Name</u>	<u>Nominated By</u>	<u>Represents/Resides</u>	<u>Years of Term(s)</u>
Mark Wittmyer	At-Large	Business - Ocean Pines	15-19
Gee Williams °	Dist. 3 - Church	Resident - Berlin	09-13-17, 17-21
David Massey °	At-Large	Business - Ocean Pines	09-13-17, 17-21
Bobbi Sample	Ocean Downs Casino	Ocean Downs Casino	17-indefinite
Cam Bunting °	At-Large	Business - Berlin	*09-10-14-18, 18-22
Mary Beth Carozza	Indefinite	Maryland Senator	14-18, 18-22
Wayne A. Hartman	Indefinite	Maryland Delegate	18-22
Charles Otto	Indefinite	Maryland Delegate	14-18, 18-22
Roxane Rounds	Dist. 2 - Purnell	Resident - Berlin	*14-15-19, 19-23
Michael Donnelly	Dist. 7 - Mitrecic	Resident - Ocean City	*16-19, 19-23
Steve Ashcraft	Dist. 6 - Bunting	Resident - Ocean Pines	*19-20, 20-24
Kerrie Bunting	Dist. 4 - Elder	Resident - Snow Hill	*22-24
Mayor Rick Meehan °	At-Large	Business - Ocean City	*09-12-16-20-24
Bob Gilmore	Dist. 5 - Bertino	Resident - Ocean Pines	*19-21, 21-25
Matt Gordon	Dist. 1 - Nordstrom	Resident - Pocomoke	19-22, 22-26

Prior Members:

J. Lowell Stoltzfus ° (09-10)
Mark Wittmyer ° (09-11)
John Salm ° (09-12)
Mike Pruitt ° (09-12)
Norman H. Conway ° (09-14)
Michael McDermott (10-14)
Diana Purnell ° (09-14)
Linda Dearing (11-15)
Todd Ferrante ° (09-16)

Since 2009

Joe Cavilla (12-17)
James N. Mathias, Jr. ° (09-18)
Ron Taylor ° (09-14)
James Rosenberg (09-19)
Rod Murray ° (*09-19)
Gary Weber (*19-21)

Charlie Dorman (12-19)

* = Appointed to fill an unexpired term/initial terms staggered
° = Charter Member

ETHICS BOARD

Reference: Public Local Law, Section CG 5-103

Appointed by: County Commissioners

Function: Advisory
 Maintain all Ethics forms; develop procedures and policies for advisory opinions to persons subject to the Ethics Law and for processing complaints alleging violations of the Ethics Law; conduct a public information program regarding the purpose and application of the Ethics Law; annually certify compliance to the State; and recommend any changes to the Commissioners in order to comply with State Ethics Law.

Number/Term: 7/4 years
 Terms expire December 31st

Compensation: \$100 per meeting

Meetings: As Necessary

Special Provisions:

Staff Contact: Roscoe Leslie, County Attorney (410-632-1194)

Current Members:

<u>Member's Name</u>	<u>Nominated By</u>	<u>Resides</u>	<u>Years of Term(s)</u>
David Deutsch	D-6, Bunting	Ocean Pines	17-21
Mickey Ashby	D-1, Nordstrom	Pocomoke	14-18, 18-22
Frank Knight	D-7, Mitrecic	Ocean City	*14-19, 19-23
Judy Giffin	D-5, Bertino	Ocean Pines	*21-24
Joseph Stigler	D-4, Elder	Berlin	16-20, 20-24
Bruce Spangler	D-3, Church	Berlin	*02-05-09-13-17-21-25
Iola Tariq	D-2, Purnell	Berlin	*22-26

Prior Members: (Since 1972)

J.D. Quillin, III	Walter Kissel (05-09)
Charles Nelson	Marion Chambers (07-11)
Garbriel Purnell	Jay Knerr (11-14)
Barbara Derrickson	Robert I. Givens, Jr. (98-14)
Henry P. Walters	Diana Purnell (09-14)
William Long	Kevin Douglas (08-16)
L. Richard Phillips (93-98)	Lee W. Baker (08-16)
Marigold Henry (94-98)	Richard Passwater (09-17)
Louis Granados (94-99)	Jeff Knepper (16-21)
Kathy Philips (90-00)	Faith Mumford (14-22)
Mary Yenney (98-05)	
Bill Ochse (99-07)	
Randall Mariner (00-08)	
Wallace D. Stein (02-08)	
William Kuhn (90-09)	

HOUSING REVIEW BOARD

Reference: Public Local Law §BR 3-104

Appointed by: County Commissioners

Function: Regulatory/Advisory
To decide on appeals of code official's actions regarding the Rental Housing Code. Decide on variances to the Rental Housing Code.
Review Housing Assistance Programs.

Number/Term 7/3 year terms
Terms expire December 31st

Compensation: \$100 per meeting (policy)

Meetings: As Needed

Special Provisions: Immediate removal by Commissioners for failure to attend meetings.

Staff Support: Development Review & Permitting Department
Davida Washington, Housing Program Administrator - 410-632-1200
Ext: 1171

Current Members:

<u>Member's Name</u>	<u>Nominated By</u>	<u>Resides</u>	<u>Years of Terms(s)</u>
C. D. Hall	D-1, Nordstrom	Pocomoke	10—22 (resigning)
Debbie Hileman	D-6, Bunting	Ocean Pines	10-13-16-19, 19-22
Chase Church	D-3, Church	Ocean Pines	*19-20, 20-23(resigning)
Scott Tingle	D-4, Elder	Snow Hill	14-17-20, 20-23
Maria Campione-Lawrence	D-5, Bertino	Ocean Pines	*22-23
Felicia Green	D-2, Purnell	Ocean Pines	*21-24
Jake Mitrecic	D-7, Mitrecic	Ocean City	15-18-21, 21-24

Prior Members:

Phyllis Mitchell	Wardie Jarvis, Jr. (96-03)
William Lynch	Albert Bogdon (02-06)
Art Rutter	Jamie Rice (03-07)
William Buchanan	Howard Martin (08)
Christina Alphonsi	Marlene Ott (02-08)
Elsie Purnell	Mark Frostrom, Jr. (01-10)
William Freeman	Joseph McDonald (08-10)
Jack Dill	Sherwood Brooks (03-12)
Elbert Davis	Otho Mariner (95-13)
J. D. Quillin, III (90-96)	Becky Flater (13-14)
Ted Ward (94-00)	Ruth Waters (12-15)
Larry Duffy (90-00)	John Glorioso (*06-19)
Patricia McMullen (00-02)	Sharon Teagle (00- 20)
William Merrill (90-01)	Davida Washington (*21-21)
Debbie Rogers (92-02)	Donna Dillion (08-22)

* = 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: \$100.00/meeting

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
Chris Clasing - (410-641-5251)

Current Members:

<u>Member's Name</u>	<u>Resides</u>	<u>Years of Term(s)</u>
Martin Kwesko	Mystic Harbour	13-17, 17-21
Richard Jendrek ^C	Bay Vista I	05-10-14-18, 18-22
Matthew Kraeuter	Ocean Reef	19-22
Joseph Weitzell ^C	Mystic Harbour	05-11-15-19, 19-23
Bruce Burns	Deer Point	19-23
David Dypsky	Teal Marsh Center	*10-12-16, 16-20, 20-24
Stan Cygam	Whispering Woods	*18-20, 20-24

Prior Members: (Since 2005)

John Pinnero ^C (05-06)	Carol Ann Beres (14-18)
Brandon Phillips ^C (05-06)	Bob Hunt (*06-19)
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)	

**WATER AND SEWER ADVISORY COUNCIL
WEST OCEAN CITY SERVICE AREA**

Reference: County Commissioners' Resolution of November 19, 1993

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: 5/4-year terms
Terms Expire December 31

Compensation: \$100.00/Meeting

Meetings: Monthly

Special Provisions: Must be residents/ratepayers of West Ocean City Service Area

Staff Support: Department of Public Works - Water and Wastewater Division
Chris Clasing - (410-641-5251)

Current Members:

<u>Member's Name</u>	<u>Resides/Ratepayer of</u>	<u>Terms (Years)</u>
Keith Swanton	West Ocean City	13-17, 17-21
Deborah Maphis	West Ocean City	95-99-03-07-11-15-19, 19-23
Gail Fowler	West Ocean City	99-03-07-11-15-19,19-23
Blake Haley	West Ocean City	*19-20, 20-24
Todd Ferrante	West Ocean City	13-17-21-25

Prior Members: (Since 1993)

Eleanor Kelly ^c (93-96)	Andrew Delcorro (*14-19)
John Mick ^c (93-95)	
Frank Gunion ^c (93-96)	
Carolyn Cummins (95-99)	
Roger Horth (96-04)	
Whaley Brittingham ^c (93-13)	
Ralph Giove ^c (93-14)	
Chris Smack (04-14)	

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: Tamara White and Coleen Colson, 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>
Elizabeth Rodier	D-3, Church	Bishopville	18-21
Mary E. (Liz) Mumford	At-Large	W. Ocean City	*16, 16-19, 19-22
Coleen Colson	Dept of Social Services		19-22
Hope Carmean	D-4, Elder	Snow Hill	*15-16-19, 19-22
Windy Phillips	Board of Education		19-22
Tamara White	D-1, Nordstrom	Pocomoke City	17-20, 20-23
Kris Heiser	Public Safety – State Attorney Office		21-24 Resigned
Susan Childs	D-6, Bunting	Berlin	21-24
Terri Shockley	At-Large	Snow Hill	17-20, 20-23
Laura Morrison	At-Large	Pocomoke	*19-20, 20-23
Crystal Bell, MPA	Health Department		*22-23
Vanessa Alban	D-5, Bertino	Ocean Pines	17-20, 20-23
Dr. Darlene Jackson- Bowen	D-2, Purnell	Pocomoke	*19-21, 21-24
Kimberly List	D-7, Mitrecic	Ocean City	18- 21, 21-24
Gwendolyn Lehman	At-Large	OP, Berlin	*19-21, 21-24

Prior Members: Since 1995

Ellen Pilchard ^c (95-97)	Patricia Ilczuk-Lavanceau (98-99)	Catherine W. Stevens (02-04)
Helen Henson ^c (95-97)	Lil Wilkinson (00-01)	Hattie Beckwith (00-04)
Barbara Beaubien ^c (95-97)	Diana Purnell ^c (95-01)	Mary Ann Bennett (98-04)
Sandy Wilkinson ^c (95-97)	Colleen McGuire (99-01)	Rita Vaeth (03-04)
Helen Fisher ^c (95-98)	Wendy Boggs McGill (00-02)	Sharyn O'Hare (97-04)
Bernard Bond ^c (95-98)	Lynne Boyd (98-01)	Patricia Layman (04-05)
Jo Campbell ^c (95-98)	Barbara Trader ^c (95-02)	Mary M. Walker (03-05)
Karen Holck ^c (95-98)	Heather Cook (01-02)	Norma Polk Miles (03-05)
Judy Boggs ^c (95-98)	Violetus Ayres (98-03)	Roseann Bridgman (03-06)
Mary Elizabeth Fears ^c (95-98)	Terri Taylor (01-03)	Sharon Landis (03-06)
Pamela McCabe ^c (95-98)	Christine Selzer (03)	
Teresa Hammerbacher ^c (95-98)	Linda C. Busick (00-03)	
Bonnie Platter (98-00)	Gloria Bassich (98-03)	
Marie Velong ^c (95-99)	Carolyn Porter (01-04)	
Carole P. Voss (98-00)	Martha Pusey (97-03)	
Martha Bennett (97-00)	Teole Brittingham (97-04)	

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)	Alice Jean Ennis (14-17)
Marge SeBour (06-08)	Lauren Mathias Williams *(16-18)
Meg Gerety (04-07)	Teola Brittingham *(16-18)
Linda Dearing (02-08)	Jeannine Jerscheid *(18-19)
Angela Hayes (08)	Shannon Chapman (*17-19)
Susan Schwarten (04-08)	Julie Phillips (13-19)
Marilyn James (06-08)	Bess Cropper (15-19)
Merilee Horvat (06-09)	Kelly Riwniak *(19-20)
Jody Falter (06-09)	Kelly O'Keane (17-22)
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)	



OFFICE OF THE TREASURER

Worcester County

GOVERNMENT CENTER

ONE WEST MARKET STREET, ROOM 1105

P.O. Box 248

SNOW HILL, MARYLAND

21863

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

 PHILLIP G. THOMPSON, CPA
 FINANCE OFFICER

 JESSICA R. WILSON, CPA
 DEPUTY FINANCE OFFICER

TO: Weston E. Young, P.E. - Chief Administrative Officer
FROM: Phillip G. Thompson - Finance Officer *PGT*
DATE: November 4, 2022
SUBJECT: 2022 General Obligation Bond

As you are aware, construction of the new Stephen Decatur Middle School Addition Project is currently underway and the planned county funding for this project will be included in a General Obligation Bond totaling \$28.625M. In addition to the \$10.02M school project we will also be procuring funding for the Phase 2 Improvements at the Worcester County Jail totaling \$10.955M, \$3.05M for a Public Safety Logistical Storage Facility, and water and sewer infrastructure improvements in the Ocean Pines Sanitary Service Area totaling \$4.6M. The sale is scheduled to take place via electronic bid on Tuesday November 15, 2022 and bidding will close at 10:45a.m. that morning. I have attached a copy of the Preliminary Official Statement (POS) that was released on November 4 in order to provide investors and potential bidder's pertinent data regarding the sale. It is my intention to provide a status update on the bond sale to the Commissioners, including executable documents that are currently in draft form in the packet, prior to the close of their regular meeting on November 15.

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

DRAFT

RESOLUTION NO. 22-__

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2022 SERIES

SUPPLEMENTAL RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY (THE "BOARD") SUPPLEMENTING RESOLUTION NO. 22-26, ADOPTED BY THE BOARD ON NOVEMBER 1, 2022 (THE "BOND RESOLUTION") PROVIDING FOR THE ACCEPTANCE BY COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND (THE "COUNTY") OF BIDS RECEIVED FOR ITS "COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2022 SERIES" AND AWARDING SUCH BONDS TO THE SUCCESSFUL BIDDER THEREFOR; FIXING THE FINAL AGGREGATE PRINCIPAL AMOUNT OF SUCH BONDS, THE INTEREST RATE OR RATES PAYABLE ON SUCH BONDS AND THE SCHEDULE OF PRINCIPAL PAYMENTS ON SUCH BONDS; RATIFYING THE PRELIMINARY OFFICIAL STATEMENT OF THE COUNTY PREPARED AND DISTRIBUTED IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS; ALLOCATING THE PRINCIPAL AMOUNTS OF EACH MATURITY [OR MANDATORY SINKING FUND INSTALLMENT] TO THE PURPOSES OF THE BONDS; APPROVING THE OFFICIAL STATEMENT OF THE COUNTY PREPARED IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS AND DECLARING SUCH OFFICIAL STATEMENT TO BE "DEEMED FINAL" PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12; AUTHORIZING THE COMPLETION, EXECUTION, ISSUANCE AND DISTRIBUTION OF SUCH OFFICIAL STATEMENT; AND FOR RELATED MATTERS.

RECITALS

Pursuant to Resolution No. 22-26, adopted by the Board of County Commissioners of Worcester County (the "Board") on November 1, 2022 (the "Bond Resolution"), and a published notice of sale relating to the Bonds identified below [the ("Notice of Sale")], the Finance Officer (the "Finance Officer") of County Commissioners of Worcester County, Maryland (the "County"), has received electronic bids via **Parity®** for the "County Commissioners of Worcester County, Maryland Consolidated Public Improvement Bonds, 2022 Series" (the "Bonds"). The bids for the Bonds were received no later than 10:45 AM prevailing Eastern time (E.T.) on Tuesday, November 15, 2022. A list of the bidders for the Bonds and the true interest cost of their respective bids is attached hereto as Exhibit A.

The Preliminary Official Statement of the County dated November 4, 2022, issued in connection with the issuance and sale of the Bonds (the "Preliminary Official Statement"), has been previously distributed to potential bidders for the Bonds, and copies of the Preliminary Official Statement have been delivered to the members of the Board prior to this meeting. In connection with the issuance and sale of the Bonds, it is necessary that the County issue an Official Statement describing, inter alia, the Bonds and the County.

DRAFT

[The form of the published notice of sale for the Bonds was set forth as Appendix C to the Preliminary Official Statement. In accordance with the Bond Resolution, modifications to such notice of sale were made and disseminated by www.i-dealprospectus.com on _____, 2022. Such notice of sale, as so modified, is referred to herein as the "Notice of Sale."]

The Notice of Sale provides that the successful bidder for the Bonds may designate term Bonds. Pursuant to the Bond Resolution, the aggregate principal amount of the Bonds and the aggregate principal amount of each serial Bond and/or term Bond (and the mandatory sinking fund redemption installments relating to any term Bond) are subject to adjustment following receipt of bids within the parameters provided for in the Notice of Sale. [The successful bidder for the Bonds has indicated that it [did][did not] designate any term Bonds.] [The financial advisor to the County has adjusted the amortization schedule for the Bonds in accordance with the provisions of the Notice of Sale.]

Pursuant to the Bond Resolution, the Board is authorized to adopt a resolution supplemental to the Bond Resolution, following receipt of bids for the Bonds, pursuant to which the Board will (a) determine and fix the aggregate principal amount of the Bonds, the principal amount of each maturity of the Bonds and, if applicable, the mandatory sinking fund installments for any term Bonds designated by the successful bidder for the Bonds and the portion of such aggregate principal amount and maturities and/or mandatory sinking fund installments for any term Bonds designated by the successful bidder attributable to (i) the County Capital Projects Portion, and (ii) the Ocean Pines Belt Filter Press Project Portion, (b) fix the interest rate or rates payable on the Bonds, and (c) provide for and approve various other matters in connection with the issuance, sale and delivery of the Bonds.

NOW, THEREFORE, pursuant to and in accordance with Sections 11-401 and 19-501 to 19-510, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended, Section PW5-204, Appendix QQ (Bill 22-11), Appendix RR (Bill 22-12) and Appendix SS (Bill 22-13) of the Code of Public Local Laws of Worcester County, Maryland, as amended, Sections 9-601 to 9-699, inclusive, of the Environment Article of the Annotated Code of Maryland, as amended, and Section 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended, and pursuant to the Bond Resolution:

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, in the Exhibits hereto or in the Bond Resolution, shall have the meanings given such terms therein.

Section 2. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That [as adjusted by the financial advisor to the County in accordance with the provisions of the Notice of Sale,] the final aggregate principal amount of the Bonds is hereby determined to be \$ _____.

Section 3. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That (a) a copy of the bid of _____ for the Bonds (the "Successful Bidder") as submitted to the County through Parity® and opened by the Finance Officer on November 15, 2022 is set forth as Exhibit B[-1] hereto.

DRAFT

(b) The bid of Successful Bidder at a purchase price of \$ _____[, as such purchase price has been adjusted by the financial advisor to the County in accordance with the provisions of the Notice of Sale,] is the lowest bid conforming with the terms of the Notice of Sale and shall be and the same is hereby accepted[, as so adjusted].

Section 4. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, (a) That the principal amount of the Bonds and the principal amount of each maturity of the Bonds, both as set forth in Exhibit B[-2] hereto (which constitutes the amortization schedule for the Bonds [as submitted by the Successful Bidder] [as adjusted by the financial advisor to the County in accordance with the Notice of Sale]), and the interest rates for the Bonds (which are the interest rates set forth in the bid of the Successful Bidder), as also set forth in Exhibit B[-2] hereto, are hereby adopted as the principal amount of the Bonds, the principal amount of each maturity of the Bonds and the interest rates payable on the Bonds. [In accordance with the Notice of Sale, the Successful Bidder designated [a] [] term bond[s] maturing on August 1, 20__ (with mandatory sinking fund installments due on August 1 in the years 20__ to and including August 1, 20__) [TO BE COMPLETED FOR EACH TERM BOND DESIGNATED, IF ANY]].

(b) In addition, the aggregate principal amounts and maturity schedules for (i) the County Capital Projects Portion, and (ii) the Ocean Pines Belt Filter Press Project Portion are set forth in Exhibit C hereto. Such amounts are hereby adopted as the respective portions of the principal amount of each maturity [or mandatory sinking fund installment, as applicable,] payable on the Bonds.

Section 5. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That [(a)] the interest payment dates on the Bonds of August 1 and February 1, commencing August 1, 2023, and all other provisions of the Bond Resolution are hereby ratified and confirmed.

[(b)] The provisions of the published notice of sale, as modified as described in the Recitals to this Resolution, are hereby ratified and confirmed.]

Section 6. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the Preliminary Official Statement, together with the distribution thereof, is hereby ratified and approved.

Section 7. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That (a) the Official Statement of the County to be prepared and delivered in connection with the issuance and sale of the Bonds (the "Official Statement") shall be substantially in the form of the Preliminary Official Statement, but shall also include the final aggregate principal amount of the Bonds, the final principal amount of each maturity of the Bonds [and identify the mandatory sinking fund installment payments for the term Bonds designated by the Successful Bidder] and the interest rates for the Bonds adopted in this Resolution, such pricing and other information relating to the re-offering of the Bonds, if any, as may have been specified and furnished in writing by the Successful Bidder for the Bonds prior to the adoption of this Resolution and such other changes, corrections and additions as the President of the Board shall approve on behalf of the County; and in such form, the Official Statement is hereby approved and

DRAFT

hereby “deemed final” for purposes of Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”).

(b) The President of the Board is hereby authorized and directed to execute, issue and distribute the Official Statement in connection with the sale of the Bonds. The President of the Board’s execution of the Official Statement may be indicated by any customary signature convention and need not be made manually. The Official Statement shall be posted electronically and/or printed as the financial advisor to the County may advise or as the Successful Bidder may require in accordance with the Notice of Sale.

Section 8. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That to the extent necessary as determined by the President of the Board, the Official Statement, once released, may be modified to reflect any material information relating to the Bonds or the County or to correct any information relating to the sale of the Bonds. Any such modification shall be in the form approved by the President of the Board, shall be signed by the President of the Board using any customary signature convention (which need not be by manually signature), and shall be distributed and posted electronically and/or printed as the financial advisor to the County may advise or as the Successful Bidder may require in accordance with the Notice of Sale. In such form, the Official Statement, as so modified, is hereby approved and “deemed final” for purposes of Rule 15c2-12.

Section 9. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the President of the Board is hereby authorized to make any changes, corrections or additions to the substantially final form of the Bonds and the substantially final form of the Continuing Disclosure Agreement for the Bonds that were included as exhibits to the Bond Resolution and as appendices to the Preliminary Official Statement and the Official Statement in order to reflect the terms of the sale of the Bonds, to correct typographical or grammatical errors, or to make any other change therein that is not material. The final forms of the Bonds and of the Continuing Disclosure Agreement, as so completed, changed or modified and as signed by the President of the Board are hereby ratified and confirmed.

Section 10. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That this Resolution is and shall be deemed a Supplemental Resolution authorized and referred to in the Bond Resolution and hereby supplements the Bond Resolution.

Section 11. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That this Resolution shall take effect immediately.

[CONTINUED ON FOLLOWING PAGE]

DRAFT

(SEAL)

Passed and adopted this 15th day of
November, 2022.

ATTEST:

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

Weston S. Young,
Chief Administrative Officer

Joseph M. Mitrecic, President

Theodore J. Elder, Vice President

Anthony W. Bertino, Jr., Commissioner

Madison J. Bunting, Jr., Commissioner

James C. Church, Commissioner

Joshua C. Nordstrom, Commissioner

DRAFT

EXHIBIT A

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS,
2022 SERIES

BIDS FOR THE BONDS

[See Attached for Bidder Names and TICs]

DRAFT

EXHIBIT B[-1]

COPY OF BID OF THE SUCCESSFUL BIDDER

[See Attached]

[INFORMATION IDENTIFYING ANY TERM BONDS TO BE ADDED]

DRAFT

EXHIBIT B[-2]

SCHEDULE OF PRINCIPAL AMOUNTS OF THE BONDS AS ADJUSTED
AND INTEREST RATES FOR THE BONDS

[See Attached]

[INFORMATION IDENTIFYING ANY TERM BONDS TO BE ADDED]

EXHIBIT C

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

Maturity Date or Sinking Fund Installment Date	Bonds	County Capital Projects Portion	Ocean Pines Water Belt Filter Press Project Portion
August 1, 2023			
August 1, 2024			
August 1, 2025			
August 1, 2026			
August 1, 2027			
August 1, 2028			
August 1, 2029			
August 1, 2030			
August 1, 2031			
August 1, 2032			
August 1, 2033			
August 1, 2034			
August 1, 2035			
August 1, 2036			
August 1, 2037			
TOTAL			

[FOR ANY TERM BOND, INFORMATION TO BE ADDED IDENTIFYING THE MATURITY DATES FOR SUCH TERM BOND AND THE SINKING FUND INSTALLMENTS RELATING TO A PARTICULAR TERM BOND]

[NOTE: MAY BE REPLACED BY A SCHEDULE PREPARED BY THE FINANCIAL ADVISOR TO THE COUNTY RATHER THAN COMPLETING THE CHART ABOVE]

NEW ISSUE -- BOOK ENTRY ONLY

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants and agreements contained in the Tax and Section 148 Certificate to be executed and delivered by the County on the date of delivery of the Bonds and subject to the exceptions under "LEGAL MATTERS - Tax Matters" herein, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for purposes of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a specific preference item for purposes of the federal alternative minimum tax; however, for taxable years beginning after December 31, 2022, such interest will be included in the "adjusted financial statement income" of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations. Interest on the Bonds may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States of America. In the opinion of Bond Counsel, under existing law, the principal of and interest on the Bonds are exempt from Maryland state and local taxes, but no opinion is expressed as to such exemption from Maryland estate or inheritance taxes or any other Maryland taxes not levied or assessed directly on the Bonds or the interest thereon. See "LEGAL MATTERS - Tax Matters" herein.

\$28,625,000*

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
General Obligation Bonds
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2022 SERIES

Dated: Date of Initial Delivery**Due: As Shown on Inside Front Cover**

Bond Ratings

Moody's Investors Service, Inc.: Aa2

S&P Global Ratings: AA+

Optional Redemption

The Bonds maturing on or after August 1, 2033 are redeemable in whole or in part, on any date on or after August 1, 2032 - Page 4

Security

General obligation bonds of County Commissioners of Worcester County, Maryland

Purpose

Proceeds of the Bonds are being used to (i) finance costs of certain capital projects, and (ii) pay costs of issuance and other related costs of the Bonds.

Interest Payment Dates

The Bonds will pay interest each August 1 and February 1, beginning August 1, 2023.

Closing/Settlement

On or about Tuesday, November 30, 2022

Denominations

\$5,000 and integral multiples thereof

Book-Entry-Only Form

The Depository Trust Company, New York, New York

Registrar/Paying Agent

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

Bond Counsel

Funk & Bolton, P.A., Baltimore, Maryland

Financial Advisor

Davenport & Company LLC, Towson, Maryland

Issuer Contact

Worcester County Finance Officer, 410-632-0686

FOR MATURITY SCHEDULE, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS, SEE INSIDE FRONT COVER

The Bonds are offered for delivery when, as, and if issued, subject to the approving opinion of Funk & Bolton, P.A., Baltimore, Maryland, Bond Counsel, and other conditions specified in the official Notice of Sale.

The date of this Official Statement is _____, 2022. The information contained herein speaks only as of that date, unless another date is specified, and is subject to change.

*Preliminary, subject to change.

THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. These Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

\$28,625,000*

**COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2022 SERIES**

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

<u>Maturing August 1*</u>	<u>Principal Amount*</u>	<u>Interest Rate**</u>	<u>Price or Yield**</u>	<u>CUSIP</u>	<u>Maturing August 1*</u>	<u>Principal Amount*</u>	<u>Interest Rate**</u>	<u>Price or Yield**</u>	<u>CUSIP</u>
2023	\$1,090,000				2031	\$1,975,000			
2024	1,395,000				2032	2,080,000			
2025	1,465,000				2033	2,185,000			
2026	1,535,000				2034	2,295,000			
2027	1,620,000				2035	2,415,000			
2028	1,700,000				2036	2,540,000			
2029	1,785,000				2037	2,670,000			
2030	1,875,000								

*Preliminary, subject to change.

**The interest rates for the Bonds shown above are the interest rates payable by the County resulting from the successful bid for the Bonds on November 15, 2022. The successful bidder for the Bonds has furnished to the County the prices or yields shown above. Other information concerning the terms of reoffering of the Bonds, if any, should be obtained from the successful bidder and not from the County. See "SALE AT COMPETITIVE BIDDING."

CUSIP (Committee on Uniform Securities Identification Procedures) data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association (the "ABA") by FactSet Research Systems, Inc. "CUSIP" is a registered trademark of the ABA. CUSIP numbers are included solely for the convenience of the holders of the Bonds. Neither the County nor the successful bidder takes any responsibility for the accuracy of CUSIP information. The CUSIP number for a specific maturity is subject to change after the issuance of the Bonds in certain circumstances. The County has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the assigned CUSIP numbers set forth herein. The use of CUSIP numbers in this Official Statement is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services' information.

**COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND**

CERTAIN ELECTED OFFICIALS

Board of County Commissioners

Joseph M. Mitrecic, President, District 7
Theodore J. Elder, Vice President, District 4
Joshua C. Nordstrom, District 1
Diana Purnell, , District 2
James C. Church, District 3
Anthony W. Bertino, Jr., District 5
Madison J. Bunting, Jr., District 6

CERTAIN APPOINTED OFFICIALS

Weston S. Young, Chief Administrative Officer
Phillip G. Thompson, Finance Officer
Jessica R. Wilson, Deputy Finance Officer
Candace I. Savage, Budget Officer
Roscoe R. Leslie, County Attorney

Financial Advisor

Davenport & Company LLC
Towson, Maryland

Independent Auditor

TGM Group, LLC
Salisbury, Maryland

Bond Counsel

Funk & Bolton, P.A.
Baltimore, Maryland

Bond Registrar and Paying Agent

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

In connection with this offering, and subject to any applicable limitations, the purchaser of the Bonds may over allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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

The order and placement of materials in this Official Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or prescribe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Bonds is made only by means of this entire Official Statement.

TABLE OF CONTENTS

	<u>Page</u>		
SYNOPSIS OF STATISTICAL DATA.....	ii	Fund Balance and Reserve Fund	25
INTRODUCTION	1	Fiscal Year 2022 and 2023 Budgets	25
General	1	Impact of COVID-19 on the County	27
The County.....	1	COVID-19 Funding.....	27
APPLICATION OF PROCEEDS	2	Taxes	28
Use of Bond Proceeds.....	2	General Property Taxes	28
DESCRIPTION OF THE BONDS	2	State and Federal Financial Assistance	30
General.....	2	Income Tax	30
Authorization	2	Local Taxes and State-Shared Revenues.....	30
Form and Denomination	3	CERTAIN DEBT INFORMATION	30
Redemption.....	3	Bond Indebtedness of the County.....	30
Source of Payment	5	Debt Service	31
Bondholders' Remedies	5	Bonded Indebtedness of Incorporated Municipalities	33
REGISTRATION, PAYMENT AND TRANSFER.....	5	Pay As You Go Funding	35
Registration Through Securities Depository	5	Future Plans to Issue County Debt	36
Book-Entry Only System – Miscellaneous.....	6	CERTAIN ECONOMIC AND DEMOGRAPHIC FACTORS	39
Termination of Book-Entry System	7	Population of the County and Municipalities	39
LEGAL MATTERS	7	Education	40
Approval of Legal Proceedings.....	7	Personal Income	40
Tax Matters	8	Retail Sales-Attributable to Tourism.....	41
ORGANIZATIONAL CHART.....	10	Related Industrial, Employment and Labor Figures.....	41
COUNTY GOVERNMENT AND ADMINISTRATION	11	Unemployment.....	41
General.....	11	Economic Development	42
Certain County Elected and Appointed Officials	11	Construction Activity	43
Pension Plans	13	Housing	43
Worcester County Volunteer Firefighters and Ambulance		Development	44
Length of Service Awards Program	14	Recreation	44
Other Post-Employment Benefits	14	Tourism-Ocean City	45
Labor Relations	14	Seasonal Population and Tourism Development	45
Insurance.....	15	HOTEL, MOTEL AND CONDO RENTALS.....	46
Budget.....	15	OCEAN DOWNS CASINO.....	47
Basis of Accounting.....	15	COUNTY INVESTMENTS.....	48
Financial Reporting.....	15	LITIGATION.....	48
Accounting Policies	16	RATINGS	48
CERTAIN SERVICES AND RESPONSIBILITIES	16	SALE AT COMPETITIVE BIDDING	48
Education	16	INDEPENDENT AUDITORS	48
Planning and Zoning	17	CERTIFICATE OF COUNTY OFFICIALS	49
Voluntary Agricultural Land Preservation	17	FINANCIAL ADVISOR.....	49
Police and Fire	18	CONTINUING DISCLOSURE	49
Jail.....	18	MISCELLANEOUS.....	50
Hospital and Health Care	18	Appendix A – Worcester County, Maryland Annual	
Utility Services.....	19	Comprehensive Financial Report Fiscal Year Ended June 30,	
Transportation	21	2021	
Communications	23	Appendix B – Proposed Form of Opinion of Bond Counsel	B-1
Department of Liquor Control.....	23	Appendix C –Notice of Sale for the Bonds	C-1
COUNTY REVENUES AND EXPENDITURES	23	Appendix D – Proposed Form of Continuing Disclosure	
General.....	23	Agreement.....	D-1
Fiscal Year 2021 Actuals	23	Appendix E – Proposed Forms of Issue Price	
County General Fund Revenues and Expenditures	24	Certificates.....	E-1

SYNOPSIS OF STATISTICAL DATA
Pertaining to
WORCESTER COUNTY, MARYLAND
As of June 30, 2021, except as noted

Population.....	52,460 (1)
Assessed valuation of all taxable property for fiscal year 2021	\$16,842,648,651 (2)
Tax rate per \$100 of assessed value (Real Property)	\$0.845
Tax rate per \$100 of assessed value (Personal, Corporation & Utilities)	\$2.1125
Portion of levy collected as of June 30, 2021	
Amount	\$143,244,884
Percentage	97.64%
Gross bonded indebtedness	\$105,902,906 (3)
Less self-supporting debt.....	\$23,229,428
Net direct debt	\$82,673,478
Underlying debt.....	\$107,061,749 (4)
Overall net debt.....	\$189,735,227
Per Capita: (Population 52,460)	
Gross Debt	\$2,019
Net Direct Debt.....	\$1,576
Overall Net Debt	\$3,617
Assessed Value (Market Value) as a percent of:	
(Assessed value of \$16,842,648,651)	
Gross Debt	0.63%
Net Direct Net Debt.....	0.49%
Overall Net Debt	1.13%

(1) Source: U.S. Census Bureau.

(2) Source: Worcester County Treasurer's Office.

(3) This figure reflects the total bonded indebtedness of the County.

(4) This figure reflects indebtedness incurred by incorporated towns within the County. Neither the County's full faith and credit nor the County's taxing power is pledged or obligated to pay this debt or the interest thereon.

OFFICIAL STATEMENT

\$28,625,000*

**COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
GENERAL OBLIGATION BONDS
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2022 SERIES**

INTRODUCTION

General

The purpose of this Official Statement, including the cover page and appendices, is to provide information for prospective purchasers and others regarding the County Commissioners of Worcester County, Maryland (the “County”) and its offering of \$28,625,000* County Commissioners of Worcester County, Maryland Consolidated Public Improvement Bonds, 2022 Series (the “Bonds”).

All estimates and assumptions herein have been based upon information believed to be reliable and correct; however, statements made involving estimates and assumptions, whether or not expressly so stated, are intended merely as such and not as representations of facts. Figures herein relating to tax collections, assessed value of property and the financial position of the County have been taken from official records of the County.

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

The material and information contained in this Official Statement have been provided by the County (except as otherwise noted herein) and the execution and distribution of this Official Statement have been authorized by the County.

The County

Worcester County, established in 1742, lies in the middle of a three-state region known as the Delmarva Peninsula, which comprises portions of Delaware, Maryland and Virginia. The County is the seventh largest in Maryland, having a land area of 483 square miles and 106 square miles of water. On the north, it is bounded by Sussex County, Delaware; on the south by Accomack County, Virginia; on the west by Wicomico and Somerset Counties, Maryland; and on the east by the Atlantic Ocean. One of Worcester County’s greatest assets is its seashore. An excellent beach, which forms the entire oceanfront in Maryland, stretches for 31 miles across the entire eastern boundary of the County on a barrier island, which is separated from the mainland by a series of shallow bays.

There are four incorporated municipalities in the County: Berlin, Ocean City, Pocomoke City and Snow Hill. Berlin, Pocomoke City and Snow Hill are well-established communities ranging in size from 2,100 to 4,500 year-round residents. Each was originally built as a residential, economic, and social center to serve its surrounding agricultural communities.

The Town of Ocean City is the County’s most developed area and its major industry is tourism. Visitor spending represented an estimated \$1.9 billion to the local and state economy in 2020. The Town has over 7,100 permanent residents and hosts millions of visitors annually. The primary attractions are its beautiful 10-mile long beach on the Atlantic Ocean, a 2.5 mile boardwalk, the Assawoman Bay, and a myriad of festivals and special events throughout the year. The Town provides its residents and visitors with various government services, including police and fire protection, beach patrol, water and sewage disposal, public transportation, recreational facilities, and emergency health care services.

The County is governed by an elected seven-member Board of County Commissioners of Worcester County (the “Board”). (See “COUNTY GOVERNMENT AND ADMINISTRATION” herein.)

The executive offices of the County are located at the Worcester County Government Building, One W. Market Street, Room 1103, Snow Hill, Maryland 21863. The County’s central telephone number is (410) 632-1194. The County’s internet address is www.co.worcester.md.us. Any references in this Official Statement to the County’s website are provided for convenience only. The information on the County’s website is not incorporated herein, by reference or otherwise.

*Preliminary, subject to change.

APPLICATION OF PROCEEDS***Use of Bond Proceeds**

The proceeds of the Bonds (including any net original issue premium) will be applied to finance or reimburse (a) costs of (a) project expenditures relating to (i) Phase 2 improvements to the Worcester County Jail, (ii) a new Public Safety Logistical Storage Facility, (iii) an addition to Stephen Decatur Middle School, and (iv) a belt filter press in the Ocean Pines service area, and (b) costs of issuance and other related costs of the Bonds.

Without notice to or the consent of the registered owners of the Bonds, the County (i) may allocate and reallocate proceeds of the Bonds originally allocated to any of the specified capital projects or other costs in accordance with applicable budgetary procedures or applicable law, or (ii) amend the applicable bond bills and/or the Bond Resolution identified under “DESCRIPTION OF THE BONDS—Authorization” below, as applicable, to reallocate proceeds of the Bonds to other projects not originally contemplated thereby.

DESCRIPTION OF THE BONDS**General**

The Bonds will be dated their date of delivery. The Bonds initially will be maintained under a book-entry only system as described below under “REGISTRATION, PAYMENT AND TRANSFER—Registration Through Securities Depository;” and beneficial owners shall have no right to receive physical delivery of certificates representing their interests in the Bonds. Manufacturers and Traders Trust Company, Buffalo, New York and Baltimore, Maryland, will act as bond registrar and paying agent for the Bonds (the “Bond Registrar and Paying Agent”).

The Bonds will be issued in the aggregate principal amount of \$28,625,000* and will mature on August 1 in the years and in the principal amounts set forth on the inside cover of this Official Statement. Interest on the Bonds will be payable at the interest rates set forth on the inside cover of this Official Statement on August 1, 2023 and semiannually thereafter on each February 1 and August 1 until maturity or prior redemption.

Interest the Bonds will be calculated on the basis of a 30-day month/360-day year factor.

The Bonds will be valid and legally binding general obligations of the County to which its full faith and credit and unlimited taxing power will be pledged. (See “SECURITY FOR THE BONDS”).

Authorization

The Bonds will be issued, as applicable, 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 (the “Local Government Article”), Section 19-101 of the Local Government Article (the “Consolidation Act”), Sections 9-601 to 9-699, inclusive, of the Environment Article of the Annotated Code of Maryland (the “Environment Article”), Section PW-5-204 of the Code of Public Local Laws of Worcester County, Maryland (the “Code of Public Local Laws”), Appendices QQ (Bill 22-11), RR (Bill 22-12), and SS (Bill 22-13), of the Code of Public Local Laws, and pursuant to Resolution No. 22-26 adopted by the Board on November 1, 2022, as supplemented by Resolution No. 22-__ adopted by the Board on _____, 2022 (collectively, the “Bond Resolution”).

In the event the Bonds are not issued for some or all of the stated purposes set forth in the preliminary form of this Official Statement, certain sources of authorization for the Bonds indicated above may be inapplicable. In such event, this section captioned “Authorization” will be revised accordingly in the final Official Statement for the Bonds.

*Preliminary, subject to change.

Forms and Denominations

The Bonds will be issued in fully registered form without coupons and in denominations of \$5,000 or any integral multiple thereof. The Bonds will be registered as to principal and interest in the names of the owners thereof in a bond register maintained by the Bond Registrar and Paying Agent for the Bonds (the “Bond Register”). The County and the Bond Registrar and Paying Agent may deem and treat the person in whose name a Bond is registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal or redemption price thereof and interest due thereon and for all other purposes.

The Bonds will be numbered consecutively upward in the order of their respective maturities (or by such other numbering as may be determined by the Bond Registrar and Paying Agent), and will be of like tenor except as to maturity, principal amount, number, interest rate and CUSIP number.

Redemption

Optional Redemption

The Bonds that mature on or after August 1, 2033 are subject to redemption at the option of the County prior to their respective maturities, as a whole or in part on any date on or after August 1, 2032, in any order of maturity directed by the County, but only upon payment of a redemption price equal to 100% of the principal amount of the Bonds (or portions thereof) to be redeemed, together with accrued interest on the principal amount being redeemed to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed in whole or in part, without premium or penalty.

[Mandatory Sinking Fund Redemption]

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

<u>Redemption Date</u> <u>(August 1)</u>	<u>Principal Amount</u>	<u>Redemption Date</u> <u>(August 1)</u>	<u>Principal Amount</u>
*		*	

*Maturity

The foregoing subsection will be completed in the final Official Statement with respect to each term bond of the Bonds, if any, designated by the successful bidder for the Bonds in accordance with the official Notice of Sale. See Appendix C hereto.]

Selection of Bonds for Redemption; Notice of Redemption

Certain of the Bonds are subject to redemption at the option of the County as described above under “—Redemption—Optional Redemption. If the successful bidder for the Bonds designates any term bonds, then the applicable term bonds will be subject to mandatory sinking fund redemption as described above under “—Redemption—Mandatory Sinking Fund Redemption.” If fewer than all of the Bonds of any maturity shall be called for redemption, the particular Bonds or portions thereof of such maturity to be redeemed shall be selected by lot by the Bond Registrar and Paying Agent in such manner as, in its discretion, it shall determine, except that so long as The Depository Trust Company (“DTC”) or its partnership nominee is the sole registered owner of the Bonds, the particular Bonds or portions thereof to be redeemed shall be selected by lot by DTC, in such manner as DTC shall determine.

ITEM 14

When less than all of a Bond in a denomination in excess of \$5,000 shall be so redeemed, then, upon surrender of such Bond, there shall be issued to the registered owner thereof, a Bond or Bonds in any of the authorized denominations as shall be specified by the registered owner. Such Bond or Bonds in such authorized denominations shall be issued without charge therefor. The aggregate face amount of such Bond or Bonds shall not exceed the unredeemed balance of the Bond so surrendered and shall bear the same interest rate and shall mature on the same date as said unredeemed balance.

If all or a portion of the Bonds outstanding are to be redeemed, the County will give or cause to be given a redemption notice by first class mail, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at least thirty (30) days prior to the date fixed for redemption, at the address of such registered owner as it appears on the Bond Register; provided, however, that the failure to mail any such notice or any defect in the notice so mailed or in the mailing thereof shall not affect the validity of the redemption proceedings. The notice of redemption shall state (i) whether the Bonds are to be redeemed in whole or in part and, if in part, the maturities, numbers, interest rates and CUSIP numbers of the Bonds to be redeemed, (ii) the date fixed for redemption and the redemption price, (iii) that the interest on the Bonds (or portions thereof) so called shall cease to accrue on the date fixed for redemption, (iv) that the Bonds to be redeemed in whole or in part be then presented for redemption and payment at the designated corporate trust office of the Bond Registrar and Paying Agent in Wilmington, Delaware, or at such other office as the Bond Registrar and Paying Agent shall indicate, (v) a contact person and phone number for the Bond Registrar and Paying Agent, and (vi) any conditions to such redemption. From and after the date fixed for redemption, if funds sufficient for payment of the redemption price and accrued interest shall be available therefor on such date, the applicable Bonds or portions thereof so designated for redemption shall cease to bear interest.

Upon presentment and surrender, the applicable Bonds or portions thereof so called for redemption shall be paid by the Bond Registrar and Paying Agent at the redemption price, plus accrued interest on the par amount being redeemed to the date fixed for redemption. If not so paid on presentment thereof, said Bonds (or portions thereof) so called shall continue to bear interest at the rates expressed therein until paid.

(The remainder of this page has been intentionally left blank.)

Source of Payment

The Bonds will be general obligation bonds of the County and constitute a pledge of the County's full faith and credit, the principal of and interest on which will be payable from ad valorem taxes levied upon all taxable property in the County without limitation as to rate or amount, and from such other sources as the County may determine.

Bondholders' Remedies

It is the opinion of Bond Counsel that the County may be sued in the event that it fails to perform its obligations under any of the Bonds to the holders thereof and that any judgments resulting from such suits would be enforceable against the County. Nevertheless, a holder of a Bond who has obtained any such judgment may be required to seek additional relief to compel the County to levy and collect such taxes as may be necessary to provide the funds from which such judgment may be paid. It is the opinion of Bond Counsel that the appropriate courts of Maryland have jurisdiction to entertain proceedings and power to grant additional relief, such as a mandatory injunction, if necessary, to enforce the levy and collection of such taxes and payment of the proceeds thereof to the holders of general obligation indebtedness, *pari passu*, subject to the inherent constitutional limitations referred to below.

It is also the opinion of Bond Counsel that, while remedies would be available to holders of the Bonds and while the general obligation bonds and notes of the County are entitled to constitutional protection against the impairment of the obligations of contracts, such constitutional protection and the enforcement of such remedies would not be absolute. Enforcement of a claim for payment of the principal of or interest on any of the Bonds could be made subject to the provisions of Chapter 9 of the United States Bankruptcy Code or of any statutes that may hereafter be constitutionally enacted by the United States Congress or the Maryland General Assembly extending the time of payment or imposing other constraints upon enforcement.

REGISTRATION, PAYMENT AND TRANSFER**Registration Through Securities Depository**

The Depository Trust Company, New York, New York ("DTC"), is acting as securities depository for the Bonds initially. The Bonds will be issued as full-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to Section 17A of the Securities Exchange Act of 1934, as amended.

DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from (over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

The foregoing information concerning DTC and DTC's book-entry system has been obtained from DTC, and the County takes no responsibility for the accuracy thereof.

The County gives no assurances that DTC, Direct or Indirect Participants, or other nominees of the Beneficial Owners of the Bonds will make payments of principal of and interest and premium (if any) on the Bonds to the Beneficial Owners of the Bonds, that they will do so on a timely basis or that DTC will act in the manner described in this Official Statement.

Book-Entry Only System – Miscellaneous

THE COUNTY AND THE BOND REGISTRAR AND PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER OF THE BONDS WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT OF ANY AMOUNT DUE TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BONDS

TO BE GIVEN TO BOND OWNERS; (5) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF ANY OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.**Termination of Book-Entry System**

DTC may discontinue providing its services with respect to the Bonds at any time by giving reasonable notice to the County. In addition, the Chief Administrative Officer of the County (the “Chief Administrative Officer”) may determine that DTC is incapable of discharging its duties with respect to the Bonds or that the interests of the Beneficial Owners of the Bonds might be adversely affected by the continuation of such book-entry system. In either such event, the Chief Administrative Officer may discontinue the book-entry system with DTC. If the Chief Administrative Officer fails to identify another qualified securities depository to replace DTC, the County will deliver replacement Bonds in the form of fully registered certificates, and payments of the principal of and interest and premium (if any) on such replacement Bonds will be paid in accordance with the terms of the Bond Resolution. Each Beneficial Owner, upon registration of certificates held in such Beneficial Owner’s name, will become a Bondholder.

So long as the Bonds is maintained in book-entry only form with DTC, payments of principal of and interest on the Bonds will be made as described above under “--Registration Through Securities Depository.” At any such time the Bonds is no longer registered in book-entry form with DTC, principal due on the Bonds will be payable at the designated corporate trust office of the Bond Registrar and Paying Agent. Except during any period that the Bonds is maintained under a book-entry only system, interest on the Bonds will be payable by checks of the Bond Registrar and Paying Agent mailed to the registered owners who are the registered owners of record as of the 15th calendar day of the month preceding each interest payment date.

In the event that the book-entry system of the Bonds is discontinued, the Bond Registrar and Paying Agent will register the names of all Bondholders in the registration books of the Bonds. Subject to the further conditions contained in the Bond Resolution, the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof by the registered owners or their duly authorized representatives. For every transfer and exchange of the Bonds, the registered owner may be charged a sum sufficient to cover any tax, fee or other governmental charge, shipping charges and insurance required to be paid in connection with such exchange or transfer.

LEGAL MATTERS**Approval of Legal Proceedings**

All legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Funk & Bolton, P.A., Bond Counsel. Delivery of the Bonds is conditioned upon delivery by Bond Counsel of an opinion substantially in the form included in Appendix B to this Official Statement.

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

Tax Matters***State of Maryland and Local Income Tax***

In the opinion of Funk & Bolton, P.A., Bond Counsel, under existing law, the principal of and interest on the Bonds are exempt from Maryland state and local taxes, but no opinion is expressed as to Maryland estate or inheritance taxes or any other Maryland taxes not levied directly on the Bonds or the interest thereon.

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

Federal Income Tax

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for purposes of Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not a specific preference item for purposes of the federal alternative minimum tax under existing statutes, regulations and decisions as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of certain certifications of the County and continuing compliance with the requirements of the Code; however, for taxable years beginning after December 31, 2022, such interest will be included in the “adjusted financial statement income” of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations. Interest on the Bonds may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States of America.

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

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

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

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

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

See Appendix B hereto for the proposed form of opinion of Bond Counsel to be delivered upon issuance of the Bonds. Bond Counsel's opinion speaks only of its date.

Effects of Future Enforcement, Regulatory or Legislative Actions

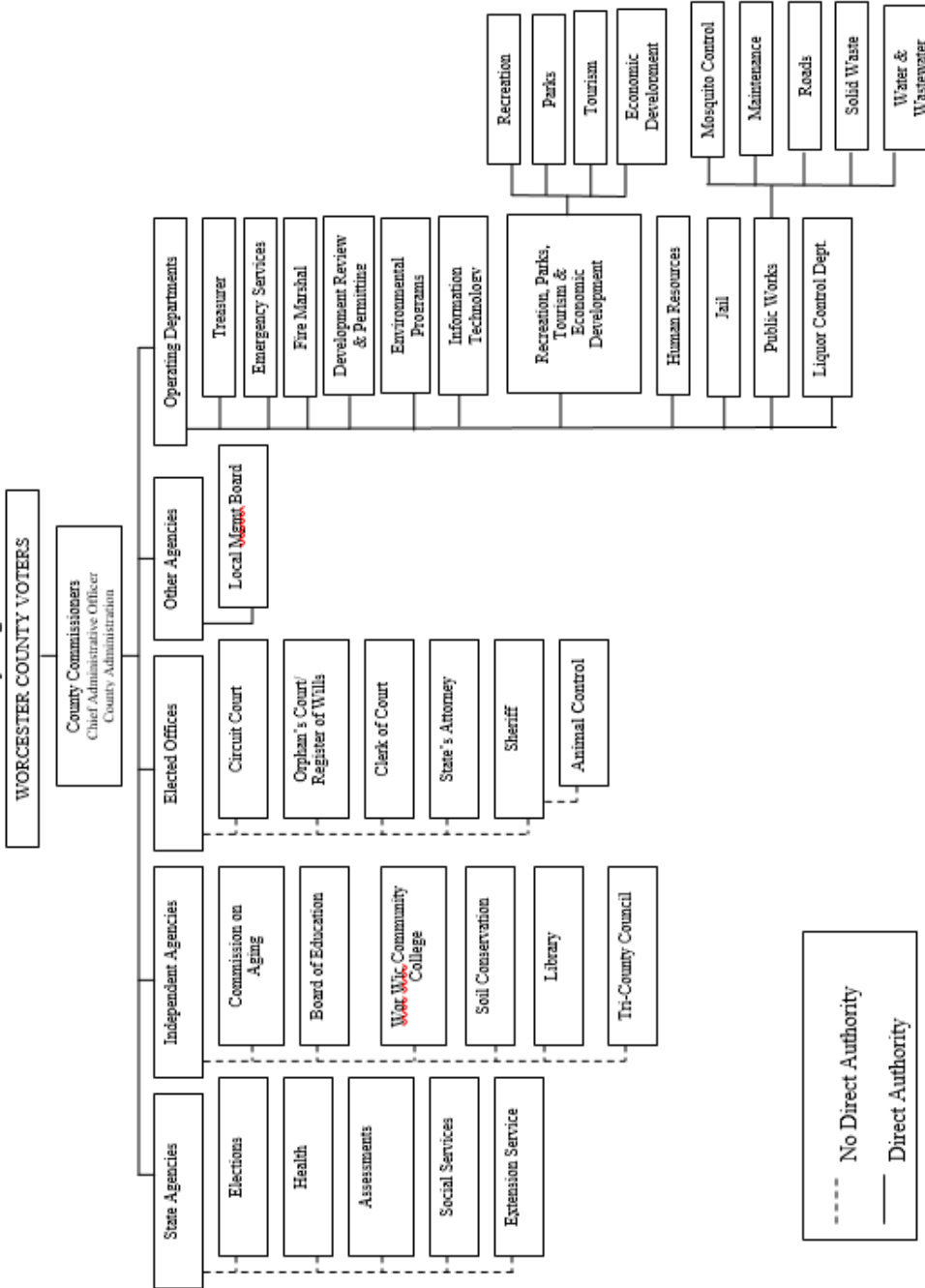
The Internal Revenue Service (the "Service") has a program to audit state and local government obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the Service audits the Bonds, under current Service procedure, the Service will treat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

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

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

Bond Counsel will not express any opinion regarding pending or proposed federal or state enforcement actions, regulations, litigation or legislative actions.

Worcester County Organization Chart



COUNTY GOVERNMENT AND ADMINISTRATION

General

There are seven Commissioners of Worcester County, each of whom is elected from one of the seven Commissioner districts. Elections are held every four years in November and the elected Commissioners take office in December. The Commissioners must be qualified voters of the County and must have resided at least two years in Worcester County immediately preceding their election. The Board must meet at least twice each month and must remain in session so long as may be necessary to properly transact the business of the County. The Board elects its own president and vice president.

Certain County Elected and Appointed Officials

Joseph M. Mitrecic, President, was first elected as a County Commissioner in 2014 and is currently serving his second term in office. Commissioner Mitrecic was elected to serve as the president of the County Commissioners in 2019. He represents the County Commissioners as a voting member of the Board of Directors of the Tri-County Council (TCC) for the Lower Eastern Shore of Maryland and as a member of the Local Emergency Planning Committee (LEPC). Commissioner Mitrecic is the owner and president of Mitrecic Builders, a family owned and operated business that has been providing quality construction in Ocean City, Maryland and the surrounding area for over 30 years. He is a former member and president of the Ocean City Council where he served two and a half terms. He also served on numerous boards and commissions with the Town of Ocean City, including Tourism, Recreation and Parks and the Police Commission. His community service includes the Greater Ocean City Chamber of Commerce, Downtown Association, Ocean City Development Corporation, Caine Keys II Civic Association, Ocean City Lions Club and the Board of Trustees of Atlantic United Methodist Church.

Theodore J. Elder, Vice President, was elected as a County Commissioner in 2014, re-elected in 2018 and is currently serving his second term in office. Commissioner Elder was elected to serve as vice president of the County Commissioners in 2019. Commissioner Elder represents the County Commissioners as first vice chair of the Tri-County Council (TCC) for the Lower Eastern Shore of Maryland and the Health Planning Advisory Council. Commissioner Elder served as a Worcester County bus contractor for 25 years and as president of the Bus Contractor's Association from 1994-2014 for 20 consecutive terms. He filled in as a teacher for one term at the Worcester Technical High School. He has been a successful business owner/operator in the County since 1982. Prior to owning his own business, he managed a local service station.

Diana Purnell, was elected as a County Commissioner in 2014, re-elected in 2018 and is currently serving her second term in office. She represents the County Commissioners as a voting member of the Tri-County Council (TCC) for the Lower Eastern Shore of Maryland, and as a member of the Social Services Board and the Drug and Alcohol Abuse Council. Commissioner Purnell is the first African American woman elected as a Worcester County Commissioner. Commissioner Purnell is an inventor who holds two patents, and she has owned and operated a successful business for the past 35 years. Commissioner Purnell is the former executive director of the Berlin Community Improvement Association and past president of the Worcester County Commission for Women. She is an active member of the Atlantic General Hospital Foundation Board, the Worcester County Branch of the National Association for the Advancement of Colored People (NAACP), and St. John's United Methodist Church.

Madison J. Bunting, Jr. was elected as a County Commissioner in 2010, re-elected in 2014 and 2018 and is currently serving his third term in office. Commissioner Bunting served as the president of the County Commissioners for three consecutive years beginning in 2014. Commissioner Bunting currently represents the County Commissioners on the Commission for Aging and the Water and Sewer Advisory Committee. He is also a member of the Tri-County Council (TCC) for the Lower Eastern Shore of Maryland and a lifelong resident of Worcester County. He started working in the land surveying profession at the age of 16 and later became a licensed professional land surveyor, owning his own surveying and land planning business for 18 years. Commissioner Bunting served as a member of the Worcester County Board of Zoning Appeals for six years, leading the board as Chair for four years. He served on the Worcester County Planning Commission for four years, leading the board as Chair for three years. He also served on the Ocean Pines Comprehensive Planning Committee and is a current member of the Bishopville-St. Martins Neck Association.

Anthony W. Bertino, Jr. was elected as a County Commissioner in 2014, re-elected in 2018 and is currently serving his second term in office. Commissioner Bertino represents the County Commissioners on the Wor-Wic Community College Board of Trustees and on the Maryland Association of Counties (MACo) Legislative Committee. Commissioner Bertino has been in the newspaper publishing business for more than 30 years. He is a member and past president of the Ocean Pines Chamber of Commerce, past board member of the Worcester County Veterans Memorial at Ocean Pines and is co-author of the book “My Time, My Service” about the men and women honored at the memorial.

James C. Church was elected as a County Commissioner in 2002 and is currently serving his fifth term in office. He served the County Commissioners as vice president in 2009 and as president from 2010 to 2014. He is a past chairman (2008) of the Tri-County Council (TCC) for the Lower Eastern Shore of Maryland. He has also served as the Commissioners’ representative on the Maryland Association of Counties (MACo) Legislative, Initiatives, and Tax Sub Committees. Commissioner Church is the broker/owner of Coldwell Banker Bud Church Realty, Inc. in Ocean City. Prior to becoming a County Commissioner, he served as a Worcester County Board of Education member for 10 years, serving eight years as president. Commissioner Church is serving on the Atlantic General Hospital Board Foundation Board of Directors, and he is chair of the Government Affairs Committee. He has also served as president of the Maryland Association of Realtors, being honored as State Realtor of the Year. He is also past president of the Ocean City Convention and Visitors Bureau and Ocean City Recreation and Parks.

Joshua C. Nordstrom was elected as a County Commissioner in 2018 and is currently serving his first term in office. He represents the County Commissioners as secretary of the Tri-County Council (TCC) for the Lower Eastern Shore of Maryland. Commissioner Nordstrom served as the public relations director for Nordstrom Automotive Group from 2010-2018. He grew up in Pocomoke, where he graduated from Pocomoke High School in 1990 and went on to earn a Bachelor of Arts Degree in Political Science from George Washington University in Washington, D.C. in 1995. He is active in the community, serving on the Lower Shore Family YMCA Advisory Board, American Red Cross Board of Directors, Crisfield Chamber of Commerce Board of Directors, Worcester County Public Schools Education Foundation, Atlantic General Hospital Foundation, and Big Brothers Big Sisters (BBBS) of the Eastern Shore. Commissioner Nordstrom is the former president of the Pocomoke Chamber of Commerce, and a former member of the Worcester County Economic Development Advisory Board.

Weston S. Young, P.E., a 14-year local government veteran, was appointed to the position of Chief Administrative Officer (CAO) by the Board of County Commissioners in March 2021. He heads the Worcester County Government leadership team and administers the affairs of the Office of the County Commissioners, including the county budget, financial controls, personnel matters, reports and records, and general correspondence, oversees public information and media relations, manages special projects, ensures that federal, state, and county laws and regulations that govern the county are administered and enforced, supervises all county department heads and staff, prepares the meeting agendas, and provides advice and recommendations to the commissioners on policies and programs. Mr. Young started his career in the private sector and moved on to public sector employment in 2007 with roles in public works with the City of Salisbury, Maryland and the City of Hampton, Virginia. Prior to joining Worcester County Government, Mr. Young worked for Wicomico County, Maryland where he rose from director of public works to assistant director of administration. Mr. Young's career of public service includes sitting on statewide and national boards focused on energy, environment, land use, and local government. He earned a Bachelor of Science in Civil Engineering from the University of Maryland and holds a professional engineering certifications in Maryland.

Phillip G. Thompson was appointed to the position of Finance Officer and Treasurer by the Board of County Commissioners in late June 2013 after having served as the Assistant Finance Officer since September 2004. From 1996 to 2004 he served as the Enterprise Fund Controller for Worcester County. He graduated from Salisbury University in 1992 with a degree in Accounting, after which he spent four years in the public accounting sector with Jefferson, Urian, Doane, and Sterner. Mr. Thompson is a certified public accountant, and is currently a member of the Maryland Government Finance Officers Association, the American Institute of Certified Public Accountants, and the Government Finance Officers Association of the United States and Canada (the “Government Finance Officers Association”). Mr. Thompson currently serves on the Maryland Local Government Investment Pool Advisory Committee.

Jessica R. Wilson was appointed to the position of Deputy Finance Officer in March 2020 after having served as the Enterprise Fund Controller since July 2013. Ms. Wilson graduated from Salisbury University in 2006 and earned a dual degree in Accounting and Finance with a Financial Planning track. Prior to joining Worcester County Government, she was an auditor for Ernst & Young LLP in Baltimore and E. Cohen and Company, CPAs in Rockville. Ms. Wilson is a certified public accountant, and is currently a member of the Maryland Government Finance Officers Association, the American Institute of Certified Public Accountants, and the Government Finance Officers Association.

Candace I. Savage was appointed to the position of Budget Officer by the County Commissioners on May 3, 2021. She assures the accountability and effectiveness of County government by providing innovative services, public policy analysis, and financial expertise in support of all departments, including preparing, monitoring, and analyzing the budget and appropriations, and reviewing revenue projections and assessments. She also plays a key role in developing investment strategies, and collaborates with the Treasurer's Office to prepare the Annual Comprehensive Financial Report and other financial documents for the annual audit and any bond financing. Ms. Savage, who brings 16 years of experience to this position, graduated magna cum laude with a Bachelor of Science degree in Corporate Finance and a minor in Accounting from Salisbury University in 2005 and earned professional certification as a Certified Government Financial Manager through the Association of Government Accountants in 2019.

Roscoe R. Leslie was appointed to the position of County Attorney by the Board of Commissioners of Worcester County in January 2020. He provides legal advice to the Worcester County Commissioners, the Worcester County Planning Commission, and all County departments in a variety of legal matters. Mr. Leslie graduated from Worcester Country School (Worcester Prep), earned a Bachelor of Arts degree in Economics and Political Science from the University of Delaware in 2000 and a law degree from Washington & Lee University School of Law in 2006. He served as an associate with Venable, LLP in Baltimore for four years before returning home to the Eastern Shore in 2010 to accept a position as a partner at Webb, Cornbrooks, Wilber, Vorhis, Douse, Leslie & Mathers, LLP (as that firm was then known), where for the 10 years prior to his appointment as County Attorney he served as a legal advisor to several local government bodies, including Wicomico County, Sharptown, and Pocomoke City.

Pension Plans

Plan Description

Generally, all regular employees of the reporting entity (except for a portion of the County's Department of Water and Wastewater Services' employees) participate in the State of Maryland Employees Retirement and Pension Systems (the "Employees Systems"). Law enforcement officers employed by the County participate in the State of Maryland Law Enforcement Officers Pension Systems ("LEOPS"). Correctional officers employed by the County participate in the State of Maryland Correctional Officers Retirement System (CORS). Teachers employed by the Board of Education generally participate in the State of Maryland Teachers Retirement and Pensions Systems (the "Teachers Systems"). All of these plans (collectively the "Systems") are cost sharing multiple-employer public retirement systems sponsored by the Maryland State Retirement and Pension Systems and created by the Maryland General Assembly. The Maryland State Retirement Agency issues a publicly available financial report that includes financial statements and required supplementary information for the systems. That report may be obtained by writing the Office of Legislative Audits, State Office Building, 301 West Preston Street, Baltimore, MD, 21201.

Participants in the Systems may retire with full benefits after 30 years of service regardless of age or at various ages with specified years of eligibility service for reduced benefits. Annual service retirement allowances are paid monthly to retired members in accordance with allowance options selected based on average final compensation. Participants terminating in the retirement system prior to specified retirement age are refunded their accumulated contributions plus earned interest or may defer receipt of accumulated contributions until age 60. Participants and their beneficiaries may also be eligible for disability and death benefits based on years of creditable service and average final compensation. For more information reference "APPENDIX A – Annual Comprehensive Financial Report – Note 7 Pension Plans".

Funding Policy

The State Personnel and Pensions Article of the Annotated Code of Maryland requires active members to contribute to the Systems at the rate of 7% of their covered salary depending upon the retirement plan. For more information reference “APPENDIX A – Annual Comprehensive Financial Report – Note 7 Pension Plans”.

The payroll and contributions under the plan for fiscal years 2017-2021 were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Payroll Covered under the Plan	\$26,968,715	\$25,729,161	\$25,130,065	\$24,561,036	\$23,537,007
Contributions Paid in:					
County Payments	3,461,769	3,073,593	2,863,177	2,762,287	2,499,617
Actual contributions to required contributions	100%	100%	100%	100%	100%
On-behalf payments (Library)	256,545	234,469	230,716	229,868	247,092
On-behalf payments (Board of Education)	6,815,130	6,945,815	6,609,245	6,672,989	6,929,246

Worcester County Volunteer Firefighters and Ambulance Length of Service Awards Program

The County contributes to the Length of Service Awards Program (the “LOSAP”) for the chartered fire and ambulance company’s personnel of Worcester County, a single-employer noncontributory trust fund. Any person who is certified as an active member with any Worcester County volunteer fire or approved ambulance company is eligible to participate. Active members who have completed 25 years of certified volunteer service shall receive \$50 per month, for a maximum benefit of 120 months for a total award of \$10,000. Volunteers qualified for participation may participate in either a monthly award plan or annual contribution award plan and award payments cease upon death. The LOSAP also provides for death and disability benefits to participating volunteers. Benefit provisions and all other requirements are established by the chartered fire and ambulance companies and approved by the Commissioners as authorized by the State’s legislative assembly. The County contributes all the amounts necessary to fund the payments of benefits under the LOSAP.

The contributions made by the County to the LOSAP for fiscal year 2021 totaling \$136,600 were made based on estimates provided by the Plan Administrator and Investment Manager. The contribution in fiscal year 2022 totaled \$235,800.

Other Post-Employment Benefits

The County and the Board of Education of Worcester County provide their employees with other post-employment benefits (“OPEB”). The County and the Board of Education of Worcester County have historically funded these programs on a pay-go basis, but were required to account for OPEB on an actuarial basis beginning in fiscal year 2009. The County’s actuary has determined, as of July 1, 2021, that the combined net OPEB liability related to all active and retired employees totals \$436,988,424. The portion of this liability attributable to the employees of the general government totals \$9,129,008 and to the employees of the Board of Education totals \$427,859,416. This liability was calculated using a 7% and 2.235% discount rate for the general government and the Board of Education, respectively. The actuarial value of plan assets in the OPEB Trust totaled \$106,324,367 as of July 1, 2021 and the funds are currently invested with Wilmington Trust Investment Advisors. The funded ratios as of July 1, 2021 for the employees of the general government and the Board of Education are 89.3% and 5.8%, respectively. The County has continued to aggressively fund OPEB in recent years and contributed \$10,671,000 in fiscal year 2019, \$15,848,286 in fiscal year 2020, and \$9,537,488 in fiscal year 2021. The estimated fiscal year 2022 contribution was \$13,600,025. For more information reference “APPENDIX A – Annual Comprehensive Financial Report – Note 8 Other-Post Employment Benefits”.

Labor Relations

As of June 30, 2022, the County’s payroll included 655 employees. This figure includes merit, elected, contract and appointed employees, but does not include the employees of the Board of Education. The County is not a party to any collective bargaining agreement.

Insurance

The County is a member of the Maryland Local Government Insurance Trust (the “Trust”). Section 19-602 of the Insurance Article of the Annotated Code of Maryland authorizes public entities, including local governments, in Maryland to pool together for the purpose of purchasing casualty insurance or self-insuring casualty risks. Participation in the Trust also enables the County to pool with other local governments in order to obtain risk management and loss control services to minimize the cost of comprehensive general liability, business automobile liability and physical damage, law enforcement liability, public officials legal liability, insurance claims and administration.

Those activities not covered under the Maryland Local Government Insurance Trust, including workers’ compensation, are provided coverage by policies obtained by the County through competitive bidding.

Budget

The Board annually adopts an operating budget for the General Fund and Enterprise Funds of the County. Revenue estimates for the ensuing fiscal year from the units of the County government are reviewed and compiled by the Budget Officer in February of each year. The expenditure requests are submitted to the Chief Administrative Officer, who in turns presents a requested budget to the Board in March. The Board must then conduct a public hearing on the budget submitted on or before May 30, and must advertise at least once per week for two weeks prior to said hearing in a publication of general circulation within the County. The Board must then adopt the budget and tax rates on or before the first Tuesday in June.

The Board also adopts annually a multiyear capital budget plan, covering five years, that forecasts spending for all anticipated capital projects. The plan addresses both repair and replacement of existing infrastructure as well as the development of new facilities to accommodate future growth. It enables the County to identify needed capital projects and to coordinate facility financing and timing.

Basis of Accounting

Basis of accounting refers to the time at which revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Revenues are recognized when they become measurable and available. The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

Basis of accounting, policies and procedures are more fully described in the notes to the County’s basic financial statements in Appendix A.

Financial Reporting

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certification of Achievement for Excellence in Financial Reporting to Worcester County for its annual comprehensive financial report (“ACFR”) for fiscal year 2020. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

A Certificate of Achievement is valid for a period of one year only. Worcester County has received a Certificate of Achievement for the last 13 consecutive years (fiscal years 2008-2020). The County has submitted its ACFR for fiscal year 2021 to GFOA for the Certificate of Achievement program.

Accounting Policies

The accounting policies of the County conform to generally accepted accounting principles as applicable to governments.

CERTAIN SERVICES AND RESPONSIBILITIES

Through its various departments and offices (see “COUNTY GOVERNMENT AND ADMINISTRATION”), the County is responsible for supplying various services as described below.

Education

The educational policies, procedures, and programs of the public schools in Worcester County are the responsibility of the Board of Education of Worcester County (the “Board of Education”) working with the County Superintendent of Schools and his staff. The Board of Education is an elected seven-member body. Each member is elected to a four-year term. The Superintendent of Schools acts as secretary/treasurer to the Board of Education and serves in the capacity of chief administrative officer. There are five elementary, one intermediate, three middle, one technical high school, one special education school and three high schools in the County, with an estimated enrollment of 6,810 children in grades pre-kindergarten through 12 for the school year 2021-2022. There are three non-public schools in the County, with an estimated enrollment of 769 as of September 2021. The Board of Education employed 799 professionals and 405 support staff as of September, 2021. With employee positions totaling 1,204, the Board of Education is the largest employer in the County.

The County’s largest General Fund appropriation in its adopted fiscal year 2022 budget is \$97,002,221 for operating expenditures for public education. The County’s appropriation for operating expenditures constituted a 3% increase over approved operating expenditures by the County for public education in fiscal year 2021. Likewise, the County’s largest General Fund appropriation in its adopted fiscal year 2023 budget is \$100,983,605 for operating expenditures for public education, constituting a 4% increase over approved operating expenditures by the County for public education in fiscal year 2022. The school system had actual local operating expenditures for fiscal year 2021 of \$116,171,677.

In fiscal year 2021, the Board of Education received County funding through a combination of pay-go moneys and County bond funds in the amount of \$8,619,606. These funds were used to pay costs related to the construction of the new Showell Elementary School, replacement HVAC units at various schools, fees related to design and bidding of the Stephen Decatur Middle School addition project, costs for the roof replacement project at Pocomoke Middle School, roof repair project at Stephen Decatur Middle School, school security grant match for various schools, final installation of a turf athletic field and track at Stephen Decatur High School and improvements at the Central Office facility.

Wor-Wic Community College is a comprehensive community college serving the residents of Worcester, Wicomico, and Somerset counties. The College provides quality post-secondary credit programs leading to an associate degree or a certificate of proficiency, as well as documents of completion for community and continuing education courses. Its open door admission policy and comprehensive student support services enable Wor-Wic Community College to provide educational opportunities for those who have the desire and ability to benefit from its courses and programs. Wor-Wic Community College received County funding in the amount of \$2,530,242 for operating costs in fiscal year 2021 and is budgeted to receive \$2,530,242 in fiscal year 2022 and \$2,530,242 in fiscal year 2023 as well.

Salisbury University, a member of the University System of Maryland, is a regionally accredited four-year institution located approximately 12 miles from Worcester County in Salisbury, Maryland. Salisbury University contains six academic schools which offer 42 distinct undergraduate and 14 graduate programs. The University offers courses leading to B.S., B.A., M.B.A., M.Ed., D.N.P., Ed.P., and dual engineering degrees. As of September 2019, the school continues to grow and currently has 7,650 undergraduate and 917 graduate students.

The University of Maryland-Eastern Shore, located at Princess Anne in Somerset County (16 miles from Snow Hill), is a four-year institution with an enrollment of 2,384. The University offers studies in Aviation Science & Engineering, Mathematics and Computer Science, Doctor of Pharmacy, Doctor of Physical Therapy, Doctor of Education and Doctor of Philosophy programs. Equally important are the 16 programs in Teacher Education, Construction Management, Hotel and Restaurant Management, PGA Golf Management, Criminal Justice, and other programs that meet the needs of students.

Planning and Zoning

The Worcester County Planning Commission was created in 1960 and consists of seven members. The general duties of the Planning Commission include the following: making investigations and recommendations with regard to rezoning applications and amendments to the text of the zoning and subdivision regulations; making recommendations to the Board of Zoning Appeals; and reviewing public projects and proposed facility plans for new commercial development and large scale residential projects. All operations of the Planning Commission are conducted through the Department of Development Review and Permitting.

The Planning Commission is responsible for the preparation of the County Comprehensive Development Plan (the “Comprehensive Plan”) and the tools needed to implement the plan’s policies and recommendations. In March 2006 the County Commissioners, upon the favorable recommendation of the Planning Commission, adopted a new Comprehensive Plan which sets forth general policies and recommendations regarding land use, natural resources, economic development, housing, public facilities, and transportation. This plan will serve as a guide over a planning period of approximately 15 to 20 years. In order to implement these policies and recommendations, the County Commissioners adopted an entirely new Zoning and Subdivision Control Article as well as all new zoning maps for the entire County in November of 2009. The review cycle and updating of the Comprehensive Plan in its entirety is not required by the State until the period 2021-2023. Other than State-mandated updates, any changes to the Comprehensive Plan in the interim will most likely only be to update population projections and other data of that nature to a more realistic level than that anticipated before the economic downturn in the late 2000s.

The Comprehensive Plan was amended in 2009 to add a Priority Preservation Areas Element (PPA) to institutionalize the County’s certified Agricultural Preservation Program and further conservation objectives to ensure the long-term viability of agricultural and forestry resources in the County. The Comprehensive Plan was also amended in 2011 to add a Water Resources Element (WRE) which detailed examinations on suitability of water and water resources and their adequacy for the needs of existing and future development proposed in the Land Use Element of the Comprehensive Plan. Both of these amendments were completed in cooperation with staff from the Department of Environmental Programs.

The Planning Commission regularly reviews and updates various parts of the zoning and other development ordinances. The County also has a set of design guidelines and standards for commercial and multi-family development to improve the quality of development and maintain the rural and scenic character of the County. Given that a large segment of Worcester County’s economic base is tourism dependent, these standards are also intended to harmonize new development with the context in which it will be placed by utilizing elements of the County’s traditional architectural styles.

Voluntary Agricultural Land Preservation

In 1977, the Maryland General Assembly created the Maryland Agricultural Land Preservation Foundation (“MALPF”). This program enables landowners whose farms meet eligibility requirements to apply to sell their development rights under a protective easement to the State. If the application process results in an offer that is accepted by the landowner, a permanent easement is placed on the farm and the property is preserved in perpetuity. As part of the MALPF, county governments are able to match available State funds to accelerate the easement acquisition process. The County has had a “certified” agricultural land preservation program since July 1, 2004. Since certification, the County has protected 6,137 acres (about 537 acres annually); 9,664 acres have been protected since the first easement purchase in the County in 1993. Since certification the County has received over \$15 million from the State for easement purchase under this program.

The County also participates in the Maryland Rural Legacy Program that was enacted in 1997 by the Maryland General Assembly. The County’s Coastal Bays Rural Legacy Area (“RLA”), established in 1999, is approximately 45,945 acres in size and 17,200 acres are permanently protected either by State ownership or easement. Approximately 9,317 acres are protected with a Coastal Bays Rural Legacy easement. From January 2011-May 2022, 18 properties were protected in the Coastal Bays RLA; 2,364.57 acres, or 200+/- acres per year through calendar year 2021, at a cost of approximately \$4.5 million. The Dividing Creek Rural Legacy Area was created and expanded in calendar year 2018. The area is 55,526 acres in size, as of calendar year 2018. Ten properties totaling 2,217 acres, or 184+/- acres per year, were protected from January 2011-May 2022, at a cost of approximately \$3.7 million.

Police and Fire Review

Law enforcement agencies in Worcester County include town police forces in Berlin, Pocomoke City, Snow Hill and Ocean City and a community police force in Ocean Pines. The County-wide law enforcement agencies include the Worcester County Sheriff's Office and the Maryland State Police. The County's lead law enforcement agency is the Worcester County Sheriff's Office, which has a staff of 92 sworn and 27 civilian personnel and an operating budget of \$10,265,626 for fiscal year 2023. The Berlin Barracks of the Maryland State Police has a staff of nine civilian and 28 sworn personnel. During summer months, the Ocean City Police department increases its police personnel from 105 to about 180.

A total of 10 volunteer fire companies with approximately 650 volunteer firefighters are located in Worcester County. Four are in incorporated towns and the other volunteer fire companies are in the communities of Bishopville, Showell, Newark, Girdletree, Stockton and Ocean Pines. County-wide ambulance service is available through seven of the volunteer fire companies using paid paramedics on a 24-hour basis. Ocean City and Pocomoke City have municipal paid ambulance services.

Jail

In 2011, the Jail completed an addition of 64,367 square feet and renovation of 13,283 square feet which increased the capacity from 319 to 502 inmates. The Jail is staffed by 102 security, professional, administrative, support and food service staff, and contractually by medical, mental health, education, alcohol and drug counseling personnel. The Jail had actual operating expenditures of \$9,267,669 for fiscal year 2021 and the County has budgeted \$9,771,127 for fiscal year 2022 operations and \$9,783,880 for fiscal year 2023 operations.

The County receives reimbursement from the State of Maryland for housing inmates. However, as a result of a 2008 change in State law, the State changed its reimbursement formula to the counties and now reimburses the County solely through a grant at the rate of \$45 per inmate per day. The State reimbursed the County \$48,150 in fiscal year 2021 and is budgeted to reimburse approximately \$50,000 for fiscal year 2022 and approximately \$50,000 for fiscal year 2023.

Hospital and Health Care

Atlantic General Hospital ("AGH"), a 62-bed, full service, acute care, inpatient and outpatient facility located in Berlin, opened for service on May 21, 1993. This not-for-profit hospital was created by a three-way private and public partnership. The project was financed and expanded by grants and contributions from the State, County and private donations. Health care is provided to residents of Worcester, Wicomico, Somerset and Sussex (Delaware) Counties. AGH provides 24-hour emergency services, inpatient and outpatient diagnostic and surgical services, and intensive care services. Atlantic General Health System, its network of more than 40 primary care providers and specialists, cares for residents and visitors throughout the region. AGH has received full Joint Commission accreditation since 1997, is a member of the American Hospital Association and the Maryland Hospital Association, and is consistently recognized as one of the most efficient hospitals in the State of Maryland.

AGH opened the new John H "Jack" Burbage Jr. Regional Cancer Care Center in July 2018. The 18,000 square foot facility is located on the Atlantic General Hospital campus in Berlin. The facility allows individuals who need services for diagnosis, treatment, or ongoing follow-up to receive that care at one centrally located campus.

Ground-breaking occurred in August 2021 for construction by AGH of a new medical center in Berlin near the Ocean Pines community. The new 53,000 square foot Gudelsky Family Medical Center will include an outpatient surgery center, lab and imaging services, an additional AGHRx RediScripts Pharmacy location and space for multiple specialty care practices. Construction is expected to be completed in early 2023.

AGH has more than 900 active associates with an annual payroll exceeding \$55 million and benefits exceeding \$12.5 million, making AGH the second largest employer in Worcester County. AGH annually provides mission-driven health education and services valued at more than \$13.4 million through nearly 35,000 encounters to the community free of charge or at a reduced cost.

In addition, Tidal Health has also expanded its operations in the County in recent years. In 2015 Peninsula Regional Medical Center (now a part of Tidal Health) opened the Ocean Pines Health Pavilion with a 21,000 square foot building housing family physicians, adult fitness services, a pharmacy, and lab facilities. In 2017 a second 20,000 square foot building on the campus opened housing the Richard A. Henson Cancer Institute. A third building totaling an additional 11,000 square feet opened in the summer of 2019 and houses an endoscopy center that provides clinical care and gastroenterology services. A new larger 70,000 square foot building was completed in early 2022; Tidal Health occupies half of that building and provides a surgery center, urgent care, imaging, and rehabilitation services.

The County provides various health services to its citizens through the Department of Health with offices and clinics maintained in Snow Hill, Pocomoke City, Berlin and Ocean City. The Health Department has both Joint Commission and Public Health accreditation. The Department of Health, individually or in conjunction with the Maryland Department of Health, is responsible for the enforcement of all delegated State and local health and sanitation laws. The Department of Health has a staff of health care professionals who provide services including mental health, substance abuse, gambling counseling, maternal/child health, dental, family planning, adult health, environmental health, communicable disease, developmental disabilities, and health promotion programs. These services are designed to promote health and safety, prevent illness, and improve a citizen's ability to lead a productive life. Pursuant to matching grants, the State pays a portion of the operating expenditures for the Department.

There are three licensed nursing homes in Worcester County with total bed capacity of 307.

Utility Services

General

The Worcester County Sanitary District (the "District"), a body politic and corporate of the State of Maryland, was established in 1962 by Articles of Incorporation adopted by the County and filed with the Maryland State Department of Assessments and Taxation in accordance with then-applicable law. Prior to November 1993, the powers and duties of the District were exercised by and through the Worcester County Sanitary District Commission (the "Commission").

In November of 1993, the Commission abolished the District by majority vote of the Commission. At that time, the County established the Division of Water and Wastewater Services to assume all responsibilities of the abolished Commission.

The Division of Water and Wastewater Services (the "Division"), a division of the Public Works Department (the "Department"), was created and is responsible for the construction, operation and maintenance of water and sewer systems within Worcester County. The County is authorized and empowered to levy and collect the special Equivalent Dwelling Unit ("EDU") assessments, water and sewer connection charges, and certain other service charges in order to pay its debt service, capital improvements and operating and maintenance expenses. Because the Division does not receive direct financial support from the County, it must rely upon funds collected from its customers and federal and State grant assistance. Capital improvements are financed from the sale of bonds by the County or by acquiring federal and state grants and/or subsidized loans. These bonds are general obligation bonds of the County but are self-supporting from the EDU assessments levied against the property owners in the Service Areas served by the applicable water or sewer projects. These assessments constitute liens on the real property in the applicable Service Area. The Division has boundaries coterminous with the County and through the County is authorized to undertake certain water and sewer projects within Service Areas created within the County. The Division is primarily responsible for constructing and operating present and future wastewater treatment facilities, as well as collection and disposal facilities throughout the County. In addition, the Department is responsible for constructing, and operating present and future public water systems throughout the County. The Division is charged with administrating all existing sanitary service areas within the County which include: West Ocean City, Assateague Pointe, Edgewater Acres, River Run, Ocean Pines, Mystic Harbour, Lighthouse Sound, Riddle Farm, The Landings, and Newark.

Water quality within the County is monitored by the Division and also by the Environmental Programs Department.

Water

All of the potable water supply for domestic and industrial use within the County is obtained from groundwater. This source has been adequate for all present and is anticipated to be adequate for all foreseeable future needs.

All four municipalities within the County are served by central water systems, which are owned, operated and maintained by the municipal governments as follows:

	Million Gallons of Water Capacity Per Day (MGD)
Snow Hill	0.55 MGD
Berlin	0.60
Pocomoke.....	0.75
Ocean City	10.00

The County also owns and operates facilities which provide potable water supply in the following sanitary service areas:

Ocean Pines also serving River Run (rated 2.500 MGD)
 Newark (rated 0.070 MGD)
 Riddle Farm (rated 0.400 MGD)
 The Landings (rated 0.200 MGD)
 Assateague Pointe (rated 0.135 MGD)
 Mystic Harbour (rated 0.750 MGD)

A number of private communities, schools, parks and industries have constructed and operate private water systems serving needs at commercial, processing, institutional and cooling facilities where public water is not available.

Sewer

Within the County, municipal treatment facilities exist within the municipalities of Ocean City, Berlin, Snow Hill and Pocomoke City sized as follows:

	Million Gallons of Wastewater Treatment Capacity Per Day (MGD)
Snow Hill	0.50 MGD
Berlin	0.60
Pocomoke.....	1.47
Ocean City	14.00

The County owns and operates wastewater treatment plants which serve the following sanitary service areas:

Newark (rated 0.057 MGD)
 Assateague Pointe (rated 0.0641 MGD)
 Ocean Pines (rated 2.600 MGD)
 Mystic Harbour (rated 0.450 MGD)
 River Run (rated 0.112 MGD)
 Lighthouse Sound (rated 0.0379 MGD)
 Riddle Farm (rated 0.280 MGD)
 The Landings (rated 0.100 MGD)

A small wastewater system operated by the National Park Service serves the Assateague Island National Seashore Headquarters on Sinepuxent Neck. There are other small private systems throughout the County serving commercial and industrial facilities where public sewer is not available. Most of these systems discharge treated wastewater to the ground.

Solid Waste

The Central Landfill Facility, a state-of-the-art facility and the only operating landfill located in the County, is centrally situated on a 724.5 acre parcel located approximately 3.5 miles northeast of the Town of Snow Hill in Newark. The Landfill began operations in April 1990 and has a permitted life span of 40-50 years. There are nine potential landfill cells. The facility currently consists of five lined landfill cells that are Resource Conservation and Recovery Act (RCRA) compliant. The most recent cell, Cell #5, was completed in January 2019 at a cost of \$13.3 million and with an estimated life of 10 years. The Central Landfill Facility utilizes bioreactor landfill cells that recirculate leachate through the cells in order to accelerate the decomposition and stabilization of waste. This technology has been used by the County since the Central Landfill Facility began operations. The current tipping fee (as of July 1, 2021) is \$75.00 per ton for general refuse and \$80 per ton for construction and demolition material.

The Solid Waste Division has been operated as a self-supporting Enterprise Fund since July 1, 1996. The County also maintains and operates three solid waste homeowner convenience stations located in the vicinities of Snow Hill, Pocomoke and Berlin. These convenience stations allow the public to dispose of household solid waste closer to their homes rather than at the Central Landfill Facility.

The County has met the State mandate of a minimum 20% recycling, as is evidenced by the most recent Maryland Recycling Act report which indicates a 31.01% recycling rate in 2019. The Commissioners began operating a state of the art recycling facility in March 2004. The County also operates and maintains permanent recycling drop-off stations within the County in an effort to make recycling more accessible to the general population.

Electric

The Delmarva Power and Light Company supplies electricity to most of the towns and developed areas in Worcester County and has adequate generating capacity for the foreseeable future.

Choptank Electric Cooperative, Inc. provides electrical service to a large portion of rural Worcester County. The Cooperative distributes bulk power to this area with four sub-stations. The distribution system of Choptank Electric Cooperative is interconnected with Delmarva Power and Light Company. The Berlin Power Company, a municipally owned utility, serves the town of Berlin.

The County and the Board of Education have continued their membership in the Eastern Shore of Maryland Educational Consortium (ESMEC) Energy Trust. The ESMEC Trust was established in 2001 for the cooperative procurement of electricity, fuels, and related services on behalf of the Energy Trust participants.

In fiscal year 2012 the County began using solar power. Solar panels have been installed at the County Recreation Center in Snow Hill. Investing in solar energy emphasizes the County's continued effort to preserve its natural resources, reduce electrical consumption and encourage energy independence.

Gas

Chesapeake Utilities Corporation through its wholly-owned subsidiaries is engaged in the distribution of natural gas and propane gas to approximately 11,000 residential, commercial and industrial customers in the County. Over the last decade Chesapeake Utilities Corporation has made significant efforts to convert propane gas to natural gas throughout the County where economically feasible as part of its ongoing initiative to expand energy options.

Transportation*Highways*

U.S. Rt. 13, a divided highway, passes through southern Worcester County. This major thoroughfare extends north to Wilmington, Delaware, connecting to Interstate 95 and the New Jersey Turnpike, and south through the Virginia portion of the Delmarva Peninsula, linking to Norfolk, Virginia via the Chesapeake Bay Bridge Tunnel. U.S. Rt. 113 runs through the heart of Worcester County, Maryland beginning at the Delaware state line, north of Berlin, extending to Pocomoke City on the south, where it intersects with U.S. Rt. 13. For years large portions of the roadway were limited to a two lane undivided roadway.

U.S. 113 was reconstructed from Berlin to the Delaware state line in three sections starting in 1998. By 2003 the last of the three segments was finished and the highway from the Delaware line to just north of the Town of Berlin was completed. In April 2005, federal funds in the amount of \$15 million were awarded to help continue the dualization project. A five phase project to complete the dualization of the remaining roadway was developed. In November of that same year, plans were set in place to proceed with the dualization of Phase 1, which runs from Market Street south of Snow Hill to Public Landing Road. This phase was completed by late 2006. In 2009, Phase 2A, a 2.5-mile stretch of highway from Goody Hill Road to Hayes Landing Road was also completed. It was followed immediately thereafter by phase 2B, a 1.8 mile stretch from Goody Hill to Massey Branch, in 2011. Phase 3 of the project runs 4.4 miles from Five Mile Branch Road north of Snow Hill to the southern end of Phase 2B at Massey Branch and was completed in 2017. This along with Phase 4 which includes a 4.5 mile section from the north end of Phase 1 to the south end of Phase 3 at Five Mile Branch was completed in the summer of 2020. The Route 113 dualization was the County's top priority for inclusion in the State Highway Needs Inventory. The County continues to name completion of the Route 113 dualization as its top priority for inclusion in the State Highway Needs Inventory. The County has worked closely with the State Highway Administration to develop and implement access control plans for all portions of the roadway. These plans will help to preserve the capacity and integrity of the already dual portions of the roadway and help reduce needless expenditures to close access points when improving the remainder of the highway.

Route 50 Service Road

Through a combination of pay-as-you-go funds of \$3,241,387 and developer contributions, the County completed Phases 1A and 1B of the U.S. Route 50 Service Road (Samuel Bowen Boulevard) which now connects the Super Wal-Mart, Home Depot, and Ocean Landings II shopping center to Holly Grove Road and U.S. Rt. 50. This 0.7 mile segment represents the first two phases of this major new roadway first envisioned by the County Commissioners in 1997 to run parallel to U.S. Route 50 from Seahawk Road east to Holly Grove Road in order to accommodate the orderly development of major commercial growth planned for the south side of U.S. Route 50. Since its completion the roadway has gained widespread acceptance and additional commercial development is occurring along the roadway in accordance with the access plans previously developed for it. The State Highway Administration has also planned major improvements to connect the Service Road to MD Route 589 with an overpass of Rt. 50 which will allow Ocean Pines residents access to the commercial corridor without affecting through traffic on U.S. Rt. 50 to Ocean City.

Railroad and Truck Service

Norfolk Southern, Eastern Shore Rail, and Maryland and Delaware Railroad Service provide freight service to the County. There is no rail passenger service. Twenty motor freight lines regularly serve the County.

Waterways

Worcester County has direct access to the Atlantic Ocean with an inlet at Ocean City and direct access to the Chesapeake Bay via the Pocomoke River, which begins in the southern part of the County and runs through the municipalities of Pocomoke City and Snow Hill. Ocean City's waterway is used by the commercial fishing fleet and recreational boaters. The Pocomoke River is used by barges bringing in supplies such as aggregate and taking out products such as wood fiber to either the ports of Baltimore or Norfolk. The Pocomoke River is also used for recreation with the Shad Landing State Park located on its banks. Worcester County is also served by three neighboring Maryland ports: Crisfield, Salisbury, and a deep water port at Cambridge, all within 45 miles.

Air

The Ocean City Municipal Airport is located three miles south of Ocean City with recent upgrades to their hanger facilities, and plans are currently proposed to upgrade the two runways in existence. There are a recorded number of 38,000 operations a year (take-offs and landings combined), and a new traffic survey is currently underway.

Also serving the County is the Salisbury-Ocean City Regional Airport ("SBY Airport") located about 15 miles northwest of Snow Hill. SBY Airport is the only airport with daily scheduled air carrier passenger service on the Delmarva Peninsula. SBY Airport passenger service is provided by Piedmont Airlines (dba American Eagle) with daily commuter flights to Charlotte and Philadelphia.

Communications

Major suppliers include Verizon, AT&T, Comcast, and U.S. Sprint.

Department of Liquor Control

During 2011, the Maryland General Assembly passed a bill that abolished the Liquor Control Board for Worcester County and resulted in the creation of the Worcester County Department of Liquor Control. The Department, which functions as an enterprise fund, operated several retail liquor stores throughout the County and sold wholesale spirits to the licensees in Worcester County. In 2016 the County Commissioners made the decision to implement an exit strategy from the liquor business. Wholesale operations ended on September 30, 2016 and retail operations ended on January 4, 2021.

COUNTY REVENUES AND EXPENDITURES**General**

In accordance with the general practice of governmental units, the County records its transactions under various funds. The largest, the General Fund, is that from which all general costs of County government are paid and to which taxes and other revenues, not specifically directed by law to be recorded in special funds, are directed. In addition to the General Fund, several special funds receive revenues from particular sources for specific purposes, all as prescribed by law.

The audited fiscal year 2021 financial statements are set forth in Appendix A to this Official Statement.

Fiscal Year 2021 Actuals*Revenues*

Fiscal year 2021 actual revenues of \$236,768,428 were greater than the budgeted amount of \$201,823,231 and resulted in a variance of \$34,945,197 or 17.3%. The revenue variance was primarily due to greater than estimated income taxes of \$9,324,894, greater than estimated other local taxes of \$8,898,663 (which include recordation and transfer taxes), and pandemic grants not budgeted for of \$14,947,742.

Expenditures

Fiscal year 2021 actual expenditures of \$205,480,257 were more than the budgeted amount of \$190,384,962 and resulted in a variance of (\$15,095,295). Other financing sources were over budget by \$3,616,016 million due primarily to \$3,163,365 million in transfers for various pay-as-you-go capital expenditures. The County traditionally does not budget for transfers to pay-as-you-go capital projects in the operating budget. In addition, actual debt service expenditures totaled \$13,938,909 compared to a budgeted amount of \$13,935,669, a variance of \$3,240. The remaining \$449,411 of the variance related to the General Fund writing off an unpaid inter-governmental loan balance from the Department of Liquor Control once it ceased retail operations in January 2021. For more information please refer to “Impact of COVID-19 on the County” below.

County General Fund Revenues and Expenditures

The following table indicates the County's General Fund actual revenues and expenditures for fiscal years 2017 - 2021.

**WORCESTER COUNTY, MARYLAND
GENERAL FUND
REVENUES AND EXPENDITURES
(GAAP BASIS)**

	Audited FY2021	Audited FY2020	Audited FY2019	Audited FY2018	Audited FY2017
Revenues:					
Taxes and special assessments	\$ 204,592,525	\$ 184,595,458	\$ 174,373,397	\$ 185,557,977	\$ 184,235,928
Licenses and permits	2,901,494	2,027,965	1,959,788	2,131,974	1,964,838
Intergovernmental	24,987,977	6,444,378	4,338,778	4,636,258	4,016,197
Service charges and fees	1,962,123	4,775,728	6,459,709	6,647,971	6,841,574
Miscellaneous	<u>2,324,309</u>	<u>9,076,817</u>	<u>7,164,351</u>	<u>1,823,716</u>	<u>1,279,390</u>
Total revenues	<u>\$ 236,768,428</u>	<u>\$ 206,920,346</u>	<u>\$ 194,296,023</u>	<u>\$ 200,797,896</u>	<u>\$ 198,337,927</u>
Expenditures:					
Current:					
General government	\$ 20,293,079	\$ 19,022,436	\$ 17,325,562	\$ 15,244,102	\$ 14,471,003
Public safety	36,052,606	36,183,713	35,402,667	33,806,134	31,692,896
Public works	8,507,876	8,749,324	6,773,851	6,868,097	6,593,857
Health and hospitals	6,154,707	6,193,861	6,218,443	6,098,463	6,136,576
Social Services	2,279,304	1,684,599	1,662,522	1,512,490	1,461,551
Education	101,142,923	100,169,515	94,998,592	89,586,282	85,965,082
Libraries, recreation and culture	8,077,203	7,184,206	6,695,951	5,529,816	5,376,686
Conservation of natural resources	707,400	779,146	810,038	691,671	420,034
Economic development	13,016,286	1,822,959	1,577,718	1,652,589	1,624,752
Distribution to Incorp. Municipalities	<u>9,248,873</u>	<u>8,314,671</u>	<u>8,032,840</u>	<u>25,062,659</u>	<u>24,828,030</u>
Total expenditures	<u>\$ 205,480,257</u>	<u>\$ 190,104,430</u>	<u>\$ 179,498,184</u>	<u>\$ 186,052,303</u>	<u>\$ 178,570,467</u>
Excess of revenues over expenditures	<u>\$ 31,288,171</u>	<u>\$ 16,815,916</u>	<u>\$ 14,797,839</u>	<u>\$ 14,745,593</u>	<u>\$ 19,767,460</u>
Other financing sources (uses):					
Operating transfers in	\$ 2,497,400	\$ 3,434,751	\$ 2,306,419	\$ 2,698,531	\$ 3,632,233
Operating transfers out	<u>(17,551,685)</u>	<u>(16,959,458)</u>	<u>(19,264,073)</u>	<u>(21,408,289)</u>	<u>(15,424,690)</u>
Net operating transfers in/(out)	<u>\$ (15,054,285)</u>	<u>\$ (13,524,707)</u>	<u>\$ (16,957,654)</u>	<u>\$ (18,709,758)</u>	<u>\$ (11,792,457)</u>
Net Change in Fund Balances	\$ 16,233,886	\$ 3,291,209	\$ (2,159,815)	\$ (3,964,165)	\$ 7,975,003
Fund balance at beginning of year	<u>55,096,817</u>	<u>51,805,608</u>	<u>53,965,423</u>	<u>57,929,588</u>	<u>49,954,585</u>
Fund balance at end of year	<u>\$ 71,330,703</u>	<u>\$ 55,096,817</u>	<u>\$ 51,805,608</u>	<u>\$ 53,965,423</u>	<u>\$ 57,929,588</u>

Source: Worcester County Commissioners' Office; Audited Financial Statements for Fiscal Years 2017-2021.

Note: The information in this table should be read in conjunction with the audited basic financial statements appearing in the Annual Comprehensive Financial Report for fiscal year 2021 appearing in Appendix A to this Official Statement.

Fund Balance and Reserve Fund

Set forth below is a summary of General Fund fund balance for fiscal years 2017-2021.

GENERAL FUND SUMMARY OF FUND BALANCE FISCAL YEARS ENDED JUNE 30:					
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund					
Nonspendable	\$ 110,153	\$ 47,892	\$ 8,556	\$ 59,544	\$ 134,238
Restricted.....	0	0	0	0	0
Assigned	35,511,437	19,483,747	16,626,776	18,735,587	23,486,890
Unassigned	<u>35,709,113</u>	<u>35,565,178</u>	<u>35,170,276</u>	<u>35,170,292</u>	<u>34,308,460</u>
Total General Fund.....	<u>\$ 71,330,703</u>	<u>\$ 55,096,817</u>	<u>\$ 51,805,608</u>	<u>\$ 53,965,423</u>	<u>\$ 57,929,588</u>
Unassigned General Fund Balance as a percentage of General Fund Expenditures	17.4%	18.7%	19.6%	18.9%	19.2%

Source: Worcester County Commissioners' Office; Audited Financial Statements for Fiscal Years 2017-2021.

Fund Balance – Assigned

In fiscal year 2021, the assigned fund balance was \$35,511,437, an increase of \$16,027,690 from fiscal year 2020. The County utilizes pay-as-you-go funds for capital project purposes and contributions to education projects.

Fund Balance – Unassigned

At June 30, 2021, the total unassigned fund balance of \$35,709,113 represented 17.4% of the fiscal year 2021 actual expenditures. The County Commissioners have acknowledged the importance of maintaining a reasonable reserve fund for emergency and contingency situations. The reserve fund has been relatively stable for fiscal years 2017-2021 with an additional \$1,457,876 funded and maintained in accordance with the County Reserve Policy. As of June 30, 2021, the unassigned General Fund amount includes the County reserve of \$20,432,100 or 10% of budgeted expenditures. The County Reserve Policy increased from 10% to 12% of budgeted expenditures per Resolution 21-24 adopted on November 2, 2021. The County funded an additional \$4,330,184 on November 30, 2021 resulting in a reserve fund balance of \$25,981,106, or 12% of budgeted expenditures as of June 30, 2022.

Fiscal Year 2022 and 2023 Budgets*Fiscal Year 2022 Budget*

The approved fiscal year 2022 operating budget totaled \$216,509,211 and was supported by the real property tax rate of \$0.845 per \$100 of assessed value and the personal property tax rate of \$2.1125 per \$100 of assessed value. Incorporated areas have their own real property tax rates which are adopted in their respective budgets. Fiscal year 2022 represents the sixth consecutive year of increasing real property assessments in the County. The local income tax rate remained stable at 2.25% in fiscal year 2022. The fiscal year 2022 budget was developed to proactively address one-time capital and operating expenses that had been previously deferred due to prior years' budget constraints. Budget decisions were based upon current and historical data.

Fiscal Year 2022 Revenues

The fiscal year 2022, the operating budget increased \$12,188,580 or 6% more than the fiscal year 2021 budget. The real property tax rate of \$0.845 per \$100 of assessed value combined with assessment increases resulted in an increase of net property taxes by \$3.3 million over fiscal year 2021 budgeted amounts. Income tax revenue estimates increased by \$3.5 million based on prior year actuals and then-current estimates for net taxable income. Uncertainty attributable to the COVID-19 pandemic yielded a few positives for the County including the desire of many travelers to get away from urban areas combined with the allure of being a “drive to” beach destination for many Mid-Atlantic residents. Other local taxes budget increased by \$3,380,000 primarily due to an estimated increase of \$2.0 million in recordation taxes and \$1.5 million in transfer taxes, as the real estate market was budgeted to sustain active levels. State shared revenue increased by \$705,148 due mainly to an increase of \$657,635 in 911 due to the increase in the local fee of \$0.75 for a total of \$1.50 for each accessible service line which became effective July 1, 2021. This revenue partially funds the operations of the 911 Center. The Charges for Services budget decreased by \$2,608,475 with an estimated decrease of \$2.5 million as the most significant change due to the reduction in Jail use fees for holding a reduced number of Immigration and Customs Enforcement (ICE) detainees. The Interest Income budget decreased by \$650,000 based upon projected market rates of return. State Grants decreased by \$939,071 primarily due to the elimination of State Aid for Bridges which was only requested in the prior year. The County budgeted to utilize casino/local impact grant and table game funds totaling \$3,857,893 for the debt payment for the Worcester Career and Technical High School in fiscal year 2022 and public safety expenditures to benefit the County. Fiscal year 2021 surplus was earmarked to fund \$4,325,935 of expenditures in fiscal year 2022, including the purchase of vehicles and equipment for \$1,210,260, supplemental funding for 10 EMS companies for \$1,006,859, and \$2,108,816 for operating expenses.

Fiscal Year 2022 Expenditures

The fiscal year 2022 operating budget increase from the prior year included increases in budget expenses to most departments and agencies primarily due to needed capital and equipment purchases and salary increases for County employees. Competitive bidding for medical and pharmacy renewals in the annual plan resulted in a 0.3% reduction with an enhancement to shift retirees over 65 on Medicare programs to the CareFirst Medicare Advantage PPO plan which became effective January 1, 2022. The plan changes were anticipated to generate a significant one-time decrease to the County’s OPEB trust(s) liability. Debt service was budgeted to decrease by \$247,737 over the prior year due to the payoff of a 2004 Maryland Department of the Environment loan (through the Maryland Water Quality Financing Administration) for a total fiscal year 2022 debt budget of \$13.6 million. The other post-employment benefits (OPEB), which are primarily long term healthcare benefits for County employees, included a General Fund transfer that was budgeted to be funded at \$11.1 million in total, an increase of \$3.0 million from the prior fiscal year.

The Board of Education fiscal year 2022 operating budget was increased by \$2,390,982 above the fiscal year 2021 budget in accordance with the State-mandated Maintenance of Effort (MOE) funding requirement. The State of Maryland requires local governments to spend as much on school operating budgets on a per-pupil base as they did the prior fiscal year. In fiscal year 2022 the required MOE level increased by \$2,349,829 and necessitated a 2.5% increase in funding to meet the MOE escalator provision which took effect in fiscal year 2015. In fiscal year 2022 the full-time equivalent enrollment calculation was based on September 20, 2019 figures in order to comply with a State law that was enacted to account for student enrollment decreases that may have occurred due to COVID-19 pandemic. The additional budget increase covered school salary account increases.

There were no budget amendments in fiscal year 2021 or fiscal year 2022.

Fiscal Year 2023 Budget

The approved fiscal year 2023 operating budget totals \$226,916,778. This reflects a 5% increase from fiscal year 2022. The fiscal year 2023 budget maintains the real property tax rate of \$0.845 per \$100 of assessed value and the County’s local income tax rate of 2.25%. The County’s personal property tax rate has remained the same. Salary accounts increased to include a 4% cost of living adjustment (COLA), a step increase and longevity pay for those County employees who are eligible. Budget decisions were based upon then-current and projected trends along with anticipated fiscal year 2022 revenue surplus.

Impact of COVID-19 on the County

The pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of the coronavirus during fiscal year 2020, has not had a materially adverse effect on the County's financial position in fiscal years 2021 or 2022. County revenues from property taxes and income taxes are estimated to total 82.4% of the budgeted revenues of the County for fiscal year 2022 and constituted 76.4% and 81.4% of actual revenues of the County for fiscal years 2021 and 2020, respectively. During the COVID-19 pandemic, County revenues from local property taxes increased from \$142.6 million in fiscal year 2020 to \$146.7 million in fiscal year 2021 and income tax revenue increased from \$28.9 million in fiscal year 2020 to \$35.8 million in fiscal year 2021. The County's actual revenue from property taxes and income taxes exceeded the budgeted amount in fiscal years 2020 and 2021. For fiscal year 2022 the County budgeted \$148 million for property taxes and \$30 million for income taxes. Based on current estimates property taxes are tracking slightly above the budgeted amount and income taxes are anticipated to exceed budgeted amounts by a notable margin. Based on the positive performance to date the County is expected to realize another operating surplus for fiscal year 2022. Almost no COVID-19 impact or decrease in income taxes is anticipated for fiscal year 2023.

COVID-19 Funding

In fiscal year 2021, the County recognized \$14.5 million of COVID-19 pandemic relief funding from federal, State and other sources, including \$4.6 million under the Coronavirus Aid, Relief, and Economic Security Act, and \$9 million in hotel, restaurant, and small business relief from Maryland Department of Commerce. The hotel/restaurant and small business relief funding were pass-throughs and \$1.1 million was also a pass-through to municipalities and the Ocean Pines association. The County received the first disbursement of approximately \$5 million in American Rescue Plan Act ("ARPA") funds in June 2021. No portion of the first tranche of ARPA funding was spent in June 2021 and the revenue was deferred to fiscal year 2022. The second tranche of approximately \$5 million was received on June 13, 2022. In fiscal year 2022, \$119,080 was expended. To date, \$8.5 million of the approximately \$10 million in ARPA funds has been obligated. In fiscal year 2022, the County also received \$6.5 million for the American Rescue Plan Act Emergency Rental Assistance Program.

In fiscal year 2021, the County incurred approximately \$14.7 million in COVID-19 pandemic related expenses. The County incurred an estimated \$5.9 million in COVID-19 pandemic related expenses in fiscal year 2022. The County has used the majority of COVID-19 pandemic relief funds to offset COVID-19 pandemic related expenses, to fund direct assistance to impacted local businesses, and to fund rental assistance programs.

(The remainder of this page has been intentionally left blank.)

Taxes

Ad valorem property taxes, the County's largest source of tax revenues, were 71.7% of total tax revenues in fiscal year 2021 and 77.0% in fiscal year 2020. During the same period, income tax revenues as a percentage of all tax revenues were 17.4% of the total tax revenues in fiscal year 2021 and 15.6% in fiscal year 2020. The following table presents certain tax information for fiscal years 2017-2021.

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>General Property Taxes(1)</u>	<u>Local Income Taxes (1)</u>	<u>Local Other Taxes(2)</u>	<u>Prop Tax to total %</u>	<u>Income Tax to total %</u>
2021	\$204,856,539	\$147,020,697	\$35,824,894	\$22,010,948	71.77%	17.49%
2020	184,464,932	142,030,348	28,891,384	13,543,200	77.00	15.66
2019	173,845,852	136,687,069	23,172,123	13,986,660	78.63	13.33
2018	185,629,116	132,813,479	22,260,250	30,555,387	71.55	11.99
2017	183,208,111	130,179,520	22,891,694	30,136,897	71.06	12.49

Source: Worcester County Treasurer's Office.

Notes: (1) Includes payment in lieu of taxes, additions and abateements, interest on taxes, discounts on taxes and tax credits for the elderly and disabled.

(2) Includes recordation taxes, transfer taxes, room taxes and other local taxes. In fiscal year 2019 the pass through room and food taxes were moved to agency funds.

General Property Taxes

The assessment of all real and tangible personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessment and Taxation, an independent state agency. Assessment records and tax rolls are maintained in each county seat and in Baltimore City. Real property is valued and assessed at 100% of market value ("full cash value"). Property tax rates applicable to personal property and operating real property of public utilities are 2.5 times the tax rate for real property. The taxes for an owner-occupied primary residence may be paid in two installments; one by September 30 and one by December 31, although the real property tax may still be made as one payment. Under the two-installment payment plan, the County may add a service fee of up to 1.65% to the second payment of the tax bill.

Tangible personal property is assessed at cost, less 10% depreciation for each year held to a minimum of 25%. Manufacturing and commercial inventory of business is exempt from the County personal property tax. Public utility property is assessed at fair market value determined by reference to both income and property values.

The following tables set forth the assessed value of all taxable property in Worcester County for fiscal years 2017-2021 and the County and State real property tax rates applicable in each of those years. Assessed value of tax-exempt properties owned by federal, State and County governments, churches, schools, fraternal organizations, cemeteries, disabled veterans and the blind, aggregating approximately \$952,852,389 for the fiscal year 2021, is not included in the table. The County does not impose a different tax rate on property located within the incorporated municipalities in Worcester County. Under applicable law, there is no limit as to the total tax levy for property taxes set forth in the table. In the opinion of the County, the tax rate established by it for each fiscal year, when applied to the property subject thereto, is sufficient to provide revenues to discharge the County's obligations to pay principal and interest due on its outstanding general obligation indebtedness in each fiscal year.

<u>Assessable Base</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Real Property.....	\$16,388,942,205	\$15,965,833,845	\$15,544,751,018	\$15,207,948,042	\$14,825,676,056
Personal Property Individuals and Firms	13,561,690	16,109,633	15,702,611	15,928,910	18,977,901
Business Corporations and Utilities.....	<u>440,144,756</u>	<u>387,454,100</u>	<u>362,985,175</u>	<u>337,819,400</u>	<u>349,286,832</u>
Total	<u>\$16,842,648,651</u>	<u>\$16,369,397,578</u>	<u>\$15,923,438,804</u>	<u>\$15,561,696,352</u>	<u>\$15,193,940,789</u>
County Tax Rate – Real Property (per \$100 assessed value).....	\$0.845	\$0.845	\$0.835	\$0.835	\$0.835
State Tax Rate – Real Property (per \$100 assessed value).....	\$0.112	\$0.112	\$0.112	\$0.112	\$0.112

Source: Maryland Department of Assessments and Taxation.

ITEM 14

The fiscal year 2022 operating budget was based on an estimated assessable base of \$17,054,209,000 and a County real property tax rate of \$ 0.845 per \$100 of assessed value for both the incorporated and unincorporated areas of the County. The fiscal year 2023 operating budget was based on an estimated assessable base of \$17,582,250,000 and a County real property tax rate of \$ 0.845 per \$100 of assessed value for both the incorporated and unincorporated areas of the County.

County real property taxes are due and payable as of July 1. A discount of one-half of one percent is allowed in the month of July. Beginning October 1, an interest penalty of 1% per month is charged for each month or fraction thereof until paid. Delinquent taxes are collected in the year following their assessment. After two years of delinquency, a tax sale auction is held by the County Treasurer for either real or personal property taxes due.

The following table sets forth certain pertinent information with respect to the County's tax levies and tax collections for fiscal years 2012- 2021. This chart nets the Homestead Tax Credit with the total tax levy for each year. The Homestead Tax Credit limits the increase in taxable assessments on owner-occupied principal residences each year to a fixed percentage. For fiscal years 2021 – 2023 the fixed percentage was 3%.

Fiscal Year	Net Taxes Levied	Collection of Current Levy Amount	%	Collection of Delinquent Amount	Collection Total Amount	%
2021	\$146,705,516	\$143,244,884	97.64%	\$2,963,232	\$146,208,116	99.66%
2020	141,912,724	139,087,210	98.01	1,944,305	141,031,515	99.40
2019	136,104,204	133,114,537	97.80	3,145,394	136,259,931	100.11
2018	132,889,741	129,867,847	97.73	3,122,478	132,990,325	100.08
2017	130,113,435	127,089,001	97.68	3,093,229	130,182,230	100.05
2016	127,310,134	124,150,927	97.52	2,910,349	127,061,276	99.80
2015	116,946,415	113,877,415	97.38	2,913,774	116,791,189	99.87
2014	117,232,826	113,637,017	96.93	2,865,685	116,502,702	99.38
2013	120,978,969	118,039,082	97.57	2,668,186	120,707,268	99.78
2012	120,824,876	117,865,015	97.55	2,461,933	120,326,948	99.59

Source: Worcester County Treasurer's Office.

The 10 largest tax accounts in Worcester County for fiscal year 2021 ranked by assessed valuation are listed below:

Tax Account	Fiscal Year 2021 Assessed Value	% of Total Taxable Assessed Value
Delmarva Power.....	\$96,861,190	0.58%
Harrison Inn Stardust.....	67,738,100	0.40
Sun TRS Frontier LLC.....	44,289,933	0.26
Americana Stowaway Motel Inc.	42,462,867	0.25
Sandpiper Energy.....	37,614,220	0.22
91 st Street Joint Venture.....	36,122,700	0.21
Ocean Enterprise 589 LLC.....	35,963,300	0.21
Sun TRS Castaways LLC.....	35,945,133	0.21
Choptank Electric Cooperative	30,738,020	0.18
Ocean I Hospitality	28,612,433	0.17
Total.....	<u>456,347,896</u>	<u>2.71%</u>

Source: Worcester County Treasurer's Office.

State and Federal Financial Assistance

During fiscal year 2021, an aggregate of \$18,810,924 was received by the County from the State of Maryland and deposited in the County's General Fund. The largest single categorical source was \$9,693,706 of Other Grants relating to the COVID-19 pandemic.

The County recognized a total of \$6,177,053 in federal funds revenue for the County's fiscal year 2021 which included \$5,254,036 of CARES Act funds. Additionally, the County received \$5,077,000 in American Rescue Plan Act ("ARPA") funds in fiscal year 2021 which had not been spent as of June 30, 2021.

During fiscal year 2021, the Board of Education received \$30,285,512 in State and federal funds for operating and food expenses. The school system receives these funds directly.

During fiscal year 2022, the County received an estimated \$16 million in federal and State funds including \$5 million in Emergency Rental Assistance and approximately \$5 million for the second tranche ARPA funding.

Income Tax

The State imposes an income tax on the adjusted gross income of individuals for federal income tax purposes, subject to certain adjustments. Pursuant to State law, each county and Baltimore City must levy a local income tax at the rate of at least 1%, but not more than 3.20%, on the Maryland taxable income of individuals domiciled in their respective jurisdictions. The County currently levies a local income tax pursuant to the State law at the rate of 2.25% for calendar year 2022. The rate for calendar year 2021 was also 2.25%. The County does not levy a local income tax on corporations. In fiscal year 2021, Worcester County received \$35,824,894 in income tax revenues. The budgeted amount for fiscal year 2022 was \$30,000,000 and the budgeted amount for fiscal year 2023 is \$38,000,000.

Local Taxes and State-Shared Revenues

In addition to general property taxes and income taxes, the County levies and collects miscellaneous taxes, the largest of which are transfer and recordation taxes. Revenue from the transfer and recordation taxes in fiscal year 2021 was \$20,398,663. The County also receives revenues from taxes levied on admission and amusement charges, a room tax in unincorporated areas, room and food tax administrative fees, rental license fees and issuance of building and other permits and licenses. Revenues from these sources totaled \$1,612,285 in fiscal year 2021.

During fiscal year 2022, the County received estimated revenues of \$23.8 million for transfer and recordation taxes, and \$2.4 million in admission and amusement, room and food fees.

CERTAIN DEBT INFORMATION

Bonded Indebtedness of the County

Sections 19-501 to 19-510, inclusive, of the Local Government Article of the Annotated Code of Maryland allow the County to incur general obligation bonded indebtedness without the authorization of the General Assembly but subject to certain limitations. The County is also authorized to issue bonds for water, sewerage and solid waste facilities, and solid waste acceptance facilities under Sections 9-601 to 9-699, inclusive, of the Environment Article of the Annotated Code of Maryland. Such bonds are required to be self-supporting, but their repayment is also backed by the full faith and credit of the County.

Debt Service

As of June 30, 2021, Worcester County had outstanding six direct long-term General Fund debt obligations. The first, the 2004 MDE Water Quality Bond funded the cap and closure of the Pocomoke and Snow Hill Landfills, and various water and wastewater projects. References to MDE Water Quality Bonds in this section captioned "CERTAIN DEBT INFORMATION" are to general obligation bonds or notes issued by the County to the Maryland Water Quality Financing Administration ("MWQFA") to evidence loans from MWQFA. The second, the Correctional Officers Retirement System Pension Contribution Refunding Bonds, 2013 Series (Taxable), reimbursed the County for its prepayment of the outstanding balance of the County's new entrant liability to the Maryland State Retirement and Pension System with respect to the participation of the County's correctional officers in the Correctional Officers Retirement System. The third, the Consolidated Public Improvement Bonds, 2014 Series, funded the renovation of Snow Hill High School and financed various wastewater treatment plant upgrades for the Ocean Pines service area. The fourth, the Consolidated Public Improvement Bonds, 2015 Series A, funded the 800 MHz Emergency Services Radio System upgrades, Berlin Rubblefill cap and closure, portions of Central Landfill Cell Five, and Mystic Harbour water system interconnection and water tower painting. Proceeds of the fifth, the Consolidated Public Improvement Refunding Bonds, 2015 Series B, were used to refund a portion of the 2007 and 2008 Series bonds and pay off the loan used to fund the Ocean Pines Fire Protection System project. The sixth, the Consolidated Public Improvement Bonds, 2019 Series, funded various water and wastewater projects in the Ocean Pines and Riddle Farm service areas, Showell Elementary School building improvements, Stephen Decatur High School Turf Field, and portions of Landfill Cell Five. As of June 30, 2021, the County's long-term debt obligations were:

<u>Issue</u>	<u>Years of Maturity</u>	<u>General Fund Original Total Principal Amount</u>	<u>General Fund Principal Amount Outstanding as of 6/30/21</u>
2004 MDE Water Quality Bond.....	2005-2022	\$5,423,000	\$17,563
Correctional Officers Retirement System Pension Contribution Refunding Bonds, 2013 Series (Taxable).....	2013-2033	4,595,000	4,025,000
Consolidated Public Improvement Bonds, 2014 Series	2014-2029	43,000,000	25,745,000
Consolidated Public Improvement Bonds, 2015 Series A	2015-2030	8,760,000	6,775,915
Consolidated Public Improvement Refunding Bonds, 2015 Series B	2015-2026	25,050,000	13,610,000
Consolidated Public Improvement Bonds, 2019 Series	2019-2034	<u>34,080,000</u>	<u>32,500,000</u>
Total		<u>\$120,908,000</u>	<u>\$82,673,478*</u>

*This total does not include a commercial note on the former Liquor Control Department warehouse and administrative building totaling an outstanding balance as of June 30, 2021 of \$405,895 which matures in 2039.

Source: Worcester County Treasurer's Office.

(The remainder of this page has been intentionally left blank.)

ITEM 14

The schedules below present (i) the County's gross, direct, and overall net bonded debt as of June 30, 2021; (ii) the County's general obligation indebtedness as a percentage of assessed value and as an amount per capita and (iii) the annual debt service expenditures as a percentage of governmental fund type revenues.

WORCESTER COUNTY'S GROSS, DIRECT AND OVERALL NET BONDED DEBT AS OF JUNE 30, 2021

I. GROSS DEBT

Gross debt outstanding as of June 30, 2021	
County direct debt (1).....	\$82,673,478
Enterprise Fund Debt.....	<u>23,229,428</u>
GROSS BONDED INDEBTEDNESS (As of June 30, 2021).....	\$105,902,906

II. LESS SELF-SUPPORTING DEBT

Enterprise Fund Debt.....	\$23,229,428
TOTAL SELF SUPPORTING DEBT	<u>23,229,428</u>
NET DIRECT DEBT (as of June 30, 2021)	\$82,673,478

III. OVERLAPPING DEBT (2)

Town of Snow Hill	\$2,160,504
Town of Berlin	14,427,330
Ocean City	84,501,447
Pocomoke City.....	<u>5,972,468</u>
TOTAL OVERLAPPING DEBT	<u>107,061,749</u>
OVERALL NET DEBT	<u>\$189,735,227</u>

(1) Does not include the commercial note on the former Liquor Control Department warehouse and administrative building referenced in the footnote to the prior table.

(2) Reflects indebtedness incurred by incorporated towns within the County as of June 30, 2021. Overlapping debt is payable in whole or in part by taxpayers in the respective municipalities.

Source: Worcester County Treasurer's Office.

(The remainder of this page has been intentionally left blank.)

ITEM 14

The following table sets forth the County's debt per capita and ratios of debt to assessed value for the five most recent fiscal years ended June 30:

COUNTY'S GENERAL OBLIGATION INDEBTEDNESS AS A PERCENTAGE OF ASSESSED VALUE AND AS AN AMOUNT PER CAPITA

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Assessable Base</u>	<u>County Direct Bond Debt</u>	<u>Debt as a % of Assessed Value</u>	<u>Per Debt Capita</u>
2021.....	*	\$16,842,648,651	\$116,382,176	0.69%	\$2,218
2020.....	52,460	16,369,397,578	128,297,318	0.78	2,446
2019.....	51,823	15,923,438,805	140,296,178	0.88	2,707
2018.....	51,823	15,561,696,352	104,530,091	0.67	2,017
2017.....	51,690	15,193,940,789	113,427,514	0.75	2,194

*Information not yet available. Fiscal year 2021 bond debt per capita calculated using 2020 estimated population data.
Source: Worcester County Treasurer's Office.

ANNUAL DEBT SERVICE EXPENDITURES AS A PERCENTAGE OF GOVERNMENTAL FUND TYPE REVENUES

<u>Fiscal Year</u>	<u>Governmental Fund Revenue</u>	<u>Annual Debt Service Expenditure</u>	<u>Percentage</u>
2021.....	\$242,048,872	\$13,938,909	5.6%
2020.....	210,998,558	13,218,804	6.3
2019.....	198,788,784	11,632,432	5.9
2018.....	206,307,370	12,323,377	6.0
2017.....	201,978,265	11,940,710	5.9

Source: Worcester County Treasurer's Office.

Bonded Indebtedness of Incorporated Municipalities

Four incorporated municipalities of the County have outstanding bonded indebtedness totaling \$107,061,749 as of June 30, 2021. The County is not obligated to pay such debt or the interest thereon and neither the faith and credit nor taxing power of the County are pledged to the payment of principal of or interest on such indebtedness.

The following table presents the total principal amounts of outstanding bonds allocated to the Worcester County Enterprise Funds as of June 30, 2021. Such bonds are backed by the full faith and credit and unlimited taxing power of the County.

WORCESTER COUNTY, MARYLAND
BONDED INDEBTEDNESS OF THE ENTERPRISE FUNDS
AS OF JUNE 30, 2021

Water and Wastewater

Newark Sanitary Service Area

MDE Water Quality Bond: interest 1.1% due in semi-annual installments to 2029: Issued 2014.....	\$ 163,449
MDE Water Quality Bond: interest 0.4% due in semi-annual installments to 2060: Issued 2021	1,045,771
Total Newark Service Area Debt.....	<u>\$ 1,209,220</u>

Ocean Pines Sanitary Service Area

Consolidated Public Improvement Bonds, 2014 Series; interest 2.0% to 5.0% due in semi-annual installments to 2029: Issued 2014.....	\$3,180,000
MDE Water Quality Bond; interest at 0.4%; due in semi-annual installments to 2022.....	215,577
Consolidated Public Improvement Bonds, 2015 Series B; interest 2.125% to 4.0%; due in semi-annual installments to 2026: Issued 2015	1,065,000
Consolidated Public Improvement Bonds, 2019 Series; interest 3.0% to 5.0%; due in semi-annual installments to 2034: Issued 2019	2,476,319
Total Ocean Pines Sanitary Service Area Debt	<u>\$6,936,896</u>

Assateague Pointe Sanitary Service Area

Snug Harbor Sub-Area MDE Water Quality Loan Agreement, 2007; interest at 0.4%; due in semi-annual installments to 2026: Issued 2014	\$ 152,650
Total Assateague Point Sanitary Service Area Debt	<u>\$ 152,650</u>

Mystic Harbour Sanitary Service Area

USDA Loan; interest 1.5%; due in quarterly installments to 2060: Issued 2020	\$ 167,655
USDA Loan; interest 2.75%; due in quarterly installments to 2058: Issued 2018	2,335,635
USDA Loan; interest 2.25%; due in quarterly installments to 2056: Issued 2016	229,592
USDA Loan; interest 2.5%; due in quarterly installments to 2053: Issued 2013	2,483,314
USDA Loan; interest 2.0%; due in quarterly installments to 2052: Issued 2021	4,246,699
Consolidated Public Improvement Bonds, 2015 Series A; interest 3.0% to 5.0%; due in semi-annual installments to 2030 Issued 2019	943,588
Total Mystic Harbour Sanitary Service Area Debt	<u>\$10,406,483</u>

Riddle Farm Sanitary Service Area

Consolidated Public Improvement Bonds, 2019 Series; interest 3.0% to 5.0%; due in semi-annual installments to 2034: Issued 2019.....	\$205,167
Total Riddle Farm Sanitary Service Area Debt.....	<u>205,167</u>

Total Water and Wastewater Outstanding Bonds\$ 18,910,416

Solid Waste

Consolidated Public Improvement Bonds, 2015 Series A; interest 3.0% to 5.0%; due in semi-annual installments to 2030: Issued 2015	\$1,575,498
Consolidated Public Improvement Bonds, 2019 Series; interest 3.0% to 5.0%; due in semi-annual installments to 2034: Issued 2019	<u>2,743,514</u>
Total Department of Solid Waste Outstanding Bonds	<u>\$4,319,012</u>

Total Enterprise Fund Debt..... **\$23,229,428**

(1) References to MDE Water Quality Bonds are to general obligation bonds or notes issued by the County to the Maryland Water Quality Financing Administration, which is part of the Maryland Department of the Environment, and references to USDA Loans are to general obligation bonds or notes issued by the County to the United States of America through programs administered by the United States Department of Agriculture. All such bonds are payable in the first instance from certain enterprise funds, to the extent moneys are available for such purpose, but are backed by a pledge of the County's full faith and credit and unlimited taxing power.

Source: Worcester County Treasurer's Office.

Pay As You Go Funding

The County has consistently used a plan of "pay-as-you-go" funding. Under the pay-as-you-go approach, the County funds the construction of certain capital projects by appropriation of revenues from the current funds of the County. Pay-go funds expended in fiscal years 2017-2021 were as follows:

Fiscal Year	Expended "Pay-As-You-Go" Funds
2021	\$3,586,456
2020	2,858,033
2019	5,815,148
2018	7,186,896
2017	2,793,172

Source: Worcester County Commissioners' Office.

Through use of pay-as-you-go funding, the County has sought to reduce the aggregate amount of general obligation indebtedness issued to finance the construction of capital projects, thereby eliminating interest expense with respect to projects funded in such manner. The estimated pay-go amount for fiscal year 2022 was \$5,505,826.

(The remainder of this page has been intentionally left blank.)

ITEM 14

Future Plans to Issue County Debt

The most recently adopted Capital Improvement Plan covers the period from fiscal year 2023-2027 and includes jail improvements, sports complex, broadband infrastructure, public safety building, and other miscellaneous projects. The following chart summarizes the Capital Improvement Plan. The Capital Improvement Plan is subject to adjustment on a year-to-year basis.

	Capital Improvement Program				
	2023	2024	2025	2026	2027
Project Category:					
General Government	\$17,433,333	\$21,947,967	\$21,412,968	\$ 0	\$ 0
Public Safety	8,852,610	5,500,000	17,250,000	15,250,000	0
Public Works	6,493,000	9,530,000	4,200,000	2,070,000	2,630,000
Recreation & Parks.....	13,987,930	9,811,000	0	0	0
Public Schools	7,004,481	5,050,523	1,564,969	2,974,195	24,211,624
Community College	416,777	0	150,885	2,471,640	107,775
Total Budget.....	<u>\$54,188,131</u>	<u>\$51,839,490</u>	<u>\$44,578,822</u>	<u>\$ 22,765,835</u>	<u>\$ 26,949,399</u>
Source of Funds:					
General Fund.....	1,530,000	2,650,000	1,500,000	1,837,244	2,470,996
User Fees	620,000	400,000	400,000	0	0
Grant Funds.....	18,579,433	28,535,333	17,333,334	0	0
State Match.....	0	3,711,000	1,700,000	921,000	5,573,000
State Loan.....	2,100,000	1,300,000	200,000	0	0
Assigned Funds	3,659,150	4,589,157	2,637,519	250,000	0
Private Donation.....	1,000,000	0	0	0	0
Enterprise Bonds	0	4,600,000	2,100,000	570,000	1,130,000
General Bonds	26,192,548	6,054,000	18,707,969	19,187,591	17,775,403
ARPA Funds	507,000	0	0	0	0
Total	<u>\$ 54,188,131</u>	<u>\$ 51,839,490</u>	<u>\$ 44,578,822</u>	<u>\$ 22,765,835</u>	<u>\$ 26,949,399</u>

Source: Worcester County Commissioners' Office.

(The remainder of this page has been intentionally left blank.)

WORCESTER COUNTY, MARYLAND
SUMMARY OF GROSS DEBT SERVICE REQUIREMENTS TO MATURITY
AS OF JUNE 30, 2021

Fiscal Year	General Fund Outstanding Debt Service (1)		Enterprise Fund Outstanding Debt Service		Total Outstanding Debt Service		
	Principal	Interest	Principal	Interest	Principal	Interest	Total(2)
2022	\$10,427,803	\$3,292,967	\$1,500,098	\$734,789	\$11,927,901	\$4,027,756	\$15,955,657
2023	10,869,332	2,811,849	1,337,063	662,402	12,206,395	3,474,251	15,680,646
2024	8,792,509	2,373,065	1,389,479	605,942	10,181,988	2,979,007	13,160,995
2025	6,011,660	2,029,616	1,441,412	548,964	7,453,072	2,578,580	10,031,652
2026	6,304,898	1,740,767	1,501,818	492,629	7,806,716	2,233,396	10,040,112
2027	6,617,227	1,501,953	1,360,707	443,140	7,977,934	1,945,093	9,923,027
2028	6,901,475	1,254,339	1,362,523	397,154	8,263,998	1,651,493	9,915,491
2029	7,197,643	994,687	1,422,896	350,257	8,620,539	1,344,944	9,965,483
2030	3,627,905	718,835	972,722	299,654	4,600,627	1,018,489	5,619,116
2031	3,798,205	555,856	1,003,893	263,917	4,802,098	819,773	5,621,871
2032	3,129,887	411,071	733,701	233,828	3,863,588	644,899	4,508,487
2033	3,255,924	286,264	759,618	209,311	4,015,542	495,575	4,511,117
2034	2,972,004	156,083	785,524	184,005	3,757,528	340,088	4,097,616
2035	3,073,130	50,383	796,566	160,563	3,869,696	210,946	4,080,642
2036	29,302	3,536	302,615	147,014	331,917	150,550	482,467
2037	30,523	2,314	309,068	140,561	339,591	142,875	482,466
2038	31,795	1,042	315,538	134,091	347,333	135,133	482,466
2039	8,151	58	322,158	127,471	330,309	127,529	457,838
2040	-	-	328,818	120,812	328,818	120,812	449,630
2041	-	-	335,859	113,770	335,859	113,770	449,629
2042	-	-	342,950	106,679	342,950	106,679	449,629
2043	-	-	350,206	99,424	350,206	99,424	449,630
2044	-	-	357,537	92,093	357,537	92,093	449,630
2045	-	-	365,225	84,405	365,225	84,405	449,630
2046	-	-	372,998	76,631	372,998	76,631	449,629
2047	-	-	380,953	68,677	380,953	68,677	449,630
2048	-	-	389,022	60,608	389,022	60,608	449,630
2049	-	-	397,421	52,209	397,421	52,209	449,630
2050	-	-	405,945	43,684	405,945	43,684	449,629
2051	-	-	414,668	34,961	414,668	34,961	449,629
2052	-	-	386,096	26,445	386,096	26,445	412,541
2053	-	-	209,835	18,437	209,835	18,437	228,272
2054	-	-	164,040	13,685	164,040	13,685	177,725
2055	-	-	106,678	9,726	106,678	9,726	116,404
2056	-	-	109,512	6,892	109,512	6,892	116,404
2057	-	-	102,877	4,027	102,877	4,027	106,904
2058	-	-	77,897	1,194	77,897	1,194	79,091
2059	-	-	6,884	201	6,884	201	7,085
2060	-	-	5,600	68	5,600	68	5,668
2061	-	-	1,008	6	1,008	6	1,014
Totals	\$ 83,079,373	\$18,184,685	\$23,229,428	\$7,170,326	\$106,308,801	\$25,355,011	\$131,663,812

Source: Worcester County Treasurer's Office.

(1) Includes commercial note on the former Liquor Control Department warehouse and administrative building with an outstanding balance as of June 30, 2021 of \$405,895 which matures in 2039.

(2) Total might not add due to rounding.

**WORCESTER COUNTY, MARYLAND
DEBT SERVICE REQUIREMENTS TO MATURITY
AS ADJUSTED TO REFLECT ISSUANCE OF THE BONDS**

Fiscal Year	Total Other Debt Service (1)*	Consolidated Public Improvement Bonds, 2022 Series*		Adjusted Total Debt Service (1)
		Principal	Interest (2)	
2022	\$15,955,657	\$0	\$0	\$15,955,657
2023	15,680,646	0	0	15,680,646
2024	13,160,995	1,090,000	1,646,517	15,897,512
2025	10,031,652	1,395,000	1,341,875	12,768,527
2026	10,040,112	1,465,000	1,270,375	12,775,487
2027	9,923,027	1,535,000	1,195,375	12,653,402
2028	9,915,491	1,620,000	1,116,500	12,651,991
2029	9,965,483	1,700,000	1,033,500	12,698,983
2030	5,619,116	1,785,000	946,375	8,350,491
2031	5,621,871	1,875,000	854,875	8,351,746
2032	4,508,487	1,975,000	758,625	7,242,112
2033	4,511,117	2,080,000	657,250	7,248,367
2034	4,097,616	2,185,000	550,625	6,833,241
2035	4,080,642	2,295,000	438,625	6,814,267
2036	482,467	2,415,000	320,875	3,218,342
2037	482,466	2,540,000	197,000	3,219,466
2038	482,466	2,670,000	66,750	3,219,216
2039	457,838	0	0	457,838
2040	449,630	0	0	449,630
2041	449,629	0	0	449,629
2042	449,629	0	0	449,629
2043	449,630	0	0	449,630
2044	449,630	0	0	449,630
2045	449,630	0	0	449,630
2046	449,629	0	0	449,629
2047	449,630	0	0	449,630
2048	449,630	0	0	449,630
2049	449,630	0	0	449,630
2050	449,629	0	0	449,629
2051	449,629	0	0	449,629
2052	412,541	0	0	412,541
2053	228,272	0	0	228,272
2054	177,725	0	0	177,725
2055	116,404	0	0	116,404
2056	116,404	0	0	116,404
2057	106,904	0	0	106,904
2058	79,091	0	0	79,091
2059	7,085	0	0	7,085
2060	5,668	0	0	5,668
2061	1,014	0	0	1,014
Total	<u>\$131,663,812</u>	<u>\$28,625,000</u>	<u>\$12,395,142</u>	<u>\$172,683,954</u>

*Preliminary, subject to change.

(1) Totals may not add due to rounding.

(2) Interest rates at 5.000%.

Source: Worcester County Treasurer's Office and Davenport & Company LLC.

**WORCESTER COUNTY
RAPIDITY OF PRINCIPAL BOND REPAYMENT*
(EXCLUDING THIS ISSUE)
AS OF JUNE 30, 2021**

<u>Number of Years</u>	<u>Principal Retired</u>	<u>Percent of Debt Retired</u>
5.....	\$ 49,576,073	46.6%
10.....	83,841,268	78.9%
15.....	99,679,539	93.8%
40.....	106,308,799	100.0%

Source: Worcester County Treasurer's Office.

*This schedule includes bonds and notes evidencing water and wastewater loans from MWQFA and USDA ranging from 30 to 40 year terms. The remaining County debt portfolio retires in 15 years or less. Includes commercial note on the former Liquor Control Department warehouse and administrative building with an outstanding balance as of June 30, 2021 of \$405,895 which matures in 2039.

CERTAIN ECONOMIC AND DEMOGRAPHIC FACTORS

Population of the County and Municipalities

During the period from 1960 to 2020, the population of the County has increased approximately 121% as reflected in the following table:

County Population

1960	23,733
1970	24,442
1980	30,889
1990	35,028
2000	46,543
2010	51,454
2020	52,460

<u>Age</u>	<u>Population by Selected Age Groups</u>						
	<u>2000</u>	<u>%</u>	<u>2010</u>	<u>%</u>	<u>2020*</u>	<u>2030*</u>	<u>2040*</u>
0-4.....	2,273	4.9%	2,324	4.5%	2,206	2,546	2,671
5-19.....	8,121	17.4	8,048	15.6	7,788	8,139	9,208
20-44.....	14,301	30.7	12,923	25.1	12,399	13,854	14,572
45-64.....	12,497	26.9	16,198	31.5	15,857	15,438	15,080
65+.....	9,351	20.1	11,961	23.3	14,251	15,976	19,274
Total.....	<u>46,543</u>	<u>100.0%</u>	<u>51,454</u>	<u>100.0%</u>	<u>52,501</u>	<u>57,145</u>	<u>60,805</u>

Sources: Total population figures for the period 2000 through 2010 were obtained from the U.S. Census Bureau.

*Projections prepared by the Maryland Department of Planning, Planning Data Services.

The following table sets forth the County's four incorporated municipalities and their populations for the years 2010 and 2020:

<u>Municipalities</u>	<u>2010</u>	<u>2020</u>
Berlin	4,485	5,026
Ocean City	7,102	6,844
Pocomoke City.....	4,184	4,295
Snow Hill	2,103	2,156

Source: U.S. Census Bureau.

Education

The following table sets forth the years of school completed by persons 25 years and older as a percentage of the population described in the 2020 Census for Ocean City, Worcester County, the three contiguous Eastern Shore counties and the State.

	<u>Ocean City</u>	<u>Dorchester</u>	<u>Somerset</u>	<u>Wicomico</u>	<u>Worcester</u>	<u>State</u>
Elementary (grades K-8).....	3.5%	3.5%	4.2%	4.1%	2.2%	3.9%
High School						
1–3 years.....	6.0	9.5	12.3	8.2	5.5	5.6
4 years.....	26.2	38.4	37.1	33.1	30.8	24.2
College						
No degree.....	22.0	22.0	23.0	19.3	23.3	18.7
Associate degree.....	10.9	6.7	7.7	7.3	8.3	6.8
Bachelor’s degree.....	20.3	11.6	10.8	16.3	18.7	21.8
Graduate/Professional degree.....	11.0	8.2	5.0	11.7	11.1	19.1

Source: Table DP02 - Educational Attainment. U.S. Census Bureau, 2020. 2016-2020 American Community Survey, American Fact Finder.

Survey results of the number of high school students from Worcester County and the three other contiguous Eastern Shore counties and the State of Maryland who graduated in 2021, as a percentage of their ninth grade enrollment, four grades earlier, are represented below:

Dorchester County	80.06%
Somerset County	75.00
Wicomico County	83.11
Worcester County	91.71
State of Maryland	87.20

Source: Maryland Report Card 2021 Performance Report.4-Year Adjusted Cohort. Maryland State Department of Education.

Personal Income

A comparison of Worcester County and State of Maryland personal income is presented in the following table:

<u>Calendar Year</u>	<u>Personal Income (\$000's)</u>		<u>Percent Change from Previous Year</u>	
	<u>Worcester County</u>	<u>State of Maryland</u>	<u>Worcester County</u>	<u>State of Maryland</u>
2020	\$3,137,940	\$404,520.7	6.2%	6.1%
2019	2,954,605	381,396.7	1.4	2.5
2018	2,912,768	372,196.9	0.9	2.8
2017	2,884,361	361,776.7	3.6	3.2
2016	2,783,905	350,384.4	-0.5	3.7

Source: Bureau of Economic Analysis, November 16, 2021 – new statistics for 2020; revised statistics for 1998-2019.

Retail Sales – Attributable to Tourism

Utilizing adjusted sales and use tax attributable to tourism as an indicator for retail sales, retail sales experienced an increase between fiscal years 2021 and 2022. Listed below is a comparison of the experience of Worcester County, the three contiguous Eastern Shore counties and the State of Maryland.

SALES AND USE TAX COLLECTIONS – ATTRIBUTABLE TO TOURISM

	<u>2022</u>	<u>2021</u>	<u>Percent Increase</u>
Dorchester County.....	\$ 22,179,196	\$ 14,735,384	50.5%
Somerset County	5,162,736	3,039,297	69.8
Wicomico County.....	86,819,230	61,546,992	41.1
Worcester County.....	141,243,730	76,506,538	84.6
State of Maryland	7,013,068,954	4,548,722,729	54.2

Source: Comptroller's Revenue Accounting Division Sales and Use Tax by County by Subdivision and Principal Business Activity, Fiscal Year 2021-2022.

Related Industrial, Employment and Labor Figures

Statistics relating to the distribution of employment by industry classification within the County are presented below:

BUSINESS AND INDUSTRIAL COMPOSITION

<u>Classification</u>	<u>Annual Average Employment</u>	<u>Percentages</u>
Manufacturing	701	3.1%
Construction	1,132	5.1
Natural Resources and Mining	77	0.4
Trade, Transportation and Utilities	3,896	17.6
Information	99	0.5
Financial Activities	1,135	5.1
Professional and Business Services	1,626	7.3
Education and Health Services	2,370	10.7
Leisure and Hospitality	7,137	32.4
Other Services	624	2.8
Government	<u>3,220</u>	<u>14.6</u>
Total	<u>22,021</u>	<u>100.0%</u>

(1) Totals may not add due to rounding.

Source: Maryland Department of Labor, Office of Workforce Information and Performance (OWIP), Employment and Wages, 2020 Annual Averages.

Unemployment

The number of persons living in the County who were available for work and composed the County labor force numbered 26,174 in June 2022 and the total employment of this force was 24,666 resulting in an unemployment rate of 9.0% for this period. Certain comparative unemployment rates are given below for June 2022:

Dorchester County	4.9%
Somerset County	6.7
Wicomico County	5.2
Worcester County	5.8
State of Maryland.....	4.7

Source: Maryland Department of Labor, Office of Workforce Information and Performance (OWIP), Local Area Unemployment Statistics (LAUS). Bureau of Labor Statistics.

ITEM 14

The following table presents annual average unemployment figures for the five most recent calendar years for Worcester County, the three contiguous Maryland Eastern Shore counties, the State of Maryland, and the United States.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Dorchester County.....	5.6%	6.6%	4.4%	4.8%	5.5%
Somerset County	7.6	8.4	6.0	6.5	6.6
Wicomico County.....	6.1	7.6	4.5	4.9	5.5
Worcester County.....	8.2	11.6	7.2	7.5	8.2
State of Maryland	5.8	6.7	3.4	3.6	4.0
United States ⁽¹⁾	5.3	8.1	3.7	3.9	4.4

Source: Maryland Department of Labor, Office of Workforce Information and Performance (OWIP), Local Area Unemployment Statistics (LAUS) - Workforce Information & Performance – Annual County Data.

(1) Bureau of Labor Statistics.

The 10 leading private sector employers located in the County as of June 30, 2021 are:

<u>Employer</u>	<u>Employees</u>	<u>Type of Business</u>
Harrison Group.....	1,235	Hotels/Restaurants
Town of Ocean City.....	1,200	Government
Worcester County Board of Education	1,194	Education
Atlantic General Hospital	960	Hospital
Worcester County Government	658	Government
Wal-Mart Super Center.....	505	Retail
O.C. Seacrets	500	Restaurant
Bayshore Development.....	350	Hotel/Motel/Amusement Parks
Carousel Resort Hotel & Condominiums	325	Hotel and Condominiums
Ocean Downs.....	286	Casino/Harness Racing Track/Restaurant

Source: Worcester County Economic Development Department and Maryland Department of Commerce.

WORCESTER COUNTY LABOR FORCE AND EMPLOYMENT

Labor force status for persons 16 years old and older for certain calendar years are as follows:

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020*</u>	<u>2030*</u>	<u>2040*</u>
Labor Force:						
Total Population 16+	28,094	38,103	43,270	45,130	49,260	52,040
In Labor Force.....	18,211	23,122	26,050	26,060	27,380	29,210
% in Labor Force.....	64.8%	60.7%	60.2%	57.4%	55.6%	56.1%
Male Population 16+	13,127	18,394	20,846	21,570	23,290	24,470
In Labor Force.....	9,557	12,313	13,570	13,440	14,110	14,640
% in Labor Force.....	72.8%	66.9%	65.1%	62.3%	60.5%	59.8%
Female Population 16+.....	14,967	19,709	22,428	23,560	25,970	27,570
In Labor Force.....	8,654	10,809	12,480	12,620	13,270	14,570
% in Labor Force.....	57.8%	54.8%	55.6%	53.5%	51.1%	52.8%

Sources: U.S. Census Bureau.

*Projections prepared by Maryland Department of Planning, Planning Data Services.

Economic Development

The mission of the Worcester County Economic Development (WCED) office is to promote business investment in the County's economy that results in increasing tax revenue and jobs. The significant drivers of the Worcester County economy are agriculture, which includes the poultry industry, and tourism. WCED works with the municipalities of Ocean City, Berlin, Snow Hill, and Pocomoke to encourage quality development opportunities. The average unemployment rate for the County has steadily decreased and Worcester County is rated number one in Maryland for attracting in-State wealth re-location.

There are numerous industrially zoned sites in Worcester County ranging from one to 125 acres in area. The County has three State Enterprise Zones in Berlin, Pocomoke City, and Snow Hill. The entire County is a SBA Certified HubZone, which makes the County attractive for businesses that engage in U.S. government contracts. Three Opportunity Zones have been designated in the County pursuant to the 2017 Tax Cuts and Job Act by the U.S. Treasury.

Agriculture is a significant driver of the economy for Worcester County. The County covers an area of 302,879 acres, of which 70% is currently zoned for agriculture. Of the land in Worcester County, 99,304 acres are actively engaged in farming. By far, the largest sector of agriculture in the County is the poultry industry. Poultry and poultry products account for approximately 74% of the total farm sales making Worcester County the second leading poultry producer in the State. According to the most recent National Agriculture Statistics Service census, Worcester County is ranked #23 leading county in the United States for poultry production with \$147,906,000 in farm sales of poultry products.

Worcester County ranked fifth for total corn crop production and sixth for soybean production among Maryland counties in 2012.

The Census of Agriculture and National Agricultural Statistics Service reported 374 farms certified in 2012 according to what was planted in their field, since certified farm reporting is completed every five years.

The 2017 profile for production averages includes soybeans at 47 bushels per acre, 165.3 bushels per acre for corn and 59 bushels per acre for winter wheat. According to the normal crop acreage in 2017, the amount of crops harvested was as follows:

<u>Crop</u>	<u>Acres</u>
Corn.....	33,400
Soybeans.....	36,200
Winter Wheat.....	11,300

Source: http://www.nass.usda.gov/statistics_by_State/Maryland/county_profiles/2017/Worcester.pdf
(1) 2016 Statistic

Construction Activity

Construction activity in Worcester County is indicated by the following statistics:

BUILDING PERMITS

<u>Year Ending Dec. 31</u>	<u>Residential New Construction Permits</u>		<u>Other Building Permits</u>		<u>Total(1)</u>	
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
2021	239	\$67,004,894	1,052	\$33,042,845	1,291	\$100,047,739
2020	194	45,913,055	929	27,580,471	1,123	73,493,526
2019	183	41,214,343	939	41,090,828	1,122	82,305,171
2018	169	35,532,328	885	68,172,427	1,054	103,704,755
2017	165	35,505,274	937	72,066,058	1,102	107,571,332

(1) Totals are compiled on an annual basis (January through December). Totals reflect all unincorporated areas within the County. The County is not responsible for building permits in any of the incorporated municipalities.
Source: Worcester County Development Review and Permitting Department.

Housing

There were 1,291 building permits issued by the County in calendar year 2021, representing a total of \$100,047,739 in new construction in Worcester County. Of the 169 new residential construction permits issued, 133 were for individual single-family homes, with the balance being comprised of a mix of two-family, multi-family, manufactured and mobile home units. These dwelling units represent an estimated construction value of \$35,532,328.

Development

Construction of new residential units increased by 23.2% in calendar year 2021 over calendar year 2020 figures while the value of those units increased by 45.9%.

Residential construction activity may increase in the coming year(s) as existing lots in the River Run and Bayside Landings subdivisions are built upon. Within the Glen Riddle subdivision, single-family lots are nearing build out. Multi-family and townhouse units are under construction in West Ocean City and Ocean Pines, with a 30-unit subdivision near Ocean Pines currently under construction.

Commercial development is growing, particularly in the northern end of Worcester County which continues to see robust tourist demand. In Ocean Pines, the last building within the 122,000 square foot medical complex associated with Tidal Health has recently been completed, with the first building opening approximately six years ago. Ground has broken for an additional over 50,000 square foot medical facility in the Ocean Pines area associated with Atlantic General Hospital. It is anticipated that retail and assisted living facilities will be constructed on an adjacent property. The Ocean Downs Casino constructed a 53,000 square foot expansion project and incorporated table games to complement existing casino games. Legislative amendments, both at the State and local levels, have enabled the casino to begin developing a concept for a casino entertainment district which would allow hotel, restaurant, retail or service establishments, and other entertainment-related facilities to be constructed on the property to complement the gaming facility. Within the Route 50 corridor, development has been expanding, particularly along the service road (Samuel Bowen Boulevard). As the property surrounding Wal-Mart is designated for growth, the County developed a public-private partnership to provide water and sewer service for commercially zoned property and it is now operational. The partnership allows a private entity to construct the infrastructure in exchange for the opportunity to sell equivalent dwelling units (EDUs) to developers and retailers. As a result, there has been commercial infill of the remaining tenant spaces and outlets of the Ocean Landings I and II developments with retail services, professional offices, a grocery store (Aldi) and a carwash which is currently under construction. Additionally, a gas station with convenience store and car wash were recently constructed at the easterly end of the service road. Finally, several existing campgrounds have been redeveloped and expanded.

Recreation

County Recreation Programs

The Worcester County Department of Recreation & Parks offers a variety of programs and activities for adults and children throughout the County. Programs include youth leagues and clinics, after school programs, summer camps, adult fitness, adult leagues, drop-in programs, and a variety of special events. The Worcester County Recreation Center, located in Snow Hill, has a climate controlled, 47,000 square-foot multi-purpose fitness arena that was last expanded in 2016. The gymnasium includes a 520 seat arena, two multi-purpose courts and a four-lane walking track with a shock-absorbing cushioned floor. The addition in 2017 of two portable sport courts allows for up to six volleyball courts or four basketball courts within the existing building envelope. The Recreation Center is also equipped with shower facilities and locker rooms, which are free to the public. The 2016 addition added a multipurpose room, exercise and fitness rooms with lockers, restrooms and storage.

The Department maintains 13 public parks totaling 882 acres. Worcester County has four major parks: Newtown, John Walter Smith, Northern Worcester Athletic Complex and Showell, which provide a variety of athletic facilities such as tennis courts, volleyball courts, multi-purpose fields, basketball courts, baseball and softball fields as well as pavilions, picnic areas, exercise trails and playgrounds.

Worcester County also oversees four nature parks: Isle of Wight, Homer Gudelsky, Herring Creek, and Greys Creek which provides public access to the beach, fishing, crabbing, scenic wetlands, bird watching stations and hiking trails at the northern end of the County. In addition, the County oversees five small neighborhood parks: Bishopville, Newark, Stockton, Whaleyville, and Girdletree.

Public Boat Ramps

The County owns and operates nine public access boating facilities throughout the County. These ramps provide access to Massey Creek, Pocomoke River, five bays which include Chincoteague, Isle of Wight, Newport, Assawoman and Sinepuxent and the Ocean City inlet. Facilities at most ramps include boating piers, parking, permanent or portable restrooms, and a public pier and picnic pavilion at Public Landing. Public Landing holds 30 boat slips with electric and water access that are leased yearly. The West Ocean City Harbor accommodates eight commercial fishing slips owned and managed by the County.

Tourism - Ocean City

Tourism, Ocean City's main industry, continued to grow in each of fiscal years 2017-2021, except for during fiscal year 2020. The following pages provide more data on each of certain selected key indicators.

Seasonal Population and Tourism Development

Visitors to Ocean City are the lifeblood of Ocean City's economy and throughout the Town's history have been its reason for existence. Seasonal visitors to the resort have remained steady, with the exception of 2020 due to the pandemic, in part due to the proximity of the areas from which these visitors travel to reach Ocean City.

Ocean City experiences seasonal fluctuations in tourism. The tourism industry can be broken down into three classifications: (1) hotels, motels and condominium rentals, (2) restaurants and nightclubs, and (3) retail shops, the boardwalk and malls. It is estimated that more than eight million people visit the resort each year. Although the peak months are June, July and August, tourism is also strong in April, May, September and October. Depending on the weekend weather, these off-season weekends may average over 200,000 people while the summer populations may average over 300,000 every weekend in July and August with a peak of nearly 325,000 visitors on the July 4th weekend.

The Town has a boardwalk that runs parallel to the beach and is approximately three miles long. The boardwalk is used for strolling, cycling, and socializing, and provides access to the hotels, restaurants and shops that border the boardwalk and provide residents and visitors with accommodations, food, clothing, entertainment and souvenirs.

To accommodate the large number of visitors each year, approximately 110 hotels and motels, with 10,200 rooms, are located in Ocean City. Approximately one-third of these rooms remain open throughout the year. Additionally, approximately 31,000 condominium and apartment units are located in Ocean City; many of these units are rented daily, weekly or monthly.

Room tax revenues continue to see increases from year to year with the exception of fiscal year 2020 due to the pandemic. Worcester County ranks fifth in the State for tourism expenditures, behind Prince George's, Baltimore City, Montgomery and Anne Arundel Counties.

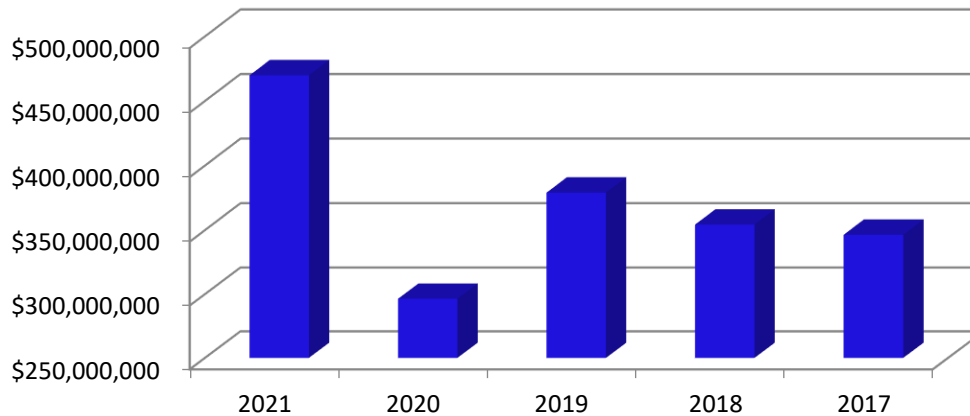
While the traditional summer travel season provides the largest impact on the economy, the non-peak season is important due to its attractiveness to the meeting and convention industry. Ocean City manages the operations of a 259,000 square foot convention center. The convention center contains an auditorium that can seat up to 6,000 people and has various meeting and exhibit rooms. The most recent addition to the facility includes a 1,200 seat Performing Arts Center that hosts theatrical, music, dance and concert performances. The convention center currently hosts a variety of events including conventions, tradeshow, local consumer shows and concerts that are not weather sensitive.

The phase III expansion of the convention center referred to as "Hall C" broke ground in May 2020 and was completed in January 2022. The expansion added 30,000 square feet of exhibit space that is connected to exhibit Halls A & B and includes a 15,000 square feet Bayfront Gallery overlooking the Isle of Wight Bay, an enhanced business center, and a new restroom addition on the upper level for the convenience of the 25 breakout rooms. The State of Maryland covered 60% of the \$37.5 million in project costs and the Town of Ocean City covered the balance. The expansion is expected to create over 500 new jobs.

HOTEL, MOTEL & CONDO RENTALS

The overall trend in hotel/motel/condo rentals continues its upward movement with the exception of 2020 due to the COVID-19 pandemic as shown in the following graph and table:

**OCEAN CITY ROOM SALES
HOTEL/MOTEL ROOM TAX COLLECTIONS - CALENDAR YEAR**



Source: Worcester County Treasurer's Office.

OCEAN CITY MONTHLY ANALYSIS OF HOTEL/MOTEL/CONDO ROOM RENTALS

	2021	2020	2019	2018	2017
January	\$ 3,051,180	\$ 4,362,360	\$ 3,901,800	\$ 4,154,641	\$ 4,094,835
February	3,637,740	3,770,660	4,651,756	4,411,178	4,747,936
March	8,648,020	1,914,180	7,845,267	6,854,687	6,292,427
April	20,491,080	116,880	11,113,956	10,368,108	10,839,633
May	34,637,340	8,538,660	32,911,133	29,721,391	28,904,568
June	89,278,320	60,584,380	66,201,889	64,525,020	61,988,065
July	111,672,700	82,419,660	100,327,644	94,992,321	93,389,354
August	109,345,080	73,306,940	91,574,927	84,502,803	79,249,193
September	54,089,560	41,424,220	40,032,200	34,234,154	33,958,689
October	21,234,920	11,938,580	12,541,356	11,320,576	10,376,893
November	8,611,940	4,812,120	4,304,600	4,706,633	8,611,485
December	5,153,220	3,230,260	3,594,356	4,444,444	3,900,810
Totals	<u>\$469,851,100</u>	<u>\$296,418,900</u>	<u>\$379,000,884</u>	<u>\$354,235,956</u>	<u>\$346,353,888</u>
% Change	36.9%	-27.9%	6.5%	2.2%	2.1%

Source: Worcester County Treasurer's Office.

**OCEAN CITY
CALENDAR YEAR ANNUAL ROOM REVENUES**

Below are the total room tax collections based on the 5% tax rate charged on total room rental revenues.

<u>Year</u>	<u>Total Collections</u>	<u>Total Revenues</u>
2021.....	\$23,492,555	\$469,851,100
2020.....	14,820,945	296,418,900
2019.....	17,055,040	379,000,884
2018.....	15,940,618	354,235,956
2017.....	15,585,925	346,353,888

Source: Worcester County Treasurer's Office.

OCEAN DOWNS CASINO

On January 4, 2011, Maryland's second slot-machine gambling casino, located in Worcester County, held its grand opening. Ocean Downs Casino opened with 750 machines and employed approximately 200 full-time and part-time employees. In 2013, the State of Maryland approved the implementation of table games at Maryland casinos. On December 30, 2017, Ocean Downs Casino opened an expansion with a restaurant, event center and 10 live table games including blackjack, roulette, craps, three card poker and ultimate Texas hold 'em. In 2019, it celebrated its 70th year of summer harness racing on the Eastern Shore. Currently Ocean Downs Casino offers 892 slot machines, including video poker and electronic table games, 18 live table games as well as 20 sports wagering kiosks. In season, Ocean Downs Casino employs approximately 400 people. Ocean Downs Casino is located on the site of a race track and it offers a simulcast lounge. Ocean Downs Casino has established itself as an additional attraction in the Worcester County and Ocean City resort areas.

The Maryland General Assembly provided that a portion of the revenues generated at the video lottery facilities be reserved for local impact grants. These impact grant funds may be used for improvements for the following purposes: infrastructure improvements, facilities, public safety, sanitation, economic and community development, including housing and other public services and improvements. Since inception, Ocean Downs Casino has distributed approximately \$24.84 million in local impact funds to the County through fiscal year 2022.

LOCAL IMPACT GRANTS RECEIVED FROM REVENUES AT OCEAN DOWNS CASINO – FISCAL YEARS

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Worcester County	\$ 2,485,810	\$ 2,937,454	\$ 2,262,251	\$ 3,141,956	\$ 3,508,624
Town of Berlin	353,054	384,485	289,557	412,314	468,173
Town of Ocean	706,108	768,971	579,115	824,629	936,346
Ocean Pines Association ..	<u>353,054</u>	<u>384,485</u>	<u>289,557</u>	<u>412,314</u>	<u>468,173</u>
Total	<u>\$ 3,898,026</u>	<u>\$ 4,475,395</u>	<u>\$ 3,420,480</u>	<u>\$ 4,791,213</u>	<u>\$ 5,381,316</u>

Source: Maryland Racing Commission.

COUNTY INVESTMENTS

County funds held for operating and capital purposes are managed by the Finance Officer. The funds are invested in accordance with the County's investment policy, which conforms to State of Maryland law on the investment of public funds. The County does not leverage its investment portfolio, or buy reverse repurchase agreements. It does no borrowing or lending of securities. The County invests primarily in obligations of the United States government, its agencies and instrumentalities and repurchase agreements. The repurchase agreements into which the County enters are collateralized by United States government treasury obligations and obligations of agencies and instrumentalities of the United States government, held by an independent third-party custodian and marked to market daily.

LITIGATION

The County is a defendant in several lawsuits. After considering all relevant facts and the opinion of the County Attorney, 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.

RATINGS

Moody's Investors Service, Inc. and S&P Global Ratings have given the Bonds the ratings indicated on the cover page of this Official Statement. An explanation of the significance of either such rating may be obtained from the rating agency furnishing the same. The County furnished the rating agencies information contained in a preliminary form of this Official Statement and certain publicly available materials and information respecting the County. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies and assumptions of the rating agencies. Either such rating may be changed at any time, and no assurance can be given that either such rating will not be revised downward or withdrawn by the applicable rating agency if, in its judgment, circumstances so warrant. Such circumstances may include, without limitation, changes in or unavailability of information relating to the County. Any such downward revision or withdrawal of either such rating could have an adverse effect on the market price of the Bonds.

SALE AT COMPETITIVE BIDDING

The Bonds were offered by the County at a competitive sale on November 15, 2022 in accordance with the official Notice of Sale (the form of which is attached hereto as Appendix C). The Bonds were awarded to _____. The interest rates shown on the inside cover page of this Official Statement are the interest rates that resulted from the award of the Bonds at the competitive sale. The initial prices or yields shown on the inside cover page of this Official Statement are based on the information supplied to the County by the successful bidder for the Bonds. Other information concerning the terms of the reoffering of the Bonds, if any, should be obtained from the successful bidder and not from the County.

INDEPENDENT AUDITORS

The basic financial statements included as Appendix A hereto have been audited by TGM Group, LLC, independent certified public accountants, to the extent stated in their report appearing in Appendix A. The basic financial statements have been included in reliance upon the report of TGM Group, LLC. Such report speaks only as of its date. TGM Group, LLC was not requested to review or update such financial statements or their report in connection with the issuance of the Bonds and the County did not request such independent accountants' consent to the inclusion of their report in this Official Statement.

CERTIFICATE OF COUNTY OFFICIALS

Simultaneously with or before delivery of and payment for the Bonds, the County will furnish a certificate of the President of the Board and the Chief Administrative Officer of the County, which will state that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement hereto) 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).

FINANCIAL ADVISOR

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

CONTINUING DISCLOSURE

In order to enable participating underwriters as defined in Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”) to comply with the requirements of paragraph (b)(5) of Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement for the Bonds (the “Continuing Disclosure Agreement”) on or before the date of issuance and delivery of the Bonds. Pursuant to the Continuing Disclosure Agreement, the County will covenant for the benefit of the registered owners or the beneficial owners of the Bonds to provide its audited financial statements and certain specified annual financial information and operating data relating to the County by not later than 275 days after the end of each fiscal year, commencing with the fiscal year ended June 30, 2022, and to provide notice of the occurrence of certain enumerated events for as long as the Bonds remain outstanding or the County is an obligated person with respect to the Bonds within the meaning of Rule 15c2-12. The audited financial statements, annual financial information and operating data, and notices of the occurrence of any of the enumerated events will be posted on the Electronic Municipal Market Access website (“EMMA”) maintained by the Municipal Securities Rulemaking Board and/or filed with any other repository then required by Rule 15c2-12. As of the date of this Official Statement, such information is required to be posted only to EMMA.

Potential purchasers of the Bonds should note that the definition of Listed Events contained in the proposed form of the Continuing Disclosure Agreement attached to this Official Statement as Appendix D is intended to completely restate the events specified in Rule 15c2-12. It is noted that certain of the 16 Listed Events set forth in Section 4(a) of the proposed form of the Continuing Disclosure Agreement are expected to have no applicability to the Bonds, such as the possibility of unscheduled draws on debt service reserves reflecting financial difficulties, unscheduled draws on credit enhancements reflecting financial difficulties, substitution of credit or liquidity providers or their failure to perform, and release, substitution or sale of property securing the Bonds.

The foregoing is only a summary of certain provisions of the Continuing Disclosure Agreement. It is not a complete recital of the terms of the Continuing Disclosure Agreement, and reference should be made to the proposed form of Continuing Disclosure Agreement set forth in Appendix D to this Official Statement for a complete statement of the terms of the Continuing Disclosure Agreement.

In order to comply with Rule 15c2-12, the County also has agreed in continuing disclosure agreements delivered by it at the time of issuance of earlier series of its bonds to provide certain annual financial information and operating data and notice of the occurrence of any of certain enumerated events specified therein. The County has complied in all material respects with the terms and conditions of its continuing disclosure agreements applicable to then-outstanding bonds during the last five years. However, when posting information to EMMA, the County did not always correctly name a particular posted document. In addition, certain of such posted documents may not be posted under the most applicable category on

EMMA or may be posted under multiple categories for a particular series of bonds. Interested parties viewing EMMA for prior postings made by or on behalf of the County should not be constrained by the names of posted documents or the categories under which they are posted and are advised to access each document posted to each category.

MISCELLANEOUS

The information set forth in this Official Statement is subject to change without notice, and no implication is to be derived therefrom or from the sale of the Bonds that there has been no change in the affairs of the County after the date hereof. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any estimates will be realized.

This Official Statement was prepared in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract or agreement between the County and the purchasers or registered holders of any of the Bonds.

The execution of this Official Statement and its delivery has been approved by County Commissioners of Worcester County, Maryland.

COUNTY COMMISSIONERS OF WORCESTER
COUNTY, MARYLAND

By: _____
Joseph M. Mitrecic, President
Board of County Commissioners of Worcester County

Worcester County

MARYLAND



Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2021

WWW.CO.WORCESTER.MD.US



Worcester County, Maryland

Annual Comprehensive Financial Report

For Fiscal Year Ended
June 30, 2021



Worcester County Government Center

Prepared by:

Harold L. Higgins, CPA
Chief Administrative Officer

Phillip G. Thompson, CPA
Finance Officer

Jessica R. Wilson, CPA
Assistant Finance Officer

Michelle Carmean, MBA
Enterprise Fund Controller

Kathleen J. Whited
Budget Officer

WORCESTER COUNTY, MARYLAND
ANNUAL COMPREHENSIVE FINANCIAL REPORT
for the FISCAL YEAR ENDED JUNE 30, 2021
TABLE OF CONTENTS

	Page(s)
INTRODUCTORY SECTION	
Letter of Transmittal	1 - 5
GFOA Certificate of Achievement	6
Organization Chart	7
List of Principal Officials and Directors	8
FINANCIAL SECTION	
Independent Auditors' Report	10 - 11
Management's Discussion and Analysis	13 - 26
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	30 - 31
Fund Financial Statements:	
Balance Sheet - Governmental Funds	32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	33
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund	36
Statement of Net Position - Business-type Activities	38 - 39
Statement of Revenues, Expenses and Changes in Fund Net Position - Business-type Activities	40
Statement of Cash Flows - Business-type Activities	41 - 42
Statement of Net Position - Fiduciary Funds	43
Statement of Changes in Net Position - Fiduciary Funds	44
Notes to Financial Statements	46 - 94
Required Supplementary Information:	
Schedule of the Proportionate Share of the Net Pension Liability - Maryland State Retirement and Pension Systems	96
Schedule of Contributions - Maryland State Retirement and Pension Systems	97
Actuarial Assumptions - Pension Plan - Maryland State Retirement and Pension Systems	98
Schedule of Changes in the Net OPEB Liability and Related Ratios	99
Schedule of Investment Returns	100
Notes to Required Supplementary Information	101 - 102
Other Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	104 - 124
Combining Balance Sheet - Nonmajor Governmental Funds	126
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	127
Balance Sheet - Local Management Board - Nonmajor Governmental Fund	128
Schedule of Revenues, Expenditures and Changes in Fund Balance - Local Management Board - Nonmajor Governmental Fund	129

WORCESTER COUNTY, MARYLAND
ANNUAL COMPREHENSIVE FINANCIAL REPORT
for the FISCAL YEAR ENDED JUNE 30, 2021
TABLE OF CONTENTS
(CONTINUED)

	Page(s)
FINANCIAL SECTION (CONTINUED)	
Other Supplementary Information (continued):	
Combining Schedule of Fund Net Position - Operating Funds -	
Department of Water and Wastewater Services	130 - 131
Combining Schedule of Fund Net Position - Capital Projects Funds -	
Department of Water and Wastewater Services	132 - 133
Schedule of Revenues and Expenses - Budget and Actual -	
Operating Funds - Department of Water and Wastewater Services	134 - 139
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position -	
Capital Projects Funds - Department of Water and Wastewater Services	140 - 141
Schedule of Revenues, Expenses and Changes in Fund Net Position by	
Operating Fund - Budget and Actual - Department of Solid Waste	142 - 143
Schedule of Revenues, Expenses and Changes in Fund Net Position by	
Operating Store - Budget and Actual - Department of Liquor Control	144 - 145
Schedule of General Expenses - Budget and Actual - Department	
of Liquor Control	146
Schedule of Revenues and Expenses by Store - Department of Liquor Control	147
Combining Statement of Fiduciary Net Position - Custodial Funds	148 - 149
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	150 - 151
Schedule of Assessable Base - General Fund	152
Schedule of Assessable Bases and Tax Levies - General Fund	153
Taxes Receivable - General Fund	154
Notes to Other Supplementary Information	155
STATISTICAL SECTION (UNAUDITED)	
Net Position by Component, Last Ten Fiscal Years	157
Changes in Net Position, Last Ten Fiscal Years	158 - 159
Fund Balances, Governmental Funds, Last Ten Fiscal Years	160
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	161
Assessed Value of Taxable Property, Last Ten Fiscal Years	162
Direct and Overlapping Property Tax Rates, Last Ten Years	163
Principal Property Tax Accounts, Current Year and Nine Years Ago	164
Property Tax Levies and Collections, Last Ten Fiscal Years	165
Income Tax Rates, Last Ten Tax Years	166
Income Tax Filers Summary Information, Last Ten Tax Years	167
Income Tax Filers, Net Taxable Income, and Liability by Adjusted Gross	
Income Level, Last Year and Ten Years Ago	168
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	169
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	170
Direct and Overlapping Governmental Activities Debt	171
Debt Margin Information, Last Ten Fiscal Years	172
Demographic and Economic Statistics, Last Ten Fiscal Years	173
Principal Employers, Current Year and Nine Years Ago	174
Full-time Equivalent County Government Employees by Function,	
Last Ten Fiscal Years	175
Operating Indicators by Function, Last Ten Fiscal Years	176
Capital Asset Statistics by Function, Last Ten Fiscal Years	177

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATION CHART

LIST OF PRINCIPAL OFFICIALS AND DIRECTORS



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

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

JESSICA R. WILSON, CPA
ASSISTANT FINANCE OFFICER

December 23, 2021

To the County Commissioners and Citizens of Worcester County, Maryland:

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) for Worcester County, Maryland for the fiscal year ended June 30, 2021 as required by both local and state statutes. These statutes require that Worcester County, Maryland annually issue financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management Discussion and Analysis (MD&A). This letter of transmittal is designed to be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for these representations, the management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The public accounting firm TGM Group LLC has audited Worcester County, Maryland's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of Worcester County, Maryland, for the fiscal year ended June 30, 2021, are free of material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Worcester County, Maryland's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

This independent audit of the County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements are encompassed in the United States Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), which require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Worcester County's separately issued single audit report.

Profile of the Government

Worcester County, established in 1742, lies in the middle of a three-state region known as the Delmarva Peninsula, which comprises portions of Delaware, Maryland and Virginia. The County is the seventh largest in Maryland, having a land area of 483 square miles and 106 square miles of water. On the north, it is bounded by Sussex County, Delaware; on the south by Accomack County, Virginia; on the west by Wicomico and Somerset Counties, Maryland; and on the east by the Atlantic Ocean. One of Worcester County's greatest assets is its seashore. An excellent beach, which forms the entire oceanfront in Maryland, stretches for 31 miles across the entire eastern boundary of the County on a barrier island, which is separated from the mainland by a series of shallow bays.

There are four incorporated municipalities in the County: Berlin, Ocean City, Pocomoke City and Snow Hill. Berlin, Pocomoke City and Snow Hill are well-established communities ranging in size from 2,100 to about 4,500 year-round residents. Each was originally built as a residential, economic and social center to serve its surrounding agricultural communities. The Town of Ocean City is the County's most developed and its major industry is tourism. According to recent estimates, summer populations average over 295,000 in July and August and peak at nearly 325,000 on the July 4th weekend. The Towns and County provide their residents and visitors with various government services, including police and fire protection, beach patrol, water and sewage disposal, public transportation, recreational facilities and emergency health care services.

Form of Government

The County is governed by an elected seven-member Board of County Commissioners, each of whom is elected from one of the seven Commissioner districts. Elections are held every four years in November. The Commissioners must be qualified voters of the County and must have resided at least two years in Worcester County immediately preceding their election. The Board

must meet at least twice each month and must remain in session so long as may be necessary to properly transact the business of the County. The Board elects its own president and vice president.

The Chief Administrative Officer of the County is charged with the administration of all departments of the County government. The County provides a full range of municipal services including education, libraries, public safety (sheriff, jail, emergency services and fire marshal), recreational activities, health and social services, sanitary districts, waste disposal, recycling, a liquor retail operation, highways and streets, planning and zoning, and general administrative services.

Budget Process

The Board adopts an operating budget for the General Fund and Enterprise Funds of the County. Revenue estimates for the ensuing fiscal year from the units of the County government are reviewed and compiled by the Budget Officer in February of each year. The expenditure requests are submitted to the Chief Administrative Officer, who in turn presents a requested budget to the Board in March. The Board must then conduct a public hearing on the budget submitted on or before May 30, and shall advertise at least once per week for two weeks prior to the hearing in a publication of general circulation within the County. The Board must then adopt the budget and tax rates on or before the first Tuesday in June.

In recent years, the County has taken a number of steps to control expenses and reduce the cost of providing needed services to its residents. The County's continued use and refinement of its multi-year budget document has proven useful for both operational and capital planning as the County assessable base continues to improve with a positive trend expected in the near term. Early in the FY21 budget season the Commissioner's and County staff developed a revised budget to proactively address the potential impacts of the COVID-19 pandemic. The anticipated slowdown resulted in decreases for many County departments and agencies operating budgets in fiscal year 2021. Salary accounts were increased to include a 2% cost of living adjustment (COLA) and included a step increment of 2.5% and longevity pay for those eligible. The effects of a State-mandated escalator provision related to school funding required the County to provide additional funding for the fifth consecutive year to the Board of Education. Finally, the County continues to include capital asset purchases, including vehicles and heavy equipment, into the operating budget in order to meet the operating needs of the departments.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy – Like state and local governments across the country, Worcester County's local economic performance reflects many current national trends. The ongoing Covid-19 international pandemic continues to cause uncertainty and angst for our citizens and taxpayers as well as those across the globe. The housing market has improved considerably in the County and this is reflected in the steadily improving assessable base as well as the current volume of new commercial and residential construction. Of significant concern are the impacts of potential reductions in state funding and additional costs which may be passed on to local governments. The

County's unemployment rate has experienced decreases over the last year which are in line with the national trends and accurately reflect a challenging labor market. The county unemployment rate decreased from 9.8% in June of 2020 to 6.2% in June of 2021 according to the Bureau of Labor Statistics. The County continues to maintain the second lowest property tax rate and the lowest income tax rate in the state, providing the County with financial flexibility for future years.

The County has a strong tourism industry, drawing visitors from all over the country to its pristine seashore and many historic sites. The impact of the Covid-19 pandemic is of particular concern to this segment of our local economy. The effects of the virus including travel limitations, reduced occupancy, as well as safeguarding protocols began in mid-March 2020 and continued at some level through the date of this letter. County-wide Room tax revenue increased by 22.6% in the current fiscal year as the early months of the 2021 summer season were much stronger than expected as we begin to return to more normal post-covid travel patterns. In addition, Food Tax increased by 4.55% in fiscal year 2021 indicating that our tourism market continues to perform better than anticipated in the current environment. It is important to note that all Room and Food Tax activity is collected by the County however only the amount of Room Tax collected in the unincorporated area is reflected in the General Fund. Room and Food Taxes collected by the County "on behalf" of the incorporated municipalities is recorded in the appropriate custodial fund. The County's central location relative to the major mid-Atlantic metropolitan areas continues to make it a target destination for retirees who seek a better quality of life as well as a convenient getaway for those looking to escape the city for a long weekend. Development is purposely controlled to protect the County's beauty and the fragile environment of its shoreline and waters.

Long-Term Financial Planning – The Board adopts a multi-year capital budget plan, covering 5 years, that forecasts spending for all anticipated capital projects. The plan addresses both repair and replacement of existing infrastructure as well as the development of new facilities to accommodate future growth. It enables the County to identify needed capital projects and to coordinate facility financing and timing. The County plans to issue debt in fiscal year 2022, for the planned addition to the Stephen Decatur Middle School and various other General Fund and Enterprise Fund projects.

Cash Management Policies and Practices – The County invests its funds according to its adopted investment policy, which provides for safety of principal and maximizes security, meets daily cash flow demands, and seeks to achieve an adequate rate of return. Cash temporarily idle during the year is invested in the Maryland Local Government Investment Pool.

Risk Management – The County is a member of the Maryland Local Government Insurance Trust. The Trust is a public-entity risk pool which is owned and directed by the local governments that subscribe to its coverage and operates under the terms of a Trust Agreement. The Trust provides insurance and risk management services to its members. The County obtains worker's compensation and employee medical coverage through a commercial insurance company.

Pension and Other Post-Employment Benefits – County employees are covered by either the Employees' Retirement System or the Employees' Pension System of the State of Maryland. These are multiple-employer public retirement systems sponsored and administered by

the Maryland State Retirement and Pension System and created by the Maryland General Assembly. Additional State pension plan offerings include the Law Enforcement Officers' Pension System (LEOPS) for our public safety personnel as well as a Correctional Officers' Retirement System (CORS) for employees of the County Jail. In addition to the State plan, the County assumed management of a plan that is administered by the Nationwide Life Insurance Company following the abolishment of the Worcester County Sanitary Commission in 1994. This plan provides coverage for the former employees of the Sanitary Commission, many of whom now work for the County Department of Public Works.

The County also provides other post-employment benefits (OPEB) for retirees and their dependents who meet the Maryland State Retirement System benefit qualifications. The County has created OPEB trusts for the benefit of the employees of the general government as well as the Worcester County Board of Education. This was done in accordance with Governmental Accounting Standards Board (GASB) Statements. The purpose of these Statements is to provide a more complete and reliable reporting of the financial obligations that governments incur when they provide post-employment benefits as part of the compensation for services rendered by their employees. The enactment of these standards by GASB and the adherence to them by the County should provide our constituents more accurate information about the total cost of the services that we provide.

Awards and Acknowledgements – The Government Finance Officers Association (GFOA) of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to Worcester County, Maryland for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both GAAP and applicable legal requirements.

A certificate of achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to adhere to the Certificate of Achievement requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Worcester County Treasurer's Office. In addition, we could not have produced this report without the support and guidance provided by the Worcester County Commissioners and their staff. I would like to express my appreciation to all the members who contributed to this report for their conscientiousness and dedication throughout the year.

Respectfully submitted,



Phillip G. Thompson, CPA
Finance Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Worcester County
Maryland**

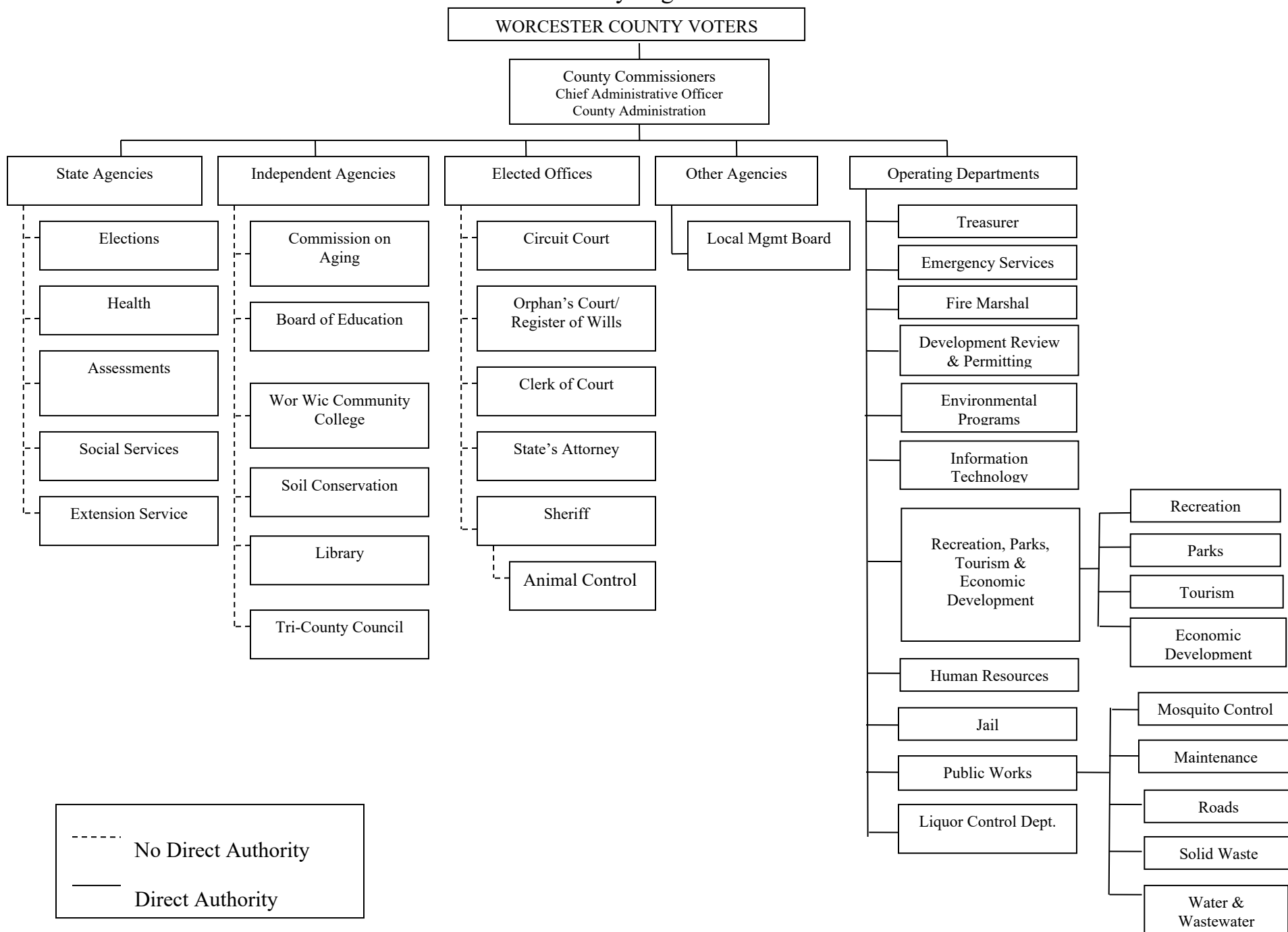
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Executive Director/CEO

Worcester County Organization Chart

ITEM 14



Worcester County, Maryland
List of Principal Officials and Directors
June 30, 2021

ELECTED OFFICIALS

County Commissioners

Joseph M. Mitrecic, President
Theodore J. Elder, Vice President
Anthony W. Bertino, Jr.
Madison J. Bunting, Jr.
James C. Church
Joshua C. Nordstorm
Diana Purnell

Sheriff
State's Attorney

Matthew Crisafulli
Kristin Heiser

APPOINTED OFFICIALS

County Administrator
Assistant County Administrator
Attorney
Development Review and Permitting Director
Environmental Programs Director
Emergency Services Director
Finance Officer
Fire Marshal
Human Resources Director
Information Technology Director
Jail Warden
Library Director
Public Works Director
Recreation and Parks Director
Tourism and Economic Development Director

Harold Higgins
Weston Young
Roscoe R. Leslie
Edward Tudor
Robert Mitchell
John William Birch, Jr.
Phillip G. Thompson
Jeff McMahon
Stacey Norton
Brian Jones
Fulton Holland Jr.
Jennifer Ranck
Dallas Baker
Kelly Rados
Melanie Pursel

FINANCIAL SECTION

Herbert J. Geary III
 Roy J. Geiser
 Chris A. Hall
 Ronald W. Hickman
 Mark A. Welsh



INDEPENDENT AUDITORS' REPORT

To the County Commissioners of
 Worcester County, Maryland
 Snow Hill, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Worcester County, Maryland as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Worcester County, Maryland, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during the year ended June 30, 2021, the County adopted new accounting guidance from the Government Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities". Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information (pension schedules and OPEB Trust Fund information, and notes to the required supplementary information) as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Worcester County, Maryland's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information in the financial section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021 on our consideration of Worcester County, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Worcester County, Maryland's internal control over financial reporting and compliance.



Salisbury, Maryland
December 23, 2021



Management's Discussion and Analysis

This discussion and analysis of Worcester County's (County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended June 30, 2021. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and notes to the financial statements. We hope this, in conjunction with additional information provided within the statements, will assist readers in identifying significant financial issues and changes in the County's financial position.

Financial Highlights for Fiscal Year 2021

The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of fiscal year 2021 by \$95.5 million (net position) an increase of \$21.3 million over the fiscal year 2020 net position. Approximately \$60 million is attributable to the County's business-type activities of solid waste and water and wastewater operations and approximately \$35.5 million is attributable to the County's governmental activities. It is important to note that, although counties in the State of Maryland issue debt for the construction of schools, the school buildings are owned by each county's Board of Education. Therefore, while the County's financial statements include this outstanding debt, they do not include the capital assets funded by the debt. Debt outstanding for the Board of Education amounted to \$71.9 million at June 30, 2021. Absent the effect of this relationship, the County would have reported an unrestricted governmental activities net position of \$2.9 million on its government-wide financial statements, rather than the unrestricted net position of (\$69 million). Of note is the County's repayment of general government and enterprise fund bonds of \$11.9 million offset by the overall decrease in capital assets of \$4.1 million.

At the end of the current fiscal year, the County's governmental funds reported combined fund balance of \$74.7 million, an increase of \$8.7 million in comparison with the prior year. This increase is a combination of changes in the various fund balances.

- o The general fund balance increased by \$16.2 million due to stronger than anticipated revenues for real estate and property taxes, income taxes, and recordation and transfer taxes. In addition, health care savings were recognized which were reinvested into the OPEB trusts during the year. These increases were partially offset by decreases in Jail revenue and Investment Income.
- o The capital projects fund balance decreased by \$8.3 million due to the planned spend-down of bond proceeds related to ongoing school projects.
- o The other governmental funds increased by \$0.8 million primarily due to local impact grant revenue in excess of the Worcester County Technical High School debt expense in the casino fund.

Budget – Revenues

For the 2021 fiscal year real estate billing, Worcester County real property assessments increased by 2.9% over the prior year. This improvement in property values and a steadily improving real estate market resulted in an additional \$4.2 million in net property taxes. The fiscal year 2021, budget increased from \$201.3 million to \$204.3 million or \$3 million over the prior year. The budget increases were primarily related to the property taxes by \$4.2 million and other local taxes by \$0.9 million. These increases were partially offset by budget decreases in charges for services of \$1.1 million and interest on investments of \$1.1 million.

Budget – Expenditures

The FY21 budget required the county to deal with an unprecedented situation, Covid-19, and the uncertainty and vast unknowns associated with the pandemic. As a result, the county took a "flat budget" approach whereas the focus was on maintaining funding for needed county services while maintaining a relatively stable budget. The budget for County salaries was increased and included a 2% COLA and a step increase of 2.5%. The County also provided a \$3.3 million budget increase for the Board of Education which includes the required \$3 million increase for the State mandated Maintenance of Effort (MOE) escalator provision.

FY2021 – Actual

General fund results during fiscal year 2021 included an increase in fund balance totaling \$16.2 million. Property taxes exceeded budget by \$1.7 million or 1.1% due to steadily improving real estate market and other local taxes increased by \$8.5 million or 63.9% primarily due to the related transfer and recordation tax attributable to the increased deed activity. In addition, a stronger than anticipated labor market resulted in income taxes revenue exceeding budget by \$9.3 million or 35.1%. Unexpected health care benefit savings totaling \$1.4 million were rebated to the county in FY21 and were re-invested in OPEB funding for the future. Payments for jail use were \$3.4 million or 81.8% less than budget due to fewer federal inmates because of the pandemic and related federal actions. Interest on investments also decreased by \$0.7 million or 87.8% due to the current market conditions. The county received numerous pandemic related grants in FY21 and most of this funding was distributed as directed during the fiscal year. Recipients included local businesses, the hotel and restaurant community, social service groups and providers, and various emergency response related agencies and entities. Most of this grant activity is included within our Economic Development Department and Emergency Services Department.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of four components: **1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.** This report also contains **4) supplementary information** in addition to the basic financial statements themselves.

1) *Government-wide Financial Statements*

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private business. The government-wide financial statements include a *Statement of Net Position* and a *Statement of Activities*.

- The *Statement of Net Position* presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).
- Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) and activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).
 - The *governmental activities* of the County include general government, public safety, public works, health and hospitals, social services, education, libraries, recreation and culture, conservation of natural resources, economic development, and interest on long-term debt.
 - The *business-type activities* of the County include solid waste, water and sewer utility operations, and the Worcester County Department of Liquor Control.

The government-wide financial statements include not only the County itself (the primary government), but also includes the Worcester County Board of Education as a legally separate component unit and are reported separately from financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 28 – 31 of this report.

2) **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental*, *proprietary*, and *fiduciary funds*.

- o **Governmental Funds.** Governmental Funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Capital Projects, Debt Service, Department of Social Services, Local Management Board, Casino, and Energy Service funds.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found on pages 32 – 36 of this report.

- o **Proprietary funds.** Proprietary funds are comprised of two types: 1) *Enterprise funds* and 2) *Internal Service funds*. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. 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 solid waste, water and sewer, and liquor control operations. Internal service funds are used to report activities that provide supplies and services for the government's other programs and activities. The County does not utilize an internal service fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund statements can be found on pages 38 – 42 of this report.

- o **Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to a proprietary fund.

The basic fiduciary fund financial statements can be found on pages 43 – 44 of this report.

3) **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 46 – 94 of this report.

4) **Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required *supplementary information*. Required supplementary information can be found starting on page 96 of this report.

Financial Analysis on Government-Wide Financial Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. One of the largest portions of the County's net position reflects its investments in capital assets (e.g., land, buildings, roads, equipment, and bridges) less related outstanding debt used to acquire those assets in the amount of \$162,497,348 at June 30, 2021. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Worcester County, Maryland**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 92,893,409	\$ 83,511,417	\$ 39,014,154	\$ 36,608,168	\$ 131,907,563	\$ 120,119,585
Capital assets	98,192,815	101,783,838	84,082,042	84,628,800	182,274,857	186,412,638
Total assets:	<u>191,086,224</u>	<u>185,295,255</u>	<u>123,096,196</u>	<u>121,236,968</u>	<u>314,182,420</u>	<u>306,532,223</u>
Deferred outflows						
of resources	<u>7,456,777</u>	<u>8,146,542</u>	<u>-</u>	<u>-</u>	<u>7,456,777</u>	<u>8,146,542</u>
Liabilities:						
Current and other						
liabilities	27,266,429	26,654,334	21,248,370	18,421,878	48,514,799	45,076,212
Long-term liabilities	123,308,090	143,892,717	41,822,899	42,797,582	165,130,989	186,690,299
Total liabilities:	<u>150,574,519</u>	<u>170,547,051</u>	<u>63,071,269</u>	<u>61,219,460</u>	<u>213,645,788</u>	<u>231,766,511</u>
Deferred inflows						
of resources	<u>12,449,948</u>	<u>8,667,923</u>	<u>-</u>	<u>-</u>	<u>12,449,948</u>	<u>8,667,923</u>
Net position:						
Net investment in						
capital assets	104,538,442	97,904,523	57,958,906	57,912,012	162,497,348	155,816,535
Unrestricted	(69,019,908)	(83,677,700)	2,066,021	2,105,496	(66,953,887)	(81,572,204)
Total net position:	<u>\$ 35,518,534</u>	<u>\$ 14,226,823</u>	<u>\$ 60,024,927</u>	<u>\$ 60,017,508</u>	<u>\$ 95,543,461</u>	<u>\$ 74,244,331</u>

ITEM 14

Change in net position over a period of time can be used as an indicator of the financial health of the County. The following table indicates the functional revenues and expenses of governmental activities to demonstrate the extent which the governmental functions produce revenues to offset program costs. Expenses not covered by direct program revenues are covered primarily by taxes, licenses, and state-shared revenues.

Worcester County, Maryland

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 5,093,748	\$ 7,012,239	\$ 23,117,926	\$ 21,760,776	\$ 28,211,674	\$ 28,773,015
Operating grants and contributions	24,502,238	9,097,988	30,000	28,000	24,532,238	9,125,988
Capital grants and contributions	5,756,212	942,814	-	-	5,756,212	942,814
General revenues:						
Real and personal property taxes	147,020,697	142,030,348	-	-	147,020,697	142,030,348
Income taxes	35,824,894	28,891,384	-	-	35,824,894	28,891,384
Other local taxes	22,010,948	13,543,200	-	-	22,010,948	13,543,200
Interest income	114,302	1,966,015	18,043	213,830	132,345	2,179,845
Other income	1,951,066	7,384,044	254,337	-	2,205,403	7,384,044
Total revenues:	<u>242,274,105</u>	<u>210,868,032</u>	<u>23,420,306</u>	<u>22,002,606</u>	<u>265,694,411</u>	<u>232,870,638</u>
Expenses:						
General government	27,023,761	23,725,666	-	-	27,023,761	23,725,666
Public safety	39,295,951	38,790,887	-	-	39,295,951	38,790,887
Public works	9,629,488	10,065,623	-	-	9,629,488	10,065,623
Health and hospitals	6,640,734	6,780,295	-	-	6,640,734	6,780,295
Social services	2,903,950	2,446,321	-	-	2,903,950	2,446,321
Education	109,762,529	127,270,912	-	-	109,762,529	127,270,912
Libraries, recreation and culture	8,903,755	7,873,319	-	-	8,903,755	7,873,319
Conservation of natural resources	748,500	840,547	-	-	748,500	840,547
Economic development	13,069,061	1,876,097	-	-	13,069,061	1,876,097
Interest charges	2,555,254	2,646,733	-	-	2,555,254	2,646,733
Landfill	-	-	7,083,647	2,975,362	7,083,647	2,975,362
Water and wastewater	-	-	16,142,579	15,174,092	16,142,579	15,174,092
Liquor Control	-	-	636,072	1,035,251	636,072	1,035,251
Total expenses:	<u>220,532,983</u>	<u>222,316,400</u>	<u>23,862,298</u>	<u>19,184,705</u>	<u>244,395,281</u>	<u>241,501,105</u>
Increase (decrease) in net position	21,741,122	(11,448,368)	(441,992)	2,817,901	21,299,130	(8,630,467)
Transfer	(449,411)	2,582,957	449,411	(2,582,957)	-	-
	<u>21,291,711</u>	<u>(8,865,411)</u>	<u>7,419</u>	<u>234,944</u>	<u>21,299,130</u>	<u>(8,630,467)</u>
Net position, beginning	<u>14,226,823</u>	<u>23,092,234</u>	<u>60,017,508</u>	<u>59,782,564</u>	<u>74,244,331</u>	<u>82,874,798</u>
Net position, ending	<u>\$ 35,518,534</u>	<u>\$ 14,226,823</u>	<u>\$ 60,024,927</u>	<u>\$ 60,017,508</u>	<u>\$ 95,543,461</u>	<u>\$ 74,244,331</u>

Governmental Activities:

Governmental activities increased the County's net position after transfers by \$21.3 million. Key elements of the increase in the net position of governmental activities are as follows:

Revenues increased by \$33.1 million as compared to fiscal year 2020 as a result of a combination of increases and decreases:

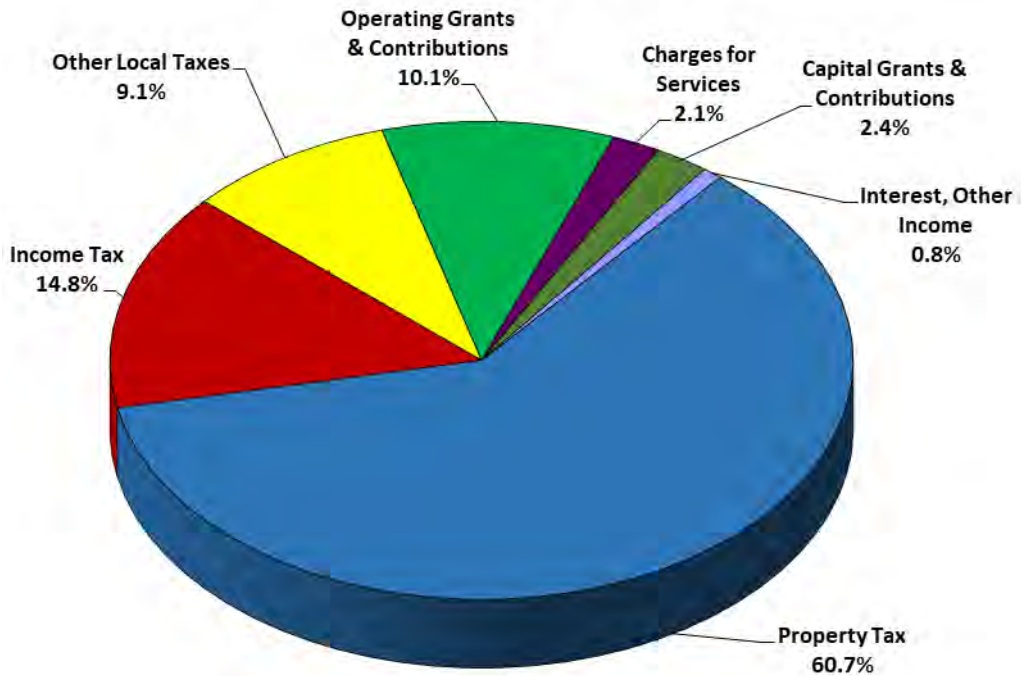
- o Charges for services decreased by \$1.9 million relating to a \$2.7 million in Jail use due to the decreased holding Immigration and Customs Enforcement detainees and the safety enhancements enacted during the COVID-19 pandemic which was partially offset by the \$0.8 million increase in permit and license sales particularly liquor license.
- o Operating grants and contributions increased by \$15.4 million primarily due to an additional \$4.2 million in CARES Act reimbursement requested for the fiscal year, \$9.7 million in State of Maryland Department of Commerce grants for the loss of revenues of hotel and restaurants as a result of the pandemic, and \$0.5 million in 911 ENSB operating grant.
- o Capital grants and contributions increased by \$4.8 million primarily due to \$1 million 911 ENSB capital grant, \$1 million in state aid for bayside bridge replacement, \$0.9 million project open space grant for the parks, and \$1.1 million in rural legacy state grants that provide conservation easements.
- o Net Property taxes increased by \$5 million due to the increase in assessments as the real estate market continued to improve.
- o Income taxes increased by \$6.9 million due to a combination of the income rate increase which was effective January 1, 2020 as well as the unemployment income during the COVID-19 pandemic due to the federal stimulus programs that maintained the withholding levels.
- o Other local taxes increased by \$8.5 million due to the \$3.7 million increase in transfer tax and \$5.1 million increase in recordation tax partially offset by the \$0.2 million decrease in trailer park excise tax.
- o Interest income decreased by \$1.9 million due to the decline in interest rates.
- o Other income decreased by \$5.4 million due to the decrease in the health care insurance savings which were rebated back to the County and included in other income.

Expenses increased by \$2.9 million as compared to fiscal year 2020 as a result of a combination of increases and decreases:

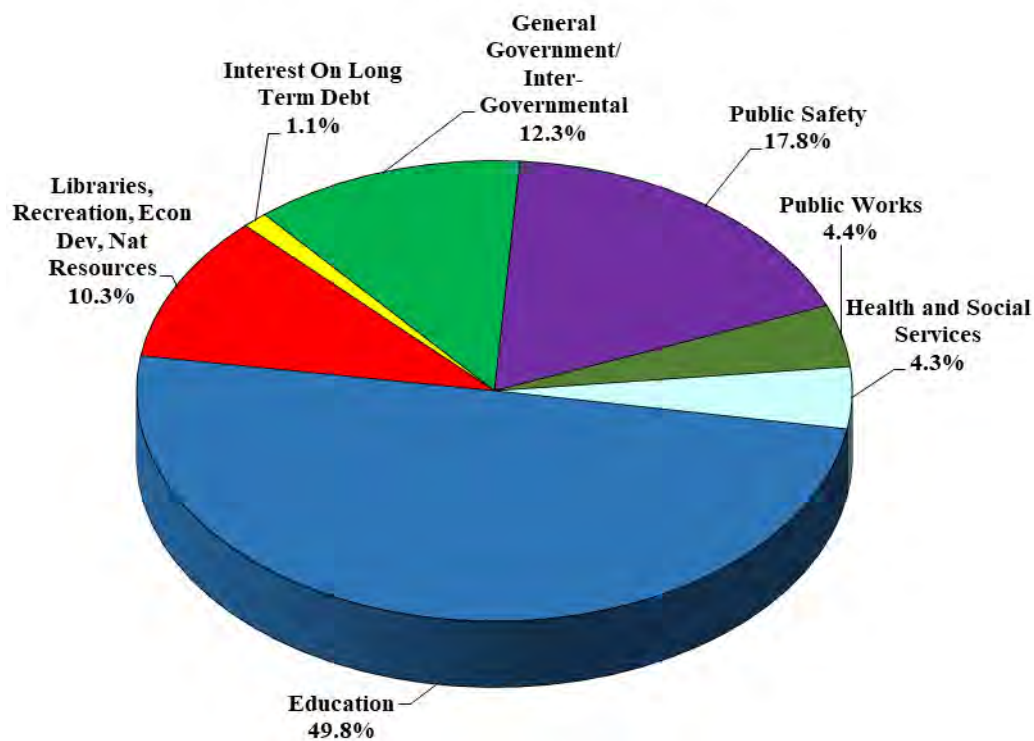
- o Operating expenses increased by \$19.9 million primarily relating to \$2.2 million general government grant programs, \$11.2 million in business grants for those impacted by the COVID-19 pandemic, \$1 million in park improvements, and \$4.1 million in solid waste mainly relating to the estimated landfill closure and post-closure care costs.
- o Within the capital projects activity, overall decrease was \$16.8 million which primarily related to Board of Education spending less on capital expenditures than in the prior year. This decrease in expenditures is included in the education expenses since they are not capitalized on the County's statement of net position.

Fiscal year 2021 revenues and expenses are summarized in the following charts for governmental activities.

Revenues by Source- Governmental Activities For the Year Ended June 30, 2021



Expenses- Governmental Activities For the Year Ended June 30, 2021



Business-type Activities Net Position:

Enterprise Fund Statements	June 30, 2021	June 30, 2020	Change in Net Position
Water and Wastewater Services	\$ 60,913,355	\$ 59,772,881	\$ 1,140,474
Solid Waste	(888,428)	943,590	(1,832,018)
Department of Liquor Control	-	(698,963)	698,963
Total	\$ 60,024,927	\$ 60,017,508	\$ 7,419

Water and Wastewater***Revenues***

- Revenues increased to \$17.2 million in fiscal year 2021 from \$16.2 million in fiscal year 2020 due to an increase in sales of water and sewer equivalent dwelling units, Comcast project reimbursements for damages and locates, and the increase in domestic and commercial charges from service area rate increases.

Expenses

- Operating expenses increased to \$12.1 million in fiscal year 2021 from \$11.1 million in fiscal year 2020 mainly due to an increase in maintenance and services needed for Ocean Pines and Riddle Farm.
- Depreciation expense remained stable in fiscal years 2021 and 2020 at \$3.5 million.

Solid Waste***Revenues***

- Tipping fee revenue increased to \$4.7 million in fiscal year 2021 from \$4 million in fiscal year 2020 due to an increased volume of trash being brought to the central landfill from commercial businesses.

Expenses

- Operating expenses increased to \$4.9 million in fiscal year 2021 from \$1.6 million in fiscal year 2020 due to the significant increase in material costs relating to the estimated landfill closure and post-closure costs.
- Depreciation expense increased to \$1.9 million in fiscal year 2021 from \$1.1 million in fiscal year 2020 due to cell 5 being depreciated for a full year.

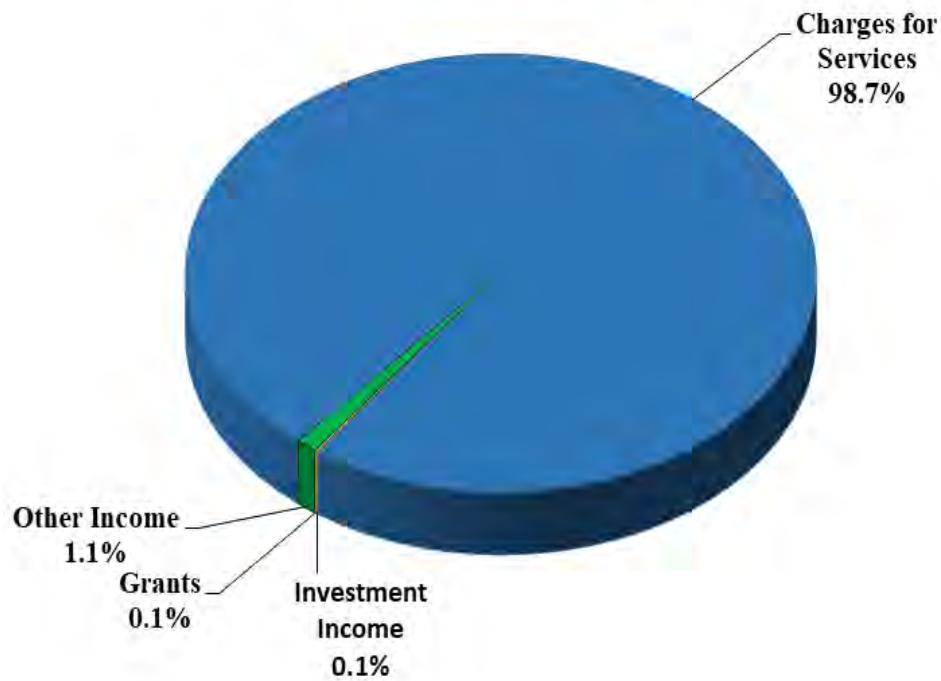
Liquor Control***Revenues***

- Liquor sales decreased to \$533,354 in fiscal year 2021 from \$943,865 in fiscal year 2020 due to the sale of the Pocomoke store in January 2021. The corresponding cost of sales decreased to \$388,789 in fiscal year 2021 from \$685,411 in fiscal year 2020 due to the aforementioned store sale.
- Miscellaneous revenue for the sublease of the 16th Street retail store remained stable at \$97,933 in fiscal year 2021 and \$96,958 in fiscal year 2020.

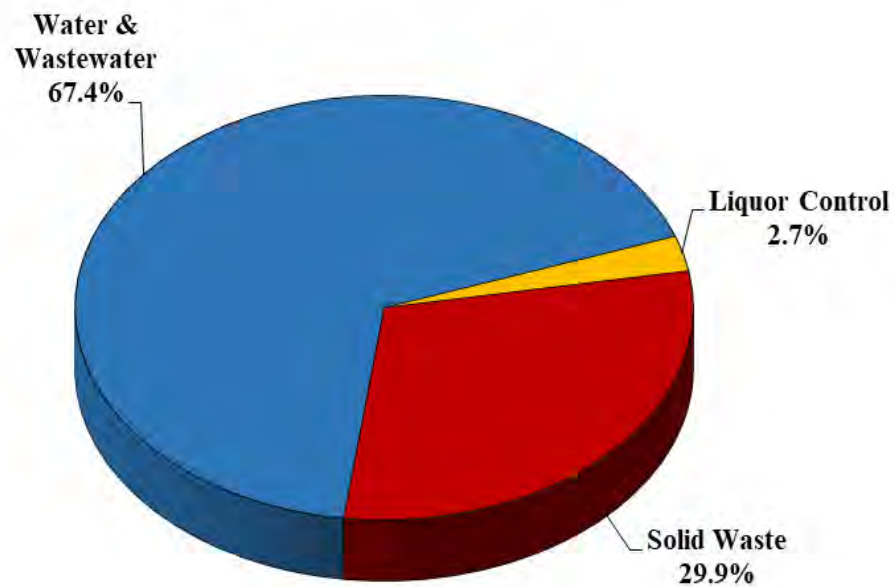
Expenses

- Operating expenses decreased to \$209,525 in fiscal year 2021 from \$305,630 in fiscal year 2020 due to the aforementioned store sale.
- Depreciation and general expenses decreased to \$37,758 in fiscal year 2021 from \$44,210 in fiscal year 2020 due to the aforementioned store sale that was partially offset by the increase in professional fees relating to exiting the liquor business.

**Revenues by Source- Business-Type Activities
For the Year Ended June 30, 2021**



**Expenses- Business-Type Activities
For the Year Ended June 30, 2021**



*Financial Analysis on Governmental Fund Financial Statements***Governmental Funds:**

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, restrictions, and fiscal accountability.

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. The County has implemented *GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions*. The purpose of this Statement is to improve financial reporting by establishing fund balance classifications that are easier to understand and apply. It establishes a framework based largely on the spending constraints of the government in order to determine how it may use amounts reported on the governmental funds balance sheet. Fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The following information is as of June 30, 2021 and 2020:

Governmental Activities - Fund Statements	June 30, 2021	June 30, 2020	Net Change in Fund Balance
General Fund	\$ 71,330,703	\$ 55,096,817	\$ 16,233,886
Capital Projects Fund	978,115	9,259,319	(8,281,204)
Debt Service Fund	-	-	-
Other Governmental Funds	2,410,459	1,654,398	756,061
Total	<u>\$ 74,719,277</u>	<u>\$ 66,010,534</u>	<u>\$ 8,708,743</u>

The **General Fund** is the chief operating fund of the County. At the end of the current fiscal year the fund balance of the General Fund was \$71,330,703. This fund balance includes non-spendable items totaling \$110,153 fund balance. In accordance with GASB Statement No. 54, the unassigned general fund amount includes the County reserve of \$20,432,100, which is set aside for contingency and emergency conditions. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.4% of total general fund expenditures, while total fund balance represents 34.7% of that same amount.

The **Capital Projects Fund** is used to account for major capital acquisition and construction of County facilities. Major sources for these projects are pay-as-you-go funding, debt proceeds, and federal and State grants. The fund balance of the County's Capital Projects Fund decreased by \$8,281,204 during the current fiscal year. This is mainly due to the spend-down of bond proceeds for the replacement of the Showell Elementary School.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt, including capital lease obligations, principal, interest, and related costs. The fund balance of this fund remains at \$0.

The **Other Governmental Funds** include the Department of Social Services, Local Management Board, Casino Fund, and the Energy Service Fund. Fund balances in these funds increased by \$756,061 from fiscal year 2020. The Energy Service Fund decreased by \$41,100. The Department of Social Services Fund increased by \$2,957. The Local Management Board increased by \$147,679. The Casino Fund, which was created to account for the County's portion of proceeds from the Ocean Downs Casino facility, reflects a \$646,525 increase in fund balance in fiscal year.

Further details of these activities is on pages 126 – 127.

General Fund Budgetary Highlights

General fund differences between the final budget and the final actual results for the County increased \$16,233,886. Revenues received were \$34,945,197 more than the final budgeted estimates and expenditures and other financing uses were \$18,711,311 more than final budgeted estimates. The major variances between the budgeted amounts and actual are summarized as follows:

Revenues were \$34,945,197 more than original estimates, a 17.3% variance.

- o Net property tax revenues were more than budget by \$1,697,462 or 1.1% due to a steadily increasing assessable base. Within this category Corporate and Utility tax revenues exceeded budget by \$1,561,898 as many new infrastructure projects continue to develop and are put into service. Property taxes comprised 62% of all County revenues in 2021 and 68.7% when compared to 2020.
- o Income taxes ended the fiscal year with a surplus of \$9,324,894, or 35.2% over budget estimates due to the increase in the local income tax rate from 1.75% to 2.25% on January 1, 2020 and a stronger than anticipated local economy during the pandemic.
- o Other local taxes increased \$8,579,948 or 63.9% over estimated budgeted revenues. This category includes admission and amusement taxes, trailer park excise tax, food and room tax administration, room tax for unincorporated entities, recordation and transfer tax. Transfer tax exceeded budget by \$3,676,629 and recordation tax exceeded budget by \$5,222,034 or 77.4% over budget combined due to a robust real estate market and the related recording activity.
- o Intergovernmental federal and state grants were \$17,550,480 or 236% over budgeted revenues. The increase is primarily due to \$5,254,036 in Federal CARES act for reimbursements requested for the fiscal year, \$8,770,303 from the State of Maryland Department of Commerce grant for County for restaurants, hotels and businesses impacted by the COVID-19 pandemic, and \$1,529,622 in 911 ENSB grant.
- o Charges for Services decreased by \$3,596,447 or -64.7% under budgeted revenues. Jail use fees accounted for the majority of the shortfall (\$3,362,759) mainly due to the reduced number of Immigration and Customs Enforcement (ICE) detainees which was directly related to the COVID-19 Pandemic and Federal orders.
- o Licenses and Permits were \$407,812 or 16.4% over budgeted revenues. Liquor licenses accounted for a surplus of \$301,744 as compared to budget estimates as the Governor enacted executive orders on March 19, 2020 extending the license renewal date which resulted in more renewals during fiscal year 2021 than anticipated.

Expenditures and other financing uses were \$18,711,311, or 9.2% higher compared to the budget.

- o General government actual was over budget by \$2,170,982. This related to the disbursement of CARES Act grant funds to the municipalities, ocean pines association, volunteer fire companies, and board of education.
- o Social Services actual was over budget by \$492,845. This increase was due to \$123,566 for the commission on aging senior center building expenses, \$131,354 for the state-pass through grant to Diakonia, and \$246,367 for the CDBG covid grant.
- o Education expenditures were over budget by \$863,562 for fiscal year 2021. This was primarily due to the \$718,744 of additional Board of Education Other Post Employment Benefit contributions and the \$112,120 increase in Wor-Wic operating appropriations.
- o Library, recreation and parks actual was under budget by \$271,756. This was primarily due to the recreation department recognizing a savings as a result of some programs being limited because of the COVID-19 pandemic therefore fewer seasonal part time employees were hired during the fiscal year.
- o Economic development actual was over budget by \$11,190,604. This related to the business grant expenses relating to grants issued to Worcester County restaurants, hotels, and businesses which were impacted by the COVID-19 pandemic. The grant funding came from Department of Commerce.
- o Other financing uses was over budget by \$3,616,016 which was comprised of the following transfers: Transfer of \$3,163,365 to the capital projects fund to cover pay-as-you-go expenses not included in the fiscal year budget and transfer of \$449,411 to the department of liquor control for the intergovernmental loan balance write-off as the county sold the last retail liquor store during the fiscal year and exited the liquor business.

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$182,274,857 (net of accumulated depreciation). The total decrease in the County's investment in capital assets for the current year was 2.3%. The capital assets include land, buildings, water and sewer infrastructure, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

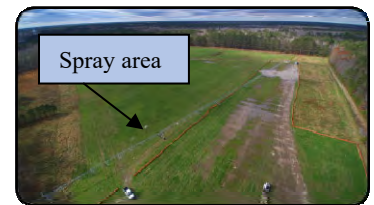
Worcester County, Maryland
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and improvements	\$ 15,631,638	\$ 15,631,638	\$ 1,341,872	\$ 1,341,872	\$ 16,973,510	\$ 16,973,510
Building and building improvements	60,770,061	59,881,554	104,195	534,742	60,874,256	60,416,296
Improvements other than buildings	6,382,813	6,442,138	11,975,849	13,381,420	18,358,662	19,823,558
Machinery and equipment	7,750,881	10,125,542	3,866,779	3,282,655	11,617,660	13,408,197
Water and sewer systems	-	-	65,445,186	64,980,163	65,445,186	64,980,163
Infrastructure	5,461,397	4,550,970	-	-	5,461,397	4,550,970
Construction-in-progress	2,196,025	5,151,996	1,348,161	1,107,948	3,544,186	6,259,944
Total:	\$ 98,192,815	\$ 101,783,838	\$ 84,082,042	\$ 84,628,800	\$ 182,274,857	\$ 186,412,638

Major capital asset events during the current fiscal year included the following:

Enterprise Funds

- o In January 2020, the County contracted with Bunting and Murray Construction Corporation of Selbyville, DE to construct the Newark spray irrigation project (aka effluent disposal project) to convey treated effluent from the wastewater treatment plant to be sprayed on the field. The total project cost of \$2,093,542 will be funded through the Maryland Department of the Environment with \$1,046,771 in loan and \$1,046,771 in loan forgiveness. The project was completed in March 2021.



- o In September 2019, the County contracted with Chesapeake Turf, LLC of Salisbury, MD for the replacement of the Riddle Farm wastewater treatment plant flow equalization tank. The County incurred bond funding in April 2019 for \$250,000 to assist with financing the tank at a total cost of \$447,109. The project was completed in April 2021.



- o In February 2020, the County contracted with Baldwin Industries, LLC of Baldwin, MD for coating rehabilitation of the North Ocean Pines water tank. The total project cost of \$297,200 will be covered by bond proceeds from the April 2019 bond funding. The project was completed in August 2020.



General government

- o The County started on phase 2 of the Jail Improvements for the inmate housing unit facilities which is a 40 year old building. Improvements on heating, ventilation, and air conditioning equipment will be done to meet current standards and mitigate future disruptions due to equipment failure. The project is estimated to cost \$12 million and will be funded through bond proceeds with a completion goal of 2024. Project costs of \$456,029 were incurred in fiscal year 2021.



- o In June 2020, the County contracted with Murtech, Inc. of Salisbury, MD for the Bayside Road Bridge replacement over Paw Paw Creek. The bridge was completed in May 2021 at a final cost of \$1,302,264. This project was funded through grant funds and assigned fund balance.



- o The purchase of equipment and building improvements for public safety totaled \$133,102, public works new vehicles and equipment totaled \$225,834, recreation and parks new vehicles totaled \$52,400, library security cameras totaled \$23,030, commission on aging building improvements totaled \$232,474, and general government totaled \$279,721 for vehicles and equipment during the fiscal year.
- o The County contributed \$8,619,606 for the following education projects:
 - o \$7,588,768 for the construction of a new Showell Elementary School to replace the existing school (2019 Bond)
 - o \$296,070 for the design phase of an addition to Stephen Decatur Middle School
 - o \$252,288 for HVAC upgrades to various schools
 - o \$192,437 for the roof repair at the Stephen Decatur Middle School
 - o \$169,248 for the installation of a new turf athletic field and track at Stephen Decatur High School (2019 Bond)
 - o \$108,966 for Board of Education Central Office building improvements
 - o \$8,716 for school security grant match for various schools
 - o \$3,113 for Pocomoke Middle School roof replacement

Additional information on Worcester County's capital assets can be found in note 5 on pages 58 – 59 of this report.

Long-term debt: At the end of the current fiscal year, Worcester County had total bonded long-term debt of \$116,382,176. The total debt is backed by the full faith and credit of Worcester County. Business-type activities are directly responsible for \$24,569,533 of the total debt. School-related debt totals \$79,760,378 at June 30, 2021 and is included in the governmental activities.

Worcester County, Maryland
Outstanding Debt/General Obligation Bonds

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Bonded Debt	\$ 91,812,643	\$ 103,196,298	\$ 24,569,533	\$ 25,101,020	\$ 116,382,176	\$ 128,297,318

The County's total bonded debt decreased by \$11,915,142 during the current fiscal year due to planned repayments of debt. Worcester County maintains an "AA" rating with Fitch, an "Aa2" rating with Moody's, and an "AA+" rating with Standard and Poor's for general obligation debt.

Additional information on the County's long-term debt can be found in note 6 on pages 60 – 66 of this report.

General Fund Economic Factors and Next Year's Budgets and Rates***Fiscal Year 2022 Budget***

The approved fiscal year 2022 operating budget totals \$216,509,211 and is supported by the real property tax rate of \$.845 per \$100 of assessed value and the personal property tax rate of \$.1125 per \$100. Fiscal year 2022 represents the sixth consecutive year of increasing real property assessments in the County. The local income tax rate remains stable at 2.25% in Fiscal year 2022. The fiscal year 2022 budget was developed to proactively address one-time capital and operating expenses that have been previously reduced due to prior years' budget constraints. Budget decisions were based upon current and historical data.

Revenues

In fiscal year 2022, the operating budget increased \$12,188,580 or 6% more than fiscal year 2021. The real property tax rate of \$.845 combined with assessment increases will increase net property taxes by \$3.3 million. Income tax revenue estimates increased by \$3.5 million based on prior year actuals and current estimates for net taxable income. Other local taxes increased \$3,380,000 primarily due to an increase of \$2.0 million in recordation taxes and \$1.5 million in transfer taxes, as the real estate market continues to sustain active levels. State shared revenue increased \$657,635 mainly in 911 fees by \$705,148 due to the increase in the local fee of \$.75 for a total of \$1.50 for each accessible service line which becomes effective July 1, 2021. This revenue partially funds the operations of the 911 Center. Charges for Services decreased by \$2,608,475 with a decrease of \$2.5 million as the most significant change due to the reduction in Jail use fees for holding a reduced number of Immigration and Customs Enforcement (ICE) detainees. Interest Income decreased by \$650,000 based upon projected market rates of return. State Grants decreased by \$939,071 primarily due to State Aid for Bridges which was only requested in the prior year. The County will continue to utilize casino/local impact grant and table game funds totaling \$3,857,893 for the debt payment for the Worcester Career and Technical High School in fiscal year 2022 and public safety expenditures to benefit the County. FY21 surplus was earmarked to fund \$4,325,935 in FY22 including the purchase of vehicles and equipment for \$1,210,260, supplemental funding for 10 EMS companies for \$1,006,859, and \$2,108,816 for operating expenses.

Expenditures

The fiscal year 2022 operating budget increase from the prior year includes increases in budget expenses to most departments and agencies primarily due to needed capital and equipment purchases and salary increases for County employees. Competitive bidding for medical and pharmacy renewals in the annual plan resulted in a 0.3% reduction with an enhancement to change retirees over 65 on Medicare programs to the Carefirst Medicare Advantage PPO plan which becomes effective January 1, 2022. The plan changes are anticipated to generate a significant one-time decrease to our OPEB trust(s) liability. Debt service decreased by \$247,737 over the prior year due to the payoff of a 2004 MDE loan for a total debt budget of \$13.6 million. The other post-employment benefit (OPEB) general fund transfer will be funded at \$11.1 million in total, an increase of \$3.0 million from the prior year. The Board of Education operating budget was increased by \$2,390,982 above the fiscal year 2021 in accordance with the required Maintenance of Effort (MOE) funding requirement. The State of Maryland requires local governments to spend as much on school operating budgets on a per-pupil base as they did the year before; thus, the MOE threshold. In fiscal year 2022 the required MOE level increased by \$2,349,829 and required an increase in funding totaling 2.5% to meet the MOE escalator provision which took effect in fiscal year 2015. In fiscal year 2022 FTE enrollment was based on September 20, 2019 to comply with State House Bill 1372 which was enacted to cover student decreases which may have occurred due to COVID-19 pandemic. The additional budget increase covered school salary account increases.

Requests for Information

This financial report is designed to provide a general overview of Worcester County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Government Center Room 1105, Snow Hill, MD 21863.

BASIC FINANCIAL STATEMENTS

WORCESTER COUNTY, MARYLAND

STATEMENT OF NET POSITION

June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	The Worcester County Board of Education
ASSETS				
Cash and short-term investments	\$ 71,642,175	\$ 20,223,733	\$ 91,865,908	\$ 10,736,315
Receivables:				
Taxes	3,626,985	-	3,626,985	-
Federal, state, and local governments	12,392,588	-	12,392,588	4,523,843
Other	950,394	6,103,199	7,053,593	152,266
Internal balances	4,119,325	(4,119,325)	-	-
Prepaid items	110,153	-	110,153	-
Other assets	51,789	16,806,547	16,858,336	-
Nondepreciable capital assets	17,827,663	2,690,033	20,517,696	2,619,990
Depreciable capital assets, net	80,365,152	81,392,009	161,757,161	200,148,153
Total assets	191,086,224	123,096,196	314,182,420	218,180,567
DEFERRED OUTFLOWS OF RESOURCES				
Pensions (see Note 7)	6,030,572	-	6,030,572	1,091,020
Other post employment benefits (see Note 8)	1,426,205	-	1,426,205	63,510,295
Total deferred outflows of resources	7,456,777	-	7,456,777	64,601,315
LIABILITIES				
Accounts payable and accrued liabilities	8,188,884	1,116,333	9,305,217	6,563,330
Unearned revenue	6,566,061	-	6,566,061	2,888,285
Due to fiduciary funds	1,086	-	1,086	-
Early incentive payment	-	-	-	-
Long-term liabilities:				
Compensated absences due within one year	908,000	165,447	1,073,447	47,097
Compensated absences due in more than one year	1,163,063	202,214	1,365,277	866,422
Long-term debt due within one year	11,602,398	19,966,590	31,568,988	855,778
Long-term debt due in more than one year	80,616,140	24,016,997	104,633,137	1,711,556
Unearned revenue	-	17,603,688	17,603,688	-
Net pension liability due in more than one year (see Note 7)	32,399,879	-	32,399,879	5,846,065
Other post employment benefits due in more than one year (see Note 8)	9,129,008	-	9,129,008	427,859,416
Total liabilities	150,574,519	63,071,269	213,645,788	446,637,949
DEFERRED INFLOWS OF RESOURCES				
Pensions (see Note 7)	1,879,146	-	1,879,146	338,096
Other post employment benefits (see Note 8)	10,570,802	-	10,570,802	24,018,014
Total deferred inflows of resources	12,449,948	-	12,449,948	24,356,110
NET POSITION				
Net investment in capital assets	104,538,442	57,958,906	162,497,348	202,768,143
Restricted for:				
Capital projects	-	-	-	53,492
Food service activities	-	-	-	389,480
Other purposes (school activity funds)	-	-	-	1,367,414
Unrestricted (deficit)	(69,019,908)	2,066,021	(66,953,887)	(392,790,706)
Total net position	\$ 35,518,534	\$ 60,024,927	\$ 95,543,461	\$ (188,212,177)

The Notes to Financial Statements are an integral part of this statement.



WORCESTER COUNTY, MARYLAND

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental activities:				
Current:				
General government	\$ 27,023,761	\$ 2,679,098	\$ 10,716,096	\$ -
Public safety	39,295,951	1,148,737	2,086,330	1,105,909
Public works	9,629,488	533,758	1,087,504	1,526,052
Health and hospitals	6,640,734	477,375	143,696	-
Social services	2,903,950	-	227,649	382,721
Education	109,762,529	-	-	-
Libraries, recreation and culture	8,903,755	232,390	1,006,256	1,366,339
Conservation of natural resources	748,500	-	12,674	1,352,226
Economic development	13,069,061	22,390	9,222,033	22,965
Interest on long-term debt	2,555,254	-	-	-
Total governmental activities	220,532,983	5,093,748	24,502,238	5,756,212
Business-type activities:				
Department of Solid Waste	7,083,647	5,245,653	-	-
Department of Water and Wastewater	16,142,579	17,240,986	30,000	-
Department of Liquor Control	636,072	631,287	-	-
Total business-type activities	23,862,298	23,117,926	30,000	-
Total primary government	244,395,281	28,211,674	24,532,238	5,756,212
Component units:				
The Worcester County Board of Education	167,644,246	1,411,194	139,326,812	7,286,911
Total component units	167,644,246	1,411,194	139,326,812	7,286,911

General revenues:

Taxes:

Real and personal property

Income

Other:

Room tax & admin fees

Admission and amusement

Recordation

Trailer park excise tax

Transfer tax

Food tax admin fees

Interest

Other

Total general revenues**Transfers**

Total change in net position

Net position, beginning of year as restated (see Note 16)

Net position, end of year

The Notes to Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	The Worcester County Board of Education
\$ (13,628,567)	\$ -	\$ (13,628,567)	\$ -
(34,954,975)	-	(34,954,975)	-
(6,482,174)	-	(6,482,174)	-
(6,019,663)	-	(6,019,663)	-
(2,293,580)	-	(2,293,580)	-
(109,762,529)	-	(109,762,529)	-
(6,298,770)	-	(6,298,770)	-
616,400	-	616,400	-
(3,801,673)	-	(3,801,673)	-
(2,555,254)	-	(2,555,254)	-
(185,180,785)	-	(185,180,785)	-
-	(1,837,994)	(1,837,994)	-
-	1,128,407	1,128,407	-
-	(4,785)	(4,785)	-
-	(714,372)	(714,372)	-
(185,180,785)	(714,372)	(185,895,157)	-
-	-	-	(19,619,329)
-	-	-	(19,619,329)
147,020,697	-	147,020,697	-
35,824,894	-	35,824,894	-
1,085,207	-	1,085,207	-
611,223	-	611,223	-
12,222,034	-	12,222,034	-
(159,303)	-	(159,303)	-
8,176,629	-	8,176,629	-
75,158	-	75,158	-
114,302	18,043	132,345	1,881
1,951,066	254,337	2,205,403	(91,840)
206,921,907	272,380	207,194,287	(89,959)
(449,411)	449,411	-	-
21,291,711	7,419	21,299,130	(19,709,288)
14,226,823	60,017,508	74,244,331	(168,502,889)
\$ 35,518,534	\$ 60,024,927	\$ 95,543,461	\$ (188,212,177)

WORCESTER COUNTY, MARYLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and short-term investments	\$ 67,187,901	\$ 2,002,004	\$ -	\$ 2,452,270	\$ 71,642,175
Receivables:					
Taxes	3,626,985	-	-	-	3,626,985
Federal, state, and local governments	12,392,588	-	-	-	12,392,588
Other	950,394	-	-	-	950,394
Due from other funds	4,277,652	969,356	-	269,335	5,516,343
Prepaid items	110,153	-	-	-	110,153
Other assets	51,789	-	-	-	51,789
Total assets	\$ 88,597,462	\$ 2,971,360	\$ -	\$ 2,721,605	\$ 94,290,427
LIABILITIES					
Accounts payable and accrued liabilities	\$ 5,192,213	\$ 1,023,002	\$ -	\$ 152,819	\$ 6,368,034
Due to other funds	1,239,777	-	-	158,327	1,398,104
Unearned revenue	5,595,818	970,243	-	-	6,566,061
Other	2,728,850	-	-	-	2,728,850
Total liabilities	14,756,658	1,993,245	-	311,146	17,061,049
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	2,510,101	-	-	-	2,510,101
FUND BALANCES					
Nonspendable	110,153	-	-	-	110,153
Restricted	-	978,115	-	-	978,115
Assigned	35,511,437	-	-	2,410,459	37,921,896
Unassigned	35,709,113	-	-	-	35,709,113
Total fund balances	71,330,703	978,115	-	2,410,459	74,719,277
Total liabilities, deferred inflows of resources, and fund balances	\$ 88,597,462	\$ 2,971,360	\$ -	\$ 2,721,605	\$ 94,290,427

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 June 30, 2021

Total fund balances, governmental funds	\$ 74,719,277

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and are, therefore, not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.	98,192,815

Certain revenues that do not provide current financial resources are reported as deferred inflows of resources in the fund financial statements, but are reported as revenue in the governmental activities of the Statement of Net Position.	2,510,101

Deferred outflows of resources - pensions (see Note 7)	6,030,572

Deferred outflows of resources - OPEB (see Note 8)	1,426,205

Deferred inflows of resources - pensions (see Note 7)	(1,879,146)

Deferred inflows of resources - OPEB (see Note 8)	(10,570,802)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. Those liabilities consist of:

Bonds, notes, and capital leases payable	(92,218,538)	
Compensated absences	(1,163,063)	
Net pension liability (see Note 7)	(32,399,879)	
Other post employment benefits (see Note 8)	(9,129,008)	
Total long-term liabilities	(134,910,488)	

Net position of governmental activities in the Statement of Net Position	\$ 35,518,534

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES:					
Taxes and special assessments	\$204,592,525	\$ -	\$ -	\$ -	\$204,592,525
Licenses and permits	2,901,494	-	-	-	2,901,494
Intergovernmental	24,987,977	1,352,226	-	3,917,234	30,257,437
Service charges and fees	1,962,123	-	-	-	1,962,123
Miscellaneous	2,324,309	9,011	-	1,973	2,335,293
Total revenues	236,768,428	1,361,237	-	3,919,207	242,048,872
EXPENDITURES:					
Current:					
General government	20,293,079	-	-	-	20,293,079
Public safety	36,052,606	-	-	-	36,052,606
Public works	8,507,876	-	-	-	8,507,876
Health and hospitals	6,154,707	-	-	-	6,154,707
Social services	2,279,304	-	-	624,646	2,903,950
Education	101,142,923	8,619,606	-	-	109,762,529
Libraries, recreation, parks and culture	8,077,203	-	-	-	8,077,203
Conservation of natural resources	707,400	-	-	41,100	748,500
Economic development	13,016,286	-	-	-	13,016,286
Distributions to incorporated municipalities	9,248,873	-	-	-	9,248,873
Capital projects	-	4,186,200	-	-	4,186,200
Debt service:					
Principal retirement	-	-	10,209,060	-	10,209,060
Interest and other charges	-	-	3,729,849	-	3,729,849
Total expenditures	205,480,257	12,805,806	13,938,909	665,746	232,890,718
Excess (deficiency) of revenues over expenditures	31,288,171	(11,444,569)	(13,938,909)	3,253,461	9,158,154
OTHER FINANCING SOURCES (USES):					
Transfers in	2,497,400	3,163,365	13,938,909	-	19,599,674
Transfers out	(17,551,685)	-	-	(2,497,400)	(20,049,085)
Total other financing sources (uses)	(15,054,285)	3,163,365	13,938,909	(2,497,400)	(449,411)
Net change in fund balances	16,233,886	(8,281,204)	-	756,061	8,708,743
Fund balances, beginning	55,096,817	9,259,319	-	1,654,398	66,010,534
Fund balances, ending	\$ 71,330,703	\$ 978,115	\$ -	\$ 2,410,459	\$ 74,719,277

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

Net change in fund balances, governmental funds \$ 8,708,743

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:

Capital outlay	2,934,164
Depreciation expense	(6,486,406)
Loss on the disposal of capital assets	(38,781)

Because some revenues will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unearned revenues increased by this amount this year. 264,014

Governmental funds report payments of debt principal as an expenditure. In contrast, the Statement of Activities treats such payments as a reduction in long-term liabilities. 10,224,942

Premiums, discounts, and similar items are reported in governmental funds when debt is issued; whereas, these amounts are deferred and amortized in the Statement of Activities. 1,174,595

Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These items consist of:

Change in pension expense (see Note 7)	(1,004,749)
Change in post-retirement employee benefits (see Note 8)	5,505,002
Change in compensated absences	10,187

Change in net position of governmental activities	\$ 21,291,711

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES:				
Taxes	\$ 184,990,221	\$ 184,990,221	\$ 204,592,525	\$ 19,602,304
Licenses and permits	2,493,682	2,493,682	2,901,494	407,812
Intergovernmental	7,437,497	7,437,497	24,987,977	17,550,480
Charges for services	5,558,570	5,558,570	1,962,123	(3,596,447)
Miscellaneous	1,343,261	1,343,261	2,324,309	981,048
Total revenues	201,823,231	201,823,231	236,768,428	34,945,197
EXPENDITURES:				
General government	18,351,165	18,122,097	20,293,079	(2,170,982)
Public safety	35,836,196	35,936,967	36,052,606	(115,639)
Public works	8,629,687	8,705,584	8,507,876	197,708
Health and hospitals	6,244,687	6,244,687	6,154,707	89,980
Social services	1,786,459	1,786,459	2,279,304	(492,845)
Education	100,279,361	100,279,361	101,142,923	(863,562)
Libraries, recreation, parks, and culture	8,296,559	8,348,959	8,077,203	271,756
Conservation of natural resources	727,951	727,951	707,400	20,551
Economic development	1,825,682	1,825,682	13,016,286	(11,190,604)
Intergovernmental	8,407,215	8,407,215	9,248,873	(841,658)
Total expenditures	190,384,962	190,384,962	205,480,257	(15,095,295)
Excess of revenues over expenditures	11,438,269	11,438,269	31,288,171	19,849,902
OTHER FINANCING SOURCES (USES):				
Operating transfers in	2,497,400	2,497,400	2,497,400	-
Operating transfers out	(13,935,669)	(13,935,669)	(17,551,685)	3,616,016
Total other financing uses	(11,438,269)	(11,438,269)	(15,054,285)	3,616,016
Net change in fund balance	\$ -	\$ -	16,233,886	\$ 16,233,886
Fund balance, beginning			55,096,817	
Fund balance, ending			\$ 71,330,703	

The Notes to Financial Statements are an integral part of this statement.



WORCESTER COUNTY, MARYLAND

STATEMENT OF NET POSITION

BUSINESS-TYPE ACTIVITIES

June 30, 2021

	Department of <u>Solid Waste</u>	Department of Water and <u>Wastewater</u>	Department of Liquor <u>Control</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and short-term investments	\$ 7,817,427	\$ 12,406,306	\$ -	\$ 20,223,733
Accounts receivable	242,000	5,861,199	-	6,103,199
Total current assets	8,059,427	18,267,505	-	26,326,932
Noncurrent assets:				
Capital assets:				
Land, land rights and improvements	1,226,989	114,883	-	1,341,872
Construction-in-progress	-	1,348,161	-	1,348,161
Buildings and building improvements	429,570	-	-	429,570
Improvements other than buildings	42,199,768	-	-	42,199,768
Water and sewer systems	-	116,185,952	-	116,185,952
Machinery and equipment	6,521,838	6,341,105	-	12,862,943
	50,378,165	123,990,101	-	174,368,266
Less: accumulated depreciation	(34,853,379)	(55,432,845)	-	(90,286,224)
	15,524,786	68,557,256	-	84,082,042
Other assets:				
Long-term debt service receivable	-	16,806,547	-	16,806,547
Total noncurrent assets	15,524,786	85,363,803	-	100,888,589
Total assets	\$ 23,584,213	\$ 103,631,308	\$ -	\$ 127,215,521

The Notes to Financial Statements are an integral part of this statement.

	Department of <u>Solid Waste</u>	Department of Water and <u>Wastewater</u>	Department of Liquor <u>Control</u>	<u>Total</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	\$ 145,265	\$ 990,191	\$ -	\$ 1,135,456
Bonds and notes payable - current	310,095	1,316,852	-	1,626,947
Capital leases payable - current	479,192	-	-	479,192
Landfill - closure and postclosure costs	17,860,451	-	-	17,860,451
Accrued bond interest payable	-	146,324	-	146,324
Due to other funds	50,850	-	-	50,850
Total current liabilities	18,845,853	2,453,367	-	21,299,220
Noncurrent liabilities:				
Unearned revenues	-	17,603,688	-	17,603,688
Compensated absences	29,758	172,456	-	202,214
Bonds and notes payable	4,522,619	18,419,967	-	22,942,586
Capital leases payable	1,074,411	-	-	1,074,411
Due to other funds	-	4,068,475	-	4,068,475
Total noncurrent liabilities	5,626,788	40,264,586	-	45,891,374
Total liabilities	24,472,641	42,717,953	-	67,190,594
NET POSITION (DEFICIT)				
Net investment in capital assets	9,138,469	48,820,437	-	57,958,906
Unrestricted (deficit)	(10,026,897)	12,092,918	-	2,066,021
Total net position (deficit)	\$ (888,428)	\$ 60,913,355	\$ -	\$ 60,024,927

WORCESTER COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 BUSINESS-TYPE ACTIVITIES
 Year Ended June 30, 2021

	Department of <u>Solid Waste</u>	Department of <u>Water and Wastewater</u>	Department of <u>Liquor Control</u>	<u>Total</u>
OPERATING REVENUES:				
Domestic charges	\$ -	\$ 10,371,297	\$ -	\$ 10,371,297
Commercial charges	-	953,004	-	953,004
Hook-up charges	-	414,049	-	414,049
Future capital development	-	117,450	-	117,450
Interest and penalties on overdue accounts	1,219	6,225	-	7,444
Additional assessments	-	470,250	-	470,250
Payments by developers	-	30,500	-	30,500
Other revenue	43,791	2,695,310	97,933	2,837,034
Interfund charges	411,492	-	-	411,492
Debt service revenue	-	1,920,641	-	1,920,641
White Horse Park revenue	-	262,260	-	262,260
Liquor sales	-	-	533,354	533,354
Stump, yard waste, and mulch revenue	57,064	-	-	57,064
Licenses and permits	5,165	-	-	5,165
Tipping fees	4,726,922	-	-	4,726,922
Total operating revenues	5,245,653	17,240,986	631,287	23,117,926
Cost of goods sold	-	-	388,789	388,789
Gross profit	5,245,653	17,240,986	242,498	22,729,137
Total operating expenses	4,891,638	12,062,044	209,525	17,163,207
Operating income before depreciation and general expenses	354,015	5,178,942	32,973	5,565,930
Depreciation and general expenses	1,931,176	3,494,171	37,758	5,463,105
Operating income (loss)	(1,577,161)	1,684,771	(4,785)	102,825
NONOPERATING REVENUES (EXPENSES):				
Interest on investments	5,976	12,067	-	18,043
Operating grants	-	30,000	-	30,000
Interest expense	(260,833)	(586,364)	-	(847,197)
Distributions to municipalities	-	-	(3,334)	(3,334)
Sale of capital assets	-	-	257,671	257,671
Total nonoperating revenues (expenses)	(254,857)	(544,297)	254,337	(544,817)
TRANSFERS IN	-	-	449,411	449,411
Change in net position	(1,832,018)	1,140,474	698,963	7,419
Net position (deficit), beginning	943,590	59,772,881	(698,963)	60,017,508
Net position (deficit), ending	\$ (888,428)	\$ 60,913,355	\$ -	\$ 60,024,927

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
Year Ended June 30, 2021

	Department of <u>Solid Waste</u>	Department of Water and <u>Wastewater</u>	Department of Liquor <u>Control</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received for services	\$ 4,792,263	\$ 13,554,553	\$ -	\$ 18,346,816
Cash received for liquor sales	-	-	533,354	533,354
Cash received from other revenues	42,731	2,695,310	97,933	2,835,974
Cash received for future capital development	-	117,450	-	117,450
Cash received for interfund charges	411,492	-	-	411,492
Cash payments to employees	(788,130)	(3,666,229)	(38,727)	(4,493,086)
Cash payments for fringe benefits	(448,326)	(1,927,538)	(14,568)	(2,390,432)
Cash payments for inventory, materials, supplies, and services	(1,001,410)	(6,099,669)	(362,042)	(7,463,121)
Net cash provided by operating activities	3,008,620	4,673,877	215,950	7,898,447
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of property and equipment	-	(4,953,984)	-	(4,953,984)
Proceeds from sales of property and equipment	125,000	-	669,319	794,319
Principal paid on capital lease obligations	(531,575)	-	-	(531,575)
Principal paid on bonds, lines of credit, and notes	(294,439)	(1,508,449)	-	(1,802,888)
Proceeds from long term debt	-	1,216,771	-	1,216,771
Interest paid on capital lease obligations	(70,583)	-	-	(70,583)
Interest paid on bonds, lines of credit, and notes	(190,250)	(586,364)	-	(776,614)
Net cash provided (used) by capital and related financing activities	(961,847)	(5,832,026)	669,319	(6,124,554)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received for operating grants	-	30,000	-	30,000
Distributions to municipalities	-	-	(3,334)	(3,334)
Advances from (to) other funds	(52,040)	2,467,399	(974,165)	1,441,194
Net cash provided (used) by noncapital financing activities	(52,040)	2,497,399	(977,499)	1,467,860
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	5,976	12,067	-	18,043
Net cash provided by investing activities	5,976	12,067	-	18,043
Net increase (decrease) in cash and short-term investments	2,000,709	1,351,317	(92,230)	3,259,796
Cash and short-term investments, beginning	5,816,718	11,054,989	92,230	16,963,937
Cash and short-term investments, ending	\$ 7,817,427	\$ 12,406,306	\$ -	\$ 20,223,733

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF CASH FLOWS

BUSINESS-TYPE ACTIVITIES

Year Ended June 30, 2021

(CONTINUED)

	Department of <u>Solid Waste</u>	Department of Water and <u>Wastewater</u>	Department of Liquor <u>Control</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS)				
TO NET CASH PROVIDED BY				
OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,577,161)	\$ 1,684,771	\$ (4,785)	\$ 102,825
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,931,176	3,494,171	8,157	5,433,504
Changes in assets and liabilities:				
Accounts receivable	833	(377,131)	-	(376,298)
Inventories	-	-	292,955	292,955
Accounts payable and accrued expenses	2,654,338	360,912	(78,928)	2,936,322
Unearned revenue	-	(496,542)	-	(496,542)
Compensated absences	(566)	7,696	(1,449)	5,681
Net cash provided by operating activities	\$ 3,008,620	\$ 4,673,877	\$ 215,950	\$ 7,898,447
NONCASH INVESTING, CAPITAL, AND				
FINANCING ACTIVITIES:				
Equipment acquired under capital leases	\$ 469,410	\$ -	\$ -	\$ 469,410
Total non-cash activities	\$ 469,410	\$ -	\$ -	\$ 469,410

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

June 30, 2021

	Public Drainage <u>Associations</u>	Other Post- Employment Benefits <u>Trust</u>	Custodial <u>Funds</u>
ASSETS			
Cash and short-term investments	\$ 669,004	\$ 3,351,465	\$ 2,380,949
Trust investments:			
Money market funds	-	2,574,694	-
MLGIP	-	425,516	-
Fixed income securities	-	22,651,703	-
Equities securities	-	47,776,164	-
Taxes receivable	-	-	1,426,167
Special assessments receivable	6,757	-	-
Due from other funds	1,086	-	-
Total assets	676,847	76,779,542	3,807,116
LIABILITIES			
Accounts payable	45,955	-	1,513,106
Unearned revenue	-	-	260,817
Due to other governments	-	-	1,544,118
Total liabilities	45,955	-	3,318,041
NET POSITION			
Fiduciary net position held for others	630,892	-	489,075
Fiduciary net position held for other post-employment benefits	-	76,779,542	-
Total net position	\$ 630,892	\$ 76,779,542	\$ 489,075

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2021

	Public Drainage <u>Associations</u>	Other Post Employment Benefits <u>Trust</u>	Custodial <u>Funds</u>
ADDITIONS:			
Contributions:			
Special assessments	\$ 116,935	\$ -	\$ -
Collections for other governments	-	-	88,525,754
Grant funding	-	-	144,683
Employer contributions	-	3,968,744	-
Plan member contributions	-	634,901	-
Other	19,750	-	631,985
Total contributions	136,685	4,603,645	89,302,422
Investment earnings:			
Interest	2,180	4,184	620
Net increase in fair value of investments	-	13,960,774	-
Total investment earnings	2,180	13,964,958	620
Total additions	138,865	18,568,603	89,303,042
DEDUCTIONS:			
Ditch maintenance	141,799	-	-
Claims incurred	-	3,178,216	-
Payments to other governments			88,589,997
Other	265	5,000	590,959
Total deductions	142,064	3,183,216	89,180,956
Change in net position	(3,199)	15,385,387	122,086
Net position, beginning as restated (see Note 18)	634,091	61,394,155	366,989
Net position, ending	\$ 630,892	\$ 76,779,542	\$ 489,075

The Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Worcester County, Maryland

Worcester County, Maryland (the “County”) is a home rule county governed by a seven-member Board of County Commissioners with the county seat located in Snow Hill, Maryland. The County government directly provides all basic local governmental services.

The financial statements of Worcester County, Maryland are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial principles. The following is a summary of the significant policies:

Note 2. Summary of Significant Accounting Policies**A. Financial Reporting Entity**

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County.

The component unit column on the government-wide financial statements contains the financial data of the County’s discretely presented component unit: the Board of Education of Worcester County (the “BOE”). It is reported in a separate column to emphasize that it is legally separate from the County. Although this organization is a legally separate entity and has a separately elected governing board, it is included in the financial statements of the County because the County is financially accountable for the organization.

The BOE administers the public school system in the County. The BOE is organized as a separate legal entity, but does not have the power to levy taxes or issue bonds. The BOE’s budget is subject to approval by the County Commissioners, and the BOE receives a significant portion of its operational and capital project funding from the County.

Separately issued financial statements can be obtained from the following:

Board of Education of Worcester County
6270 Worcester Highway
Newark, Maryland 21841

B. Basis of Presentation

The County’s basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (continued)

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

FUND FINANCIAL STATEMENTS

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which includes its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the County:

GOVERNMENTAL FUND TYPES

Governmental funds are accounted for using the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period. The following are the County's major governmental funds:

General Fund – The General Fund is the general operating fund of the County. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

In addition, the County has the following governmental funds which the County has chosen to show as major funds due to their importance to the overall performance of the County:

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, which are not financed by proprietary funds.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, including capital lease obligations, principal, interest, and related costs.

The remaining governmental funds which are non-major consist of the following:

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Department of Social Services Fund, the Local Management Board, the Casino Fund, and the Energy Service Fund are the special revenue funds of the County.

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (continued)**PROPRIETARY FUND TYPES**

Proprietary funds are accounted for using the economic resources measurement focus; the accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into net investment in capital assets and unrestricted net position.

Enterprise Funds – Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The Department of Solid Waste and the Department of Water and Wastewater Services are the major enterprise funds of the County. The Department of Liquor Control is a non-major enterprise fund of the County, that ended on January 4, 2021.

FIDUCIARY FUND TYPES

Fiduciary funds account for assets held by the County in a trustee or custodial capacity. Custodial funds report fiduciary activities that are not required to be reported as another fiduciary fund type.

Trust and Custodial Funds – Trust and Custodial Funds are used to account for assets held by the County as an agent for other funds and/or other governments. The trust funds include the OPEB Trust Fund and the Public Drainage Fund (a private purpose trust fund). The custodial funds include the State of Maryland Property Tax Fund, Maryland Department of Motor Vehicles Fund, Tax Sale Fund, Development Tax Fund, Performance Bond Fund, Personal Property Tax Fund, Forest Conservation Fund, Bay Restoration Fund, Berlin Room Tax Fund, Snow Hill Property Tax Fund, Snow Hill Room Tax Fund, Berlin Property Tax Fund, Pocomoke Property Tax Fund, Pocomoke Room Tax Fund, Ocean City Property Tax Fund, Ocean City Food Tax Fund, Ocean City Room Tax Fund, Special Loans Fund, Critical Areas Fund, and the Seized Funds Pending Forfeiture Fund.

D. Measurement Focus**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the Statement of Net Position.

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Changes in Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (continued)**E. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Enterprise funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

REVENUES – EXCHANGE AND NONEXCHANGE TRANSACTIONS

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, “available” means expected to be received within sixty days after year-end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year in which the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: property taxes, franchise taxes, special assessments, intergovernmental revenues, interest revenue, and charges for services. Income taxes collected and held by the State at year-end on behalf of the County are also recognized as revenue. License and permit revenues are not susceptible to accrual because they generally are not measurable until received in cash.

DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until that time. The County recognizes deferred outflows of resources related to advance refundings of debt (see Note 6). The County and BOE recognize deferred outflows of resources related to their pension obligations (see Note 7) and OPEB liability (Note 8) for changes in assumptions, difference between expected and actual experience and net difference between projected and actual investment earnings. These amounts are deferred and recognized as outflows of resources in the period that the amounts become available.

In addition to liabilities, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The County has an item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, this item, unavailable revenue, is reported only on the governmental funds Balance Sheet. The governmental funds record unavailable revenues from property taxes. The County and BOE also recognize deferred inflows of resources related to their pension obligations (see Note 7) and OPEB liability (see Note 8) for changes in assumptions, net difference between projected and actual investment earnings and differences between expected

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (continued)

and actual experience. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

EXPENSES / EXPENDITURES

On the accrual basis, expenses are recognized in the period in which they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgetary Data

Formal budgetary accounting is employed as a management control for all enterprise funds. The annual budgets for the enterprise funds are prepared in accordance with the basis of accounting utilized by those funds. The General Fund of the County has a legally adopted budget. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund is prepared on a basis consistent with the budget. The County's budget includes appropriations of prior year fund balance as "other sources" in the current year. Also, the Statement of Activities is prepared on a basis consistent with GAAP where encumbrances are treated as assignments of fund net position and prior year fund net position is not recognized as other revenue sources. The budgets shown in the financial statements are the budget ordinances at the close of the day on June 30, 2021. All annual appropriations lapse at fiscal year-end.

The County follows these procedures in establishing the governmental funds budgetary data reflected in the financial statements:

- 1) Prior to April 30, the Chief Administrative Officer submits to the County Commissioners a proposed budget for the fiscal year commencing the following July 1. The budget includes requested expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) No later than the first Tuesday in June, the budget is legally enacted through passage of a budget resolution.
- 4) The Chief Administrative Officer is not authorized to make any transfers of budgeted amounts. The County's legal level of budgetary control is at the County Commissioner level, such that all transfers must be approved by the County Commissioners.

The BOE follows these procedures in establishing its general fund budgetary data reflected in the financial statements:

- 1) The Superintendent and Supervisor of Business Operations formulate a proposed budget for review by the BOE during the second public hearing scheduled in February.
- 2) Prior to March 31, the BOE adopts the proposed budget. The proposed budget, exclusive of amounts relating to restricted programs, is submitted to the County Commissioners.
- 3) In mid-May, the County Commissioners and the BOE discuss the budget in public forum.
- 4) The County Commissioners approve the budget no later than the first Tuesday in June. The approved budget is subject to affirmation by the BOE within thirty days of the County Commissioners' approval.

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (continued)**G. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. Encumbrances outstanding at year-end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

H. Cash and Short-Term Investments

For purposes of the Statement of Cash Flows, the County considers all highly liquid investments with original maturities of less than 30 days to be cash equivalents.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are reported as prepaid items using the consumption method, which records a current asset for the prepaid amount and reflects the expenditure/expense in the year in which services are consumed.

J. Property Taxes

Taxes are levied annually on July 1 and are due in full by September 30 for non-owner occupied properties. Owner occupied property taxes and small business taxes are due in two equal semiannual installments on September 30 and December 31, respectively. Property taxes are attached as an enforceable lien and are in arrears on October 1 for non-owner occupied properties and January 1 for owner occupied properties. The County bills and collects its own taxes. County property tax revenues are recognized when collected.

K. Inventory

Inventory held for resale is stated at the lower of cost (first in, first out) or market.

L. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost or estimated cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, on the date donated. The County maintains a capitalization threshold of \$10,000. The County's infrastructure consists of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (continued)

All capital assets are depreciated, except for land, land improvements, and construction-in-progress. Building improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and building improvements	40 - 100 years
Improvements other than buildings	40 years
Machinery and equipment	5 - 20 years
Water and sewer systems	6 - 20 years
Infrastructure	5 - 50 years

M. Interfund Receivables / Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide Statement of Net Position. The only interfund balances which remain on the government-wide Statement of Net Position are those between governmental and fiduciary activities. These amounts are reflected as "due to fiduciary funds."

N. Compensated Absences

Vacation benefits are earned by employees of the County based on time in service, and the rights to such benefits are vested. Sick leave is also accumulated by employees based on time in service. However, accumulated sick leave benefits do not vest and are not paid unless employees are absent due to illness, except that accumulated sick time is credited to months of service in the calculation of employees' retirement benefits. The County records vested vacation benefits as they are earned.

The entire compensated absences liability is reported on the government-wide financial statements.

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and leases are recognized as liabilities on the fund financial statements when due.

P. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation, and reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the County, or through external restrictions imposed by grantors, creditors, or laws and/or regulations of other governments.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (continued)**Q. Governmental Fund Balance**

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the County charter or code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that are established only for specific purposes, modified, or rescinded, as determined through formal action by the County Commissioners, by the approval of a resolution.

Assigned – Amounts that are designated by the Commissioners or management with intent to be used for specific purposes, but are neither restricted nor committed by approval of a resolution.

Unassigned – Amounts not included in other spendable classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount. In accordance with County policy, included within unassigned fund balance are reserve amounts of \$20,288,161 for contingency and emergency conditions. These reserve amounts do not meet the definition of assigned in accordance with GASB 54 and are thus included within unassigned fund balance.

It is the County's policy to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. When the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the enterprise funds. For the County, these revenues are charges for services for the Department of Water and Wastewater and the Department of Solid Waste and sales of liquor for the Department of Liquor Control. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

S. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

T. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (continued)**U. New Accounting Policies**

The County adopted Government Accounting Standards Board's Statement No. 84, *Fiduciary Activities*, on July 1, 2020. This statement's objective is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities are reported. The County is reporting a new classification of custodial funds which were previously reported as agency funds in the statement of fiduciary net position. The County is also presenting custodial funds in the statement of changes in fiduciary net position.

Note 3. Cash and Short-Term Investments

Deposits are maintained in a variety of financial institutions.

The County is authorized to invest unexpended revenues from taxation, bond sales, lawful receipts of funds from other governmental agencies, or any other funds properly received by it, until it determines the funds are needed for proper public purposes. The County's investment policy, in order to minimize credit and interest rate risk, allows it to invest in United States government bonds or evidence of indebtedness; or it can invest in federally insured banking institutions, which pledge United States Treasury bills, notes, or other obligations to secure such deposits, repurchase agreements, and collateralized certificates of deposit.

At June 30, 2021, Worcester County had deposits with financial institutions totaling \$21,221,475 (with a carrying value of \$18,428,950). The depository banks pledge collateral for specific accounts, which are held in the County's name. Deposits in financial institutions were fully insured or collateralized at June 30, 2021 and, therefore, have no custodial risk associated with them.

The County is a participant in the Maryland Local Government Investment Pool ("MLGIP"), which provides all local government units of the State a safe investment vehicle for the short-term investment of funds. The State Legislature created MLGIP with the passage of Article 95 §22G of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, is managed by PNC Capital Advisors, LLC and custodied by PNC Bank, N.A. An MLGIP Advisory Committee of current participants was formed to review, on a semiannual basis, the activities of the Fund and to provide suggestions to enhance the Pool. The MLGIP is rated "AAAm" by Standard and Poor's. The fair value of the Pool is the same as the value of the Pool shares. At June 30, 2021, the County had investments of \$80,259,457 with the MLGIP, which are recorded at cost, which approximates fair value.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's exposure to credit risk on deposits is minimal, as all deposits are in the form of cash, fully insured by the FDIC, or collateralized by securities pledged in the County's name. The County minimizes its exposure to credit risk on investments by limiting its investments to U.S. Treasury obligations and the MLGIP. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's exposure to interest rate risk is minimal as of June 30, 2021, as its only investments within the primary government consisted of the MLGIP. The County's only other investments are within the Retiree Benefit Trust Fund.

The Worcester County Retiree Benefit Trust Fund is authorized to invest in securities in varying proportions when and for as long as, in the opinion of the Fund's Trustees, prevailing market and economic considerations indicate that it is in the best interest of the Fund to do so.

NOTES TO FINANCIAL STATEMENTS

Note 3. Cash and Short-Term Investments (continued)

Investments in the Retiree Benefit Trust Fund by type and maturity at June 30, 2021, measured at fair value, were as follows:

	1 Year	1-5 Years	Over 5 Years	Total	Rate
MLGIP	\$ 425,516	\$ -	\$ -	\$ 425,516	0.03%
M&T Investments:					
Money Market	2,574,694	-	-	2,574,694	0.01%
Fixed Income:					
U.S. Treasury	336,244	2,028,469	1,964,088	4,328,801	1.125% - 3.625%
U.S. Government Agency	22	374,312	3,039,334	3,413,668	1.50% - 5.00%
Other Fixed Income	1,200,646	1,240,784	12,467,804	14,909,234	0.650% - 6.20%
Equities	47,776,164	-	-	47,776,164	N/A
Total	\$ 52,313,286	\$ 3,643,565	\$ 17,471,226	\$ 73,428,077	

The County uses the fair value hierarchy established by GAAP to measure the fair value of its assets. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and gives the highest priority to unadjusted, quoted market prices in active markets for identical assets (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The levels of the fair value hierarchy are as follows: Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, such as quoted market prices for similar assets or identical assets in less active markets; and Level 3 inputs are significant unobservable inputs, such as pricing models.

The County has the following recurring fair value measurements as of June 30, 2021:

- Amounts invested in MLGIP and money market funds are valued using quoted market prices (Level 1 inputs)
- Amounts invested in fixed income investments are comprised of securities priced by industry standard vendors, using significant observable inputs such as benchmark yields, reported trades, and broker/dealer quotes (Level 2 inputs), which are then allocated to position holders on a per unit basis
- Amounts invested in domestic and international equities are comprised of securities valued using quoted market prices (Level 1 inputs)

Reconciliation of cash and short-term investments as shown on the Statement of Net Position:

Petty cash	\$ 4,435
Carrying amount of deposits	18,428,950
Money market funds	2,574,694
Fixed income securities	22,651,703
Equities securities	47,776,164
MLGIP	80,259,457
Less: cash and investments recorded within fiduciary funds	(79,829,495)
Total	\$ 91,865,908

NOTES TO FINANCIAL STATEMENTS

Note 4. Interfund Balances and Transfers

As a result of its operations, the County effects a variety of transactions between funds to finance operations, service debt, etc. Accordingly, to the extent that certain interfund transactions have not been paid or received as of June 30, 2021, appropriate “due from/to” other funds have been established.

Interfund transactions are classified as follows:

- 1) Transfers to support the operations of other funds are recorded as “Transfers in (out) to other funds” and classified as “other financing sources (uses)” in the fund statements. Transfers between governmental and proprietary funds are netted as part of the reconciliation of the government-wide financial statements. All payroll and some shared expenses, such as benefits, are paid out of the General Fund and then reimbursed from proprietary or other funds as applicable. Tax collections are receipted into the General Fund and reimbursed to other taxing agencies/funds monthly.
- 2) Loans between funds are classified as interfund loans receivable/payable or as advances to/from other funds in the fund statements. Interfund loans do not affect total equity, but advances to other funds are offset by a reservation of the fund equity. Loans and advances are netted as part of the reconciliation of the government-wide financial statements.

Interfund balances at June 30, 2021 consisted of the following individual fund receivables and payables:

	Due from Other Funds	Due to Other Funds
General Fund:		
Enterprise funds:		
Department of Solid Waste (shared expenses)	\$ 50,850	\$ -
Department of Water and Wastewater (payroll and shared expenses)	4,068,475	-
Total due from (to) enterprise funds	4,119,325	-
Other funds:		
Energy Service Fund (funds held on behalf of)	-	(269,335)
Capital Projects Fund (reimbursement between funds)	-	(969,356)
Casino Fund (reimbursement between funds)	158,327	-
Public Drainage Association (June collections paid in July)	-	(1,086)
Total due from (to) other funds	158,327	(1,239,777)
Total General Fund due from (to) other funds	4,277,652	(1,239,777)
Other governmental funds:		
General Fund	269,335	(158,327)
Fiduciary funds	1,086	-
Capital Projects Fund:		
General Fund	969,356	-
Enterprise funds:		
General Fund	-	(4,119,325)
	\$ 5,517,429	\$ (5,517,429)

NOTES TO FINANCIAL STATEMENTS

Note 4. Interfund Balances and Transfers (continued)

Interfund transfer activity for the year ended June 30, 2021 consisted of the following individual amounts:

	Transfers In	Transfers Out
General Fund:		
Capital Projects Fund	\$ -	\$ (3,163,365)
Debt Service Fund	-	(13,938,909)
Casino Fund	(2,497,400)	-
Department of Liquor Control		(449,411)
Capital Projects Fund:		
General Fund	(3,163,365)	-
Debt Service Fund:		
General Fund	(13,938,909)	-
Casino Fund:		
General Fund	-	(2,497,400)
Department of Liquor Control		
General Fund	(449,411)	-
	\$ (20,049,085)	\$ (20,049,085)

Interfund transfers are for the following purposes:

- Transfers from the General Fund to the Capital Projects Fund are for capital projects that are not funded by specific revenue sources or through bond funds.
- Interfund transfers from the General Fund to the Debt Service Fund are for bond payments.
- The interfund transfer from the Casino Fund to the General Fund is for the bond payment for the Worcester Technical High School bond.
- The transfer from the General Fund to the Department of Liquor Control was used to end operations of the non-major enterprise fund.

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Transfers and Reductions	Balance June 30, 2021
Primary government:				
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 15,631,638	\$ -	\$ -	\$ 15,631,638
Construction-in-progress	5,151,996	685,339	(3,641,310)	2,196,025
Total nondepreciable capital assets	20,783,634	685,339	(3,641,310)	17,827,663
Depreciable capital assets:				
Building and building improvements	94,931,793	28,231	3,436,823	98,396,847
Improvements other than buildings	14,172,829	292,147	165,706	14,630,682
Machinery and equipment	34,466,690	626,183	-	35,092,873
Infrastructure	110,993,047	1,302,264	-	112,295,311
Total depreciable capital assets	254,564,359	2,248,825	3,602,529	260,415,713
Less accumulated depreciation for:				
Buildings and building improvements	(35,050,239)	(2,576,547)	-	(37,626,786)
Improvements other than buildings	(7,730,691)	(517,178)	-	(8,247,869)
Machinery and equipment	(24,341,148)	(3,000,844)	-	(27,341,992)
Infrastructure	(106,442,077)	(391,837)	-	(106,833,914)
Total accumulated depreciation	(173,564,155)	(6,486,406)	-	(180,050,561)
Total depreciable capital assets, net	81,000,204	(4,237,581)	3,602,529	80,365,152
Governmental activities capital assets, net	\$ 101,783,838	\$ (3,552,242)	\$ (38,781)	\$ 98,192,815

Depreciation expense was charged to governmental functions as follows:

General government	\$ 696,857
Public safety	3,262,117
Public works	1,197,512
Health and hospitals	486,027
Libraries, recreation and culture	841,118
Economic development	2,775
Total depreciation expense	<u>\$ 6,486,406</u>

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets (continued)

Capital asset activity for the enterprise funds for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Transfers and Reductions	Balance June 30, 2021
Business-type activities:				
Nondepreciable capital assets:				
Land, land rights and improvements	\$ 1,341,872	\$ -	\$ -	\$ 1,341,872
Construction-in-progress	1,107,948	3,799,350	(3,559,137)	1,348,161
Total nondepreciable capital assets	2,449,820	3,799,350	(3,559,137)	2,690,033
Depreciable capital assets:				
Buildings and building improvements	1,144,785	-	(715,215)	429,570
Improvements other than buildings	42,199,768	-	-	42,199,768
Machinery and equipment	11,732,311	874,200	256,432	12,862,943
Water and sewer systems	112,491,256	749,844	2,944,852	116,185,952
Total depreciable capital assets	167,568,120	1,624,044	2,486,069	171,678,233
Less accumulated depreciation for:				
Buildings and building improvements	(610,043)	(18,896)	303,564	(325,375)
Improvements other than buildings	(28,818,348)	(1,405,571)	-	(30,223,919)
Machinery and equipment	(8,449,656)	(779,364)	232,856	(8,996,164)
Water and sewer systems	(47,511,093)	(3,229,673)	-	(50,740,766)
Total accumulated depreciation	(85,389,140)	(5,433,504)	536,420	(90,286,224)
Total depreciable capital assets, net	82,178,980	(3,809,460)	3,022,489	81,392,009
Business-type activities capital assets, net	\$ 84,628,800	\$ (10,110)	\$ (536,648)	\$ 84,082,042

NOTES TO FINANCIAL STATEMENTS

Note 6. Long-Term Debt

Changes in the County's long-term obligations for the year ended June 30, 2021 were as follows:

	Balance at June 30, 2020	Additions/ Transfers	Reductions	Balance at June 30, 2021	Amount Due in One Year
Governmental activities:					
General obligation bonds:					
MDE Water Quality Bond; interest at 0.4%; due semiannually to 2022	\$ 257,272	\$ -	\$ (239,709)	\$ 17,563	\$ 17,563
Consolidated Public Improvement Bonds, 2013 Series; interest at 2.5% to 3.4%; due semiannually to 2033	4,295,000	-	(270,000)	4,025,000	280,000
Consolidated Public Improvement Bonds, 2014 Series; interest at 3.25% to 5%; due semiannually to 2029	28,390,000	-	(2,645,000)	25,745,000	2,750,000
Consolidated Public Improvement Bonds, 2015 Series A; interest at 3% to 5%; due semiannually to 2030	7,295,266	-	(519,351)	6,775,915	543,696
Consolidated Public Improvement Refunding Bonds, 2015 Series B; interest at 2.125% to 4%; due semiannually to 2026	18,565,000	-	(4,955,000)	13,610,000	5,165,000
Consolidated Public Improvement Bonds, 2019 Series; interest at 3% to 5%; due semiannually to 2034	34,080,000	-	(1,580,000)	32,500,000	1,655,000
Deferred bond premium, net	10,313,760	-	(1,174,595)	9,139,165	1,174,595
Note payable; interest at 4.09%; due monthly to 2039	421,777	-	(15,882)	405,895	16,544
	103,618,075	-	(11,399,537)	92,218,538	11,602,398
Compensated absences	2,057,550	1,466,758	(1,453,245)	2,071,063	908,000
Total governmental activities	\$ 105,675,625	\$ 1,466,758	\$(12,852,782)	\$ 94,289,601	\$ 12,510,398

NOTES TO FINANCIAL STATEMENTS

Note 6. Long-Term Debt (continued)

	Balance at June 30, 2020	Additions	Reductions/ Transfers	Balance at June 30, 2021	Amount Due in One Year
Business-type activities:					
Estimated landfill closure costs	\$ 15,083,166	\$ 2,777,285	\$ -	\$ 17,860,451	\$ 17,860,451
General obligation bonds:					
MDE Water Quality Bond; interest at 0.4%; due semiannually to 2022	640,065	-	(424,214)	215,851	215,851
Snug Harbor Water Quality Loan Agreement, 2007; interest at 0.4%; due semiannually to 2026	184,280	-	(31,630)	152,650	31,757
MDE Drinking Water Bond; interest at 1.1%; due semiannually to 2029	182,893	-	(19,444)	163,449	19,657
Mystic Harbour USDA note payable, 2012; interest at 2%; due quarterly to 2052	4,344,631	-	(97,932)	4,246,699	99,909
Mystic Harbour USDA note payable, 2014; interest at 2.5%; due quarterly to 2053	2,532,137	-	(48,823)	2,483,314	50,059
Mystic Harbour USDA note payable, 2016; interest at 2.25%; due quarterly to 2056	233,859	-	(4,267)	229,592	4,364
Mystic Harbour USDA note payable, 2018; interest at 2.75%; due quarterly to 2058	2,372,013	-	(36,378)	2,335,635	37,388
Consolidated Public Improvement Bonds, 2014 Series; interest at 2% to 5%; due semiannually to 2029	3,505,000	-	(325,000)	3,180,000	340,000
Consolidated Public Improvement Refunding Bonds, 2015 Series B; interest at 2.125% to 4%; due semiannually to 2026	1,245,000	-	(180,000)	1,065,000	190,000
Consolidated Public Improvement Bonds, 2015 Series A; interest at 3% to 5%; due semiannually to 2030	2,709,734	-	(190,648)	2,519,086	201,305
Consolidated Public Improvement Bonds, 2019 Series; interest at 3% to 5%; due semiannually to 2034	5,685,000	-	(260,000)	5,425,000	275,000
Mystic Harbour USDA note payable, 2020; interest at 1.50%; due quarterly to 2060	-	170,000	(2,345)	167,655	3,171
MDE Water Quality Bond; interest at 0.40%; due semiannually to 2051	-	1,046,771	(1,000)	1,045,771	31,910
Deferred bond premium, net	1,466,408	-	(126,577)	1,339,831	126,576
Capital lease payable	1,615,768	469,410	(531,575)	1,553,603	479,192
	41,799,954	4,463,466	(2,279,833)	43,983,587	19,966,590
Compensated absences	357,331	218,539	(208,209)	367,661	165,447
Total business-type activities	\$ 42,157,285	\$ 4,682,005	\$ (2,488,042)	\$ 44,351,248	\$ 20,132,037

NOTES TO FINANCIAL STATEMENTS

Note 6. Long-Term Debt (continued)

In August 2004, the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance water quality capital projects totaling up to \$12,325,000 with an interest rate of 0.4% and administrative charges of 5% to be repaid over the next 18 years. The loan was used to fund landfill closure projects in Pocomoke and Snow Hill (\$3,807,567) and various water and wastewater projects (\$6,742,000), including the expansion of the Ocean Pines wastewater treatment facility.

In October 2006, the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance water quality capital projects totaling \$584,186 with an interest rate of 0.4% and administrative charges of 5% to be repaid over the next 19 years. The loan was used to fund the Snug Harbor sewer extension.

In September 2008, the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance a portion of a drinking water capital project totaling \$653,000 with an interest rate of 1.1% and administrative charges of 5% to be repaid over the next 19 years. The loan was used to fund the construction of the Newark water tower.

In June 2011, the County acquired the debt of the previous Worcester County Liquor Control Board. This included two mortgages payable, which are secured by real estate. In February 2017, the County paid off one of the mortgages, which was secured by the Department of Liquor Control's retail store located in Pocomoke City, Maryland. The remaining mortgage was assumed by the County's governmental funds as part of the transfer of the Department of Liquor Control's warehouse in Snow Hill, Maryland to the General Fund.

In July 2012, the County entered into an agreement with the United States Department of Agriculture Rural Development to finance a portion of a wastewater treatment plant project totaling \$5,062,000 with an interest rate of 2.0% to be repaid over the next five years. The maturity date was converted to over 40 years in June 2013. In November 2013, the County obtained additional funding for this project in the amount of \$2,822,000 with an interest rate of 2.5% to be repaid over the following 40 years. In June 2016, the County obtained additional funding for this project in the amount of \$250,000 with an interest rate of 2.25% to be repaid over the following 40 years. These loans were used to fund the Mystic Harbour wastewater treatment plant upgrades.

In January 2013, the County issued \$13,105,000 in Consolidated General Obligation Refunding Bonds, 2013 Series, with an average interest rate of 3.6% and maturing in 2020 and 2033. Proceeds of \$8,510,000 were used to refund the 2002 and 2004 Series bonds and \$4,595,000 was used to fund the Correctional Officers' Retirement System pension plan. The Consolidated additional proceeds were placed in escrow for the purpose of generating resources for all future debt service payments on \$8,900,000 of the refunded general obligation bonds. As a result, the associated liability has been removed. A net interest savings of \$2,441,745 will be achieved over the life of the bond.

In October 2013, the County issued \$48,300,000 in Consolidated Public Improvement Bonds, 2014 Series, with an average interest rate of 2.5% and maturing in 2029. Proceeds of \$43,000,000 were used to fund the renovation of the Snow Hill High School. The remaining \$5,300,000 was used to finance various wastewater treatment plant upgrades for the Ocean Pines service area.

NOTES TO FINANCIAL STATEMENTS

Note 6. Long-Term Debt (continued)

In June 2015, the County issued \$12,015,000 in Consolidated Public Improvement Bonds, 2015 Series A, with an average interest rate of 3.8% and maturing in 2030. Proceeds of \$5,400,000 were used to finance the 800 MHz Emergency Services radio system upgrades; \$3,360,000 was used to finance portions of the Berlin Rubblefill cap and closure project; \$2,035,000 will be used to finance portions of the Central Landfill cell five construction project; and \$1,220,000 was used to finance the Mystic Harbour water system interconnection project and water tower painting.

In June 2015, the County issued \$26,950,000 in Consolidated Public Improvement Refunding Bonds, 2015 Series B, with an average interest rate of 4% and maturing in 2026. Proceeds were used to refund portions of the 2007 and 2008 Series bonds and pay off the loan used to fund the Ocean Pines fire protection system project. The net proceeds of \$27,760,663 (after underwriting fees and other issuance costs) were deposited in a trust fund with an escrow agent and used to purchase U.S. government securities for the purpose of generating resources for all future debt service payments on \$25,300,000 of the refunded general obligation bonds. As a result, this portion of the refunded general obligation bonds is considered defeased and the associated liability has been removed. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,460,663. A net interest savings of \$1,187,255 will be achieved over the life of the bond.

In March 2018, the County entered into an agreement with the United States Department of Agriculture Rural Development to finance the Mystic Harbour Effluent Disposal and Reuse Facilities totaling \$2,450,000 with an interest rate of 2.75% and maturing in 2058. In July 2020, the County obtained additional funding for this project in the amount of \$170,000 with an interest rate of 1.5% and maturing in 2060.

In April 2019, the County issued \$39,765,000 in Consolidated Public Improvement Bonds, 2019 Series, with an average interest rate of 4% and maturing in 2034. Proceeds of the bond will be used to construct, install and equip a new Showell Elementary School facility, new turf athletic field and track at Stephen Decatur High School, the Central Landfill Site Cell No. 5 construction project, and various water and wastewater infrastructure projects in the Ocean Pines and Riddle Farm Sanitary Service Areas.

In November 2020, the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance water quality capital projects totaling \$1,046,771 with an interest rate of 0.4% and administrative charges of 5% to be repaid over 30 years. The loan was used to fund the Newark spray irrigation project.

NOTES TO FINANCIAL STATEMENTS

Note 6. Long-Term Debt (continued)

The following is a summary of the County's future annual debt service requirements on long-term obligations (excluding landfill closure costs; deferred bond premiums; notes payable; and capital lease obligations, which are reported separately):

Governmental Activities

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 10,411,259	\$ 3,276,674	\$ 13,687,933
2023	10,852,098	2,796,245	13,648,343
2024	8,774,558	2,358,179	11,132,737
2025	5,992,960	2,015,479	8,008,439
2026	6,285,419	1,727,409	8,012,828
2027-2031	28,032,184	4,971,754	33,003,938
2032-2036	12,325,000	878,395	13,203,395
Total	\$ 82,673,478	\$ 18,024,135	\$ 100,697,613

Business-Type Activities

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,500,371	\$ 737,558	\$ 2,237,929
2023	1,337,063	662,402	1,999,465
2024	1,389,479	605,943	1,995,422
2025	1,441,412	548,963	1,990,375
2026	1,501,818	492,629	1,994,447
2027-2031	6,122,740	1,754,122	7,876,862
2032-2036	3,378,025	934,722	4,312,747
2037-2041	1,611,441	635,954	2,247,395
2042-2046	1,788,914	457,632	2,246,546
2047-2051	1,988,011	258,961	2,246,972
2052-2056	976,160	74,467	1,050,627
2057-2061	194,268	5,292	199,560
Total	\$ 23,229,702	\$ 7,168,645	\$ 30,398,347

NOTES TO FINANCIAL STATEMENTS

Note 6. Long-Term Debt (continued)

The County's future annual debt service requirements on notes payable for governmental activities at June 30, 2021, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 16,544	\$ 16,293	\$ 32,837
2023	17,234	15,604	32,838
2024	17,952	14,886	32,838
2025	18,700	14,137	32,837
2026	19,479	13,358	32,837
2027-2031	110,271	53,916	164,187
2032-2036	135,246	28,941	164,187
2037-2041	70,469	3,415	73,884
Total	\$ 405,895	\$ 160,550	\$ 566,445

The County has entered into leases for the acquisition of various equipment, whereby ownership is transferred to the County at the end of the lease. Accordingly, the present value of future minimum lease payments and the related assets have been recorded in the appropriate fund.

The assets acquired through capital leases are as follows:

Business-Type Activities

Equipment	\$ 3,095,684
Less: accumulated depreciation	(1,170,238)
Total	\$ 1,925,446

The following is a summary of the future minimum lease payments on the capital leases:

Business-Type Activities

<u>Year Ending June 30,</u>	
2022	\$ 530,728
2023	458,817
2024	206,555
2025	230,379
2026 - 2027	255,233
	1,681,712
Less: amount representing interest	(128,109)
Present value of future minimum lease payments	\$ 1,553,603

NOTES TO FINANCIAL STATEMENTS

Note 6. Long-Term Debt (continued)**Funds Used for Debt Service and Liquidation of Compensated Absences**

Payments on bonds and notes payable that pertain to the County's governmental activities are made by the Debt Service Fund via transfers from the General Fund. Payments on bonds and notes payable that pertain to the County's business-type activities are made by the fund in which the liability exists. The compensated absences liability attributable to the governmental activities will be liquidated by the County's General Fund. The compensated absences liability attributable to business-type activities will be liquidated by the fund in which the liability exists.

Under provisions of Article 41, Section 266A through 266I of the Annotated Code of Maryland, the County has participated in Industrial Revenue Bonds for various projects within the County. Neither the bonds, nor the interest thereon, constitute an indebtedness or contingent liability of the County and, accordingly, they are not included in the governmental funds.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans

The County maintains or participates in certain retirement plans which provide benefits to its employees. The various plans and plan participants are outlined below:

<u>Employees</u>	<u>Plan</u>
Board of Education	Maryland State Retirement and Pension System
Library	Maryland State Retirement and Pension System
Worcester County:	
Sheriff's office	Maryland State Retirement and Pension System
Correctional officers	Maryland State Retirement and Pension System
Board of Elections	Maryland State Retirement and Pension System
County employees and appointed officers	Maryland State Retirement and Pension System
Elected officials	Maryland State Retirement and Pension System
Certain Department of Water and Wastewater employees	Worcester County Supplemental Pension Plan

Maryland State Retirement and Pension System**Organization**

The State Retirement Agency (the "Agency") is the administrator of the Maryland State Retirement and Pension System (the "System"). The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees. The System is made up of two cost-sharing employer pools: the "State Pool" and the "Municipal Pool." The State Pool consists of State agencies, boards of education, community colleges, and libraries. The Municipal Pool consists of the participating governmental units that elected to join the System. Neither pool shares in each other's actuarial liabilities, thus participating governmental units that elect to join the System (the "Municipal Pool") share in the liabilities of the Municipal Pool only. The State Retirement Agency issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Retirement and Pension System of Maryland, 120 E. Baltimore Street, Suite 1660, Baltimore, Maryland 21202-1600 or on-line at www.sra.maryland.gov.

The System is comprised of the Teachers' Retirement and Pension Systems, Employees' Retirement and Pension Systems, State Police Retirement System, Judges' Retirement System, and the Law Enforcement Officers' Pension System ("LEOPS").

The employees participating in each plan are as follows:

<u>Employees</u>	<u>Plan</u>
Board of Education – regular employees	Employees' System
Board of Education – teachers	Teachers' System
Library	Teachers' System
Worcester County:	
Sheriff's office	LEOPS
Correctional officers	Correctional Officers' Retirement System
Board of Elections	Employees' System
County employees and appointed officers	Employees' System
Elected officials	Employees' System

The System is a cost-sharing multiple-employer defined benefit pension plan.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans (continued)**Basis of Accounting**

The System's financial statements are prepared on the accrual basis of accounting in accordance with GAAP. For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System and additions to and deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Covered MembersTeachers' Retirement and Pension Systems

The Teachers' Retirement System was established on August 1, 1927, to provide retirement allowances and other benefits to teachers in the State. Effective January 1, 1980, the Teachers' Retirement System was closed to new members and the Teachers' Pension System was established. As a result, teachers hired after December 31, 1979, became members of the Teachers' Pension System as a condition of employment. On or after January 1, 2005, an individual who is a member of the Teachers' Retirement System may not transfer membership to the Teachers' Pension System.

Employees' Retirement and Pension Systems

On October 1, 1941, the Employees' Retirement System was established to provide retirement allowances and other benefits to State employees, elected and appointed officials, and the employees of participating governmental units. Effective January 1, 1980, the Employees' Retirement System was essentially closed to new members and the Employees' Pension system was established. As a result, State employees (other than correctional officers) and employees of participating governmental units hired after December 31, 1979, became members of the Employees' Pension System as a condition of employment, while all State correctional officers and members of the Maryland General Assembly continue to be enrolled as members of the Employees' Retirement System. On or after January 1, 2005, an individual who is a member of the Employees' Retirement System may not transfer membership to the Employees' Pension System.

The Law Enforcement Officers' Pension System (LEOPS)

The Law Enforcement Officers' Pension System (LEOPS) was established on July 2, 1990, to provide retirement allowances and other benefits for certain State and local law enforcement officers. This System includes both retirement plan and pension plan provisions which are applicable to separate portions of this System's membership. The retirement plan provisions are only applicable to those members who, on the date they elected to participate in LEOPS, were members of the Employees' Retirement System. This System's pension plan provisions are applicable to all other participating law enforcement officers.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans (continued)**Summary of Significant Plan Provisions**

All plan benefits are specified by the State Personnel and Pensions Article of the Annotated Code of Maryland. For all individuals who are members of the Employees', Teachers', Correctional Officers', or State Police Retirement System on or before June 30, 2011, retirement allowances are computed using both the highest three years' Average Final Compensation ("AFC") and the actual number of years of accumulated creditable service. For individuals who become members of the State Police Retirement System or the Correctional Officers' Retirement System on or after July 1, 2011, retirement allowances are computed using both the highest five years' AFC and the actual number of years of accumulated creditable service. For all individuals who are members of the pension systems of the State Retirement and Pension System on or before June 30, 2011, pension allowances are computed using both the highest three consecutive years' AFC and the actual number of years of accumulated creditable service. For any individual who becomes a member of one of the pension systems on or after July 1, 2011, pension allowances are computed using both the highest five consecutive year's AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retiree's benefit allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

Beginning July 1, 2011, the member contribution rate was increased for members of the Teachers' Pension System and Employees' Pension System from 5% to 7%. The contribution rate changed from 4% to 6% in fiscal year 2012 and 7% in fiscal year 2013 and beyond for members of the Law Enforcement Officers' Pension System. Beginning July 1, 2013, the member contribution rate was increased for members of the Judges' Retirement System from 6% to 8%.

In addition, the benefit attributable to service on or after July 1, 2011 in many of the pension systems now will be subject to different cost-of-living adjustments ("COLA") that is based on the increase in the Consumer Price Index ("CPI") and capped at 2.5% or 1.0% based on whether the fair value investment return for the preceding calendar year was higher or lower than the investment return assumption used in the valuation (currently 7.40%).

A brief summary of the retirement eligibility requirements of and the benefits available under the various systems in effect during fiscal year 2020 are as follows:

Service Retirement Allowances

A member of either the Teachers' or Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's AFC multiplied by the number of years of accumulated creditable service.

An individual who is a member of either the Teachers' or Employees' Pension System on or before June 30, 2011, is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the member's combined age and eligibility service equals at least 90 years, or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans (continued)

For most individuals who retired from either the Teachers' or Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.4% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Teachers' or Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.8% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. Beginning July 1, 2011, any new member of the Teachers' or Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Teachers' or Employee's Pension System.

Exceptions to these benefit formulas apply to members of the Employees' Pension System, who are employed by a participating governmental unit that does not provide the 1998 or 2006 enhanced pension benefits or the 2011 reformed pension benefits. The pension allowance for these members equals 0.8% of the member's AFC up to the social security integration level ("SSIL"), plus 1.5% of the member's AFC in excess of the SSIL, multiplied by the number of years of accumulated creditable service. For the purpose of computing pension allowances, the SSIL is the average of the social security wage bases for the past 35 calendar years ending with the year the retiree separated from service.

A member of the Law Enforcement Officers' Pension System is eligible for full retirement benefits upon the earlier of attaining age 50 or accumulating 25 years of eligibility service regardless of age. The annual retirement allowance for a member who is covered under the retirement plan provisions equals 1/50 (2.0%) of the member's AFC multiplied by the number of years of accumulated creditable service up to 30 years, plus 1/100 (1.0%) of the member's AFC multiplied by the number of years of accumulated creditable service in excess of 30 years. For members subject to the pension provisions, full service pension allowances equal 2.0% of AFC up to a maximum benefit of 60% (30 years of credit).

Vested Allowances

Any individual who is a member of the State Retirement and Pension System on or before June 30, 2011 (other than a judge or a legislator), and who terminates employment before attaining retirement age but after accumulating 5 years of eligibility service is eligible for a vested retirement allowance. Any individual who joins the State Retirement and Pension System on or after July 1, 2011 (other than a judge or a legislator), and who terminates employment before attaining retirement age but after accumulating 10 years of eligibility service is eligible for a vested retirement allowance. A member, who terminates employment prior to attaining retirement age and before vesting, receives a refund of all member contributions and interest.

Early Service Retirement

A member of either the Teachers' or Employees' Retirement System may retire with reduced benefits after completing 25 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree either attains age 60 or would have accumulated 30 years of creditable service, whichever is less. The maximum reduction for a Teachers' or Employees' Retirement System member is 30%.

An individual who is a member of either the Teachers' or Employees' Pension System on or before June 30, 2011, may retire with reduced benefits upon attaining age 55 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 62. The maximum reduction for these members of the Teachers' or Employees' Pension System is 42%. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, may retire with reduced benefits upon attaining age 60 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 65. The maximum reduction for these members of the Teachers' or Employees' Pension System is 30%.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans (continued)

Members of the State Police, Judges', Law Enforcement Officers', and Local Fire and Police Systems are not eligible for early service benefits.

Disability and Death Benefits

Generally, a member covered under retirement plan provisions who is permanently disabled after 5 years of service receives a service allowance based on a minimum percentage (usually 25%) of the member's AFC. A member covered under pension plan provisions who is permanently disabled after accumulating 5 years of eligibility service receives a service allowance computed as if service had continued with no change in salary until the retiree attained age 62. A member (other than a member of the Maryland General Assembly or a judge, both of which are ineligible for accidental disability benefits) who is permanently and totally disabled as the result of an accident occurring in the line of duty receives 2/3 (66.7%) of the member's AFC plus an annuity based on all member contributions and interest. Death benefits are equal to a member's annual salary as of the date of death plus all member contributions and interest.

Adjusted Retirement Allowances

Retirement and pension allowances are increased annually to provide for changes in the cost of living according to prescribed formulae. Such adjustments for retirees are based on the annual change in the CPI. For the Teachers' and Employees' Retirement Systems ("TRS"/"ERS") the method by which the annual COLAs are computed depends upon elections made by members who were active on July 1, 1984 (or within 90 days of returning to service, for members who were inactive on July 1, 1984) enabling the member to receive either an unlimited COLA, a COLA limited to 5%, or a two-part combination COLA depending upon the COLA election made by the member.

For Correctional Officers' Retirement System retirees, prior to July 1, 2011, unlimited compounded COLAs are effective July 1 and are applied to all benefits which have been in payment for one year. With certain exceptions, effective July 1, 1998, for Teachers', Employees', and LEOPS retirees, the adjustment is capped at a maximum 3% compounded and is applied to all benefits which have been in payment for one year. The annual increases to pension allowances for Employees' Pension System retirees who were employed by a participating governmental unit that does not provide enhanced pension benefits are limited to 3% of the initial allowance.

However, beginning July 1, 2011, for benefits attributable to service earned on or after July 1, 2011, in all of the systems except the judges' and legislators' systems, the adjustment is capped at the lesser of 2.5% or the increase in CPI if the most recent calendar year fair value rate of return was greater than or equal to the assumed rate. The adjustment is capped at the lesser of 1% or the increase in CPI if the fair value return was less than the assumed rate of return. In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans (continued)**Actuarial Assumptions**

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	In the 2020 actuarial valuation, 2.60% general, 3.10% wage. In the 2019 actuarial valuation, 2.65% general, 3.15% wage.
Salary Increases	In the 2020 actuarial valuation, 3.10% to 11.60%, including inflation. In the 2019 actuarial valuation, 3.10% to 11.60%, including inflation.
Investment Rate of Return	In the 2020 actuarial valuation, 7.40%. In the 2019 actuarial valuation, 7.40%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period July 1, 2014 to July 30, 2018.
Mortality	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

Investments

The long-term expected rate of return on pension 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 pension 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. Best estimates of geometric real rates of return were adopted by the Board of Trustees after considering input from the System's investment consultant(s) and actuary(s). For each major asset class that is included in the System's target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	37%	5.2%
Private Equity	13%	6.5%
Rate Sensitive	19%	-0.3%
Credit Opportunity	9%	2.8%
Real Assets	14%	4.3%
Absolute Return	8%	1.8%
Total	100%	

The above was the Board of Trustees adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2020.

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 3.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans (continued)**Discount Rate**

A single discount rate of 7.40% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.40%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

System	1% Decrease to 6.40%	Discount Rate 7.40%	1% Increase to 8.40%
County	\$ 46,126,473	\$ 32,399,879	\$ 20,966,915
Board of Education	8,322,819	5,846,065	3,783,160

Teachers' and Employees' Retirement Systems and Teachers' and Employees' Pension Systems**Employer Contributions:**

In accordance with Maryland Senate Bill 1301, *Budget Reconciliation and Financing Act of 2012*, the Board of Education (BOE) is required to pay the State a specified percentage of the normal cost portion of the total pension cost for teachers. The normal cost is the portion of the total retirement benefit cost that is allocated to the current year of the employee's service. The specified percentage increases each fiscal year, until fiscal year 2017, when the BOE paid 100% of the normal cost for each teacher. The related payment for the fiscal year ending June 30, 2021, was \$2,675,456. In addition, the State of Maryland contributed \$6,815,130 on behalf of the BOE. The BOE has recognized the State on-behalf payments as both a revenue and expense.

During fiscal year 2021, the BOE reported expense of \$624,039 related to the Employees' Systems in the fund financial statements. This amount was paid directly by the County and the Board has recognized the County on-behalf payments as both a revenue and expense.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans (continued)**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

Because the State of Maryland pays the unfunded liability for the Teachers' Systems on behalf of the BOE and Library, and the BOE pays the normal cost for the Teachers' Systems, the BOE and Library are not required to record their respective shares of the unfunded pension liability for the Teachers' Systems – the State of Maryland is required to record that liability. The BOE is required to record a liability for the Employees' Systems.

At June 30, 2021, the BOE reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the BOE. The amount recognized by the BOE as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the BOE were as follows:

BOE's proportionate share of the net pension liability (Employees' Systems)	\$ 5,846,065
State's proportionate share of the net pension liability (Teachers' Systems)	73,218,401
Total	\$ 79,064,466

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The BOE's proportion of the net pension liability was calculated as follows by the System(s):

- 1) Calculate the net pension liability as of June 30, 2020, for the entire System in accordance with the provision of GASB No. 67.
- 2) Determine the total contributions to the System by the State and participating governmental units ("PGUs"), inclusive of any underfunding of contributions.
- 3) Based on the number of participants at each Board of Education, calculate the difference between what each BOE would have contributed if they funded at the rate of all other participating governments and what the BOE actually contributed. The difference between what the BOE contributed and what they would have contributed if they funded at the rate of the other participating governments is then added to the total contribution to the System, to calculate the System's adjusted contribution.
- 4) Calculate, for each participating government, their percentage of the adjusted System contribution by dividing the total adjusted System contribution into each PGU's contribution.
- 5) Provide each PGU its adjusted percentage of the contribution and the System's net pension liability and other related amounts as of June 30, 2020, under the GASB No. 67 requirements.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans (continued)

At June 30, 2021, the County and BOE reported the following related to pensions:

	<u>BOE</u>	<u>County</u>
Employer's proportion (percentage) of the collective net pension liability	0.02586601%	0.1433537%
Employer's proportionate share of the collective net pension liability	\$ 5,846,065	\$ 32,399,879
Pension expense recognized by the employer for the year ended June 30, 2021	\$ 661,380	\$ 1,004,749
Deferred inflows of resources:		
Difference between expected and actual experience	\$ 223,978	\$ 1,263,648
Net difference between projected and actual earnings on pension plan investments	-	-
Change in assumptions	114,118	615,498
Total deferred inflows of resources	\$ 338,096	\$ 1,879,146
Deferred outflows of resources:		
Changes in assumptions	\$ 26,408	\$ 150,914
Net difference between projected and actual earnings on pension plan investments	440,573	2,417,889
Year ended June 30, 2021 contributions	624,039	3,461,769
Total deferred outflows of resources	\$ 1,091,020	\$ 6,030,572
Net pension liability June 30, 2020	\$ 5,331,996	\$ 28,758,121
Change in net pension liability factored for contributions	514,069	3,641,758
Net pension liability June 30, 2021	\$ 5,846,065	\$ 32,399,879

The \$624,039 and \$3,461,769 of deferred outflows of resources resulting from the BOE's and the County's respective contributions to the System subsequent to the measurement date will be recognized as a reduction of net pension liability during the subsequent fiscal year rather than the current fiscal year. Other amounts reported as deferred outflows and inflows of resources will be amortized over approximately a five-year period.

The County's and BOE's respective deferred outflows of resources and deferred inflows of resources related to pensions will be amortized as follows:

County

<u>Year Ended</u> <u>June 30,</u>	<u>Net</u> <u>Deferred</u> <u>(Inflows) Outflows</u>
2022	\$ (264,128)
2023	117,312
2024	413,505
2025	428,830
2026	(5,862)
Total	\$ 689,657

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans (continued)**Board of Education**

Year Ended June 30,	Net Deferred (Inflows) Outflows
2022	\$ (44,456)
2023	22,539
2024	74,470
2025	76,332
Total	\$ 128,885

Covered payroll refers to all compensation paid to active employees covered by the Systems.

	Total Payroll	Covered Payroll	On-Behalf by State
County - MD Retirement and Pension System	\$ 33,073,310	\$ 26,968,715	\$ -
Board of Education	74,150,777	70,502,097	6,815,130
Library	1,842,954	1,643,463	256,545

Pension contributions made by the State of Maryland on behalf of the Board of Education and the Library are recognized as both revenue and expenditure. Pension obligations are primarily liquidated from the general fund.

Worcester County Supplemental Pension Plan

Certain eligible employees of the Department of Water and Wastewater Services (the "Department") are covered by a cost-sharing multiple-employer defined benefit pension plan administered by Nationwide Life Insurance Company. Employees who participate in the plan are required to contribute 4% of their annual compensation. Certain employees of the Town of Ocean City are also eligible to participate in the plan. Participation in the plan is split approximately 50/50 between the Department and the Town of Ocean City. The pension plan provides pension, death, and disability benefits. The normal retirement age is 65, although reduced retirement benefits may be taken at age 55 with the completion of ten years of service. Participating employees are fully vested after five years of service. Separate audited financial statements are not issued by the plan. Disclosures and related amounts are immaterial to the County's financial statements.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment BenefitsWorcester County**Plan Description**

The Worcester County Post-Retirement Medical Benefits Plan (the “Plan”) is a single 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 June 30, 2020, the date of the last actuarial valuation, the following numbers of employees were receiving or were potentially eligible to receive future benefits:

	<u>County</u>
Inactive employees or beneficiaries currently receiving benefit payments	396
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>477</u>
	<u>873</u>

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, 2021, the OPEB Trust paid for coverage of 396 retirees at a total cost, net of retiree contributions, of approximately \$3,178,216. Liabilities not paid out of the Trust are typically liquidated from the general fund.

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.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)**Net OPEB Liability**

The County's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions

The total OPEB liability 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	5.50 % for fiscal year 2020, decreasing .07 % per year to an ultimate rate of 4.50 % for fiscal year 2035 and later years
Mortality	PubG.H-2010 Mortality Table - General

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 2020 through 2030.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

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.

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 total OPEB liability, fiduciary net position, and the resulting net OPEB liability as of June 30, 2021:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2020	\$ 83,136,964	\$ 61,394,155	\$ 21,742,809
Changes for the year:			
Service cost	1,310,245	-	1,310,245
Interest cost	5,672,207	-	5,672,207
Differences between expected and actual experience	-	9,128,879	(9,128,879)
Changes of assumptions and other inputs	-	-	-
Contributions - employer	-	3,968,744	(3,968,744)
Contributions - non-employer contributing entities	-	634,900	(634,900)
Net investment income	-	13,964,958	(13,964,958)
Benefit payments	(4,210,867)	(3,178,216)	(1,032,651)
Administrative expense	-	(5,000)	5,000
Other changes	-	(9,128,879)	9,128,879
Net changes	2,771,585	15,385,386	(12,613,801)
Balances at 6/30/2021	\$ 85,908,549	\$ 76,779,541	\$ 9,129,008

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)**Funding Status and Funding Progress**

As of June 30, 2020, the most recent actuarial valuation date, the total OPEB liability for benefits was \$85,908,549, with \$76,779,541 in plan Fiduciary net position, resulting in an unfunded OPEB liability of \$9,129,008. The ratio of plan Fiduciary net position to the total OPEB liability was 89.4%. The covered employee payroll in the most recent June 30, 2020 full OPEB valuation was \$25,615,178, and the ratio of the revised June 30, 2021 net OPEB liability to the covered payroll was 35.64%.

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, 2021 measurement date for fiscal year-end 2021. 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.

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%	\$ 19,603,281
Current discount Rate	7.00%	\$ 9,129,008
1% increase	8.00%	\$ 407,170

The following table presents the County's net OPEB liability using the health care trend rate of 5.5%, decreasing to 4.50%, 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	4.50% decreasing to 3.50%	\$ (523,515)
Current discount Rate	5.50% decreasing to 4.50%	\$ 9,129,008
1% increase	6.50% decreasing to 5.50%	\$ 20,909,888

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)**OPEB Expense and Deferred Inflows/Outflows of Resources related to OPEB**

For the fiscal year ended June 30, 2021, the County recognized an OPEB expense of \$1,432,486 on the government-wide statements. At June 30, 2021, 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	\$ -	\$ 2,297,511
Changes of assumptions	1,426,205	2,505,710
Net difference between projected and actual earnings	-	5,767,581
Total	<u>\$ 1,426,205</u>	<u>\$ 10,570,802</u>

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,	Net Deferred (Inflows) Outflows
2022	\$ (2,020,078)
2023	(2,011,871)
2024	(2,166,250)
2025	(2,725,419)
2026	(220,979)
Thereafter	-
Total	<u>\$ (9,144,597)</u>

Changes in assumptions in the most recent actuarial valuation included 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 a single 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.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

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 June 30, 2020, the date of the last actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	902
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	958
	<u>1,860</u>

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, 2021, the OPEB Trust paid for coverage of approximately 902 retirees at a total cost of approximately \$6,700,000. For the year ended June 30, 2021, Worcester County Commissioners funded the trust in the amount of \$2,968,744 to fund future benefits and the Board funded the trust in the amount of \$2,600,000 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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)***Actuarial Assumptions***

The total OPEB liability 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	2.235 %
Healthcare cost trend rates	5.50 % for fiscal year 2020, decreasing .0667 % per year to an ultimate rate of 4.50 % for fiscal year 2035 and later years
Mortality	PubT.H-2010 Mortality Table - Teachers
Retirement Age	Based on results of actuarial experience study with a Census date of June 2020

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	1 %	0.2 %
Fixed income investments	34 %	5.3 %
Equities	65 %	8.0 %
Total	100 %	

Discount rate

The discount rate used to measure the total OPEB liability was 2.235% for Fiscal Year 2021. This rate was changed from 2.852% used in Fiscal Year 2020. This is 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-term rate of return of 7.00% and the S & P Municipal Bond 20 year High-Grade rate index as of June 30, 2021 of 2.18%. 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 2021 through 2030.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

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.

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 total OPEB liability, fiduciary net position, and the resulting net OPEB liability as of June 30, 2021:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at 6/30/2020	\$ 393,500,904	\$ 21,944,226	\$ 371,556,678
Changes for the year:			
Service cost	14,945,774	-	14,945,774
Interest cost	12,070,470	-	12,070,470
Differences between expected and actual experience	-	(3,414,377)	3,414,377
Changes of assumptions and other inputs	43,196,911	-	43,196,911
Contributions - County and oth	-	2,968,744	(2,968,744)
Contributions - Board	-	2,600,000	(2,600,000)
Net investment income	-	5,111,494	(5,111,494)
Implicit rate subsidy	(3,235,179)	-	(3,235,179)
Benefit payments	(6,074,638)	(6,074,638)	-
Administrative expense	-	(5,000)	5,000
Other changes	-	3,414,377	(3,414,377)
Net changes	60,903,338	4,600,600	56,302,738
Balances at 6/30/2021	\$ 454,404,242	\$ 26,544,826	\$ 427,859,416

Funding Status and Funding Progress

As of June 30, 2020, the most recent actuarial valuation date, the total OPEB liability for benefits was \$454,404,242, with \$26,544,826 in plan Fiduciary net position, resulting in an unfunded OPEB liability of \$427,859,416. The ratio of plan Fiduciary net position to the total OPEB liability was 89.4%. The covered employee payroll was \$70,502,097, and the ratio of the net OPEB liability to the covered payroll was 608.87%.

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

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (continued)

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, 2021 measurement date for fiscal year-end 2021. 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.

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 2.235%, 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	1.235%	\$ 512,847,624
Current discount Rate	2.235%	\$ 427,859,416
1% increase	3.235%	\$ 360,736,241

The following table presents the Board's net OPEB liability using the health care trend rate of 5.5%, decreasing to 4.5%, 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	4.5% decreasing to 3.5%	\$ 351,315,017
Current discount Rate	5.5% decreasing to 4.5%	\$ 427,859,416
1% increase	6.5% decreasing to 5.5%	\$ 528,238,435

OPEB Expense and Deferred Inflows/Outflows of Resources related to OPEB

For the fiscal year ended June 30, 2021, the Board recognized an OPEB expense of \$30,087,251 on the government-wide statements. At June 30, 2021, 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	\$ -	\$ 13,869,495
Changes of assumptions	63,510,295	8,056,866
Net difference between projected and actual earnings on OPEB Plan Investments	-	2,091,653
Total	\$ 63,510,295	\$ 24,018,014

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,	
2022	\$ 7,998,302
2023	8,004,031
2024	8,721,676
2025	9,169,086
2026	5,599,186
Thereafter	-
	<u>\$ 39,492,281</u>

Changes in assumptions in the most recent actuarial valuation included the discount rate (a decrease from 2.852% to 2.235%).

Note 9. Volunteer Firemen Pension Plan Length of Service Award Program (LOSAP)

The County contributes to the LOSAP for the chartered fire and ambulance company's personnel in Worcester County, a single-employer noncontributory trust fund. Any person who is certified as an active member with any Worcester County volunteer fire or approved ambulance company is eligible to participate. Active members who have completed 25 years of certified volunteer service or a life member of Gold Badge member status (inactive) who submits an award distribution application to the trustees for approval shall receive \$50 per month, for a maximum benefit of 120 months for a total award of \$10,000. A retention bonus of \$2,500 will be paid to new members after completing five years of active volunteer service excluding transfers from another volunteer fire company. Volunteers qualified for participation may participate in either a monthly award plan or annual contribution award plan and award payments cease upon death. The LOSAP also provides for death and disability benefits to participating volunteers. Benefit provisions and all other requirements are established by the chartered fire and ambulance companies and approved by the Commissioners as authorized by the State's legislative assembly. Though not mandatory, the County currently contributes all the amounts necessary to fund the payments of benefits under the LOSAP. The plan liability is immaterial and therefore not included in the financial statements.

Note 10. 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.

NOTES TO FINANCIAL STATEMENTS

Note 11. 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

In July 2020, the County contracted with M2 Construction, LLC of Lancaster, PA for the rehabilitation of Treatment Unit 3 at the Ocean Pines Wastewater Treatment Plant. The total project cost of \$469,476 will be covered by bond proceeds from the April 2019 bond funding and the bond will be repaid through quarterly debt service.

In February 2021, the County contracted with Harkins Contracting Inc. of Salisbury, MD to construct the new Operations Center at the Ocean Pines Wastewater Treatment Plant. The total project cost of \$947,000 will be covered by bond proceeds from the April 2019 bond funding and the bond will be repaid through quarterly debt service.

General Fund

In July 2020, the County contracted with Gipe Associates, Inc. of Easton, MD for the engineering services for phase two on the County Jail improvements project. The total services will cost \$582,000 plus expenses and testing/support services estimated at \$25,000.

COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic and resulting global disruptions have had significant impacts on the County and Board of Education. In addition, there has been significant economic uncertainty and volatility in financial markets. The impact on future funding and on defined benefit plans (pension and other post-employment benefits) actuarial assumptions used to estimate the net pension and other-post employment liabilities are not reasonably estimated at this point.

NOTES TO FINANCIAL STATEMENTS

Note 12. Assigned Fund Balance

Assignments of fund balance are intended to be used for specific purposes but are not legally restricted. The assignments for the year ended June 30, 2021 are summarized as follows:

Assigned for:

Bank Street property waterline, restroom improvements (FY22)	\$ 50,000
Belt Street building improvement	58,168
Board of Education admin building (carpet/furniture FY21)	41,034
Board of Education admin building (paving)	50,000
Board of Education admin building (windows/renovations)	300,000
Board of Education bleachers (SDHS)	100,000
Board of Education bus contractor contract review	500,000
Board of Education carpet (SDHS, PES)	70,000
Board of Education energy recovery unit repairs (PHS)	175,000
Board of Education maintenance (boom lift, custodian equipment)	110,000
Board of Education maintenance vans	50,000
Board of Education playground upgrades	300,000
Board of Education PMS evening Program	50,000
Board of Education PMS roof design/replacement	1,449,829
Board of Education Pocomoke Middle fire alarm (FY22)	139,800
Board of Education roof repairs (BIS, SDHS, WT)	175,000
Board of Education SDMS design fees (FY21)	200,000
Board of Education SHHS windscreen	25,000
Board of Education Snow Hill Middle fire alarm (FY22)	156,000
Board of Education stadium fence (SDHS)	250,000
Board of Education underground storage unit (FY22)	84,000
Broadband Project (fiber, fiber cabinet)	1,000,000
Building HVAC automation system controls (various buildings)	350,000
County building repairs and improvements	425,000
Courthouse roof replacement	500,000
Courthouse (Carpet/Flooring)	99,943
Emergency services tower shelter a/c units + UPS Units (FY19)	120,000
Encumbrances (FY21 unspent funds to be spent FY22)	3,199,401
Financial Tax software/Docuware/Servers	66,089
Fire Alarm System upgrades	120,000
Fire Tower Building (FY20)	50,000
Fire Training Center upgrades/expansion	100,000
Government Center (ventilation & building repairs)	500,000
Government Center/911 Center (HVAC upgrade/backup system)	352,117
Harris Radio Project	366,940
Isle of Wight building (HVAC improvements)	200,000

NOTES TO FINANCIAL STATEMENTS

Note 12. Assigned Fund Balance (continued)

Jail building improvements and repairs (cip)	542,822
Jail UPS and kitchen oven/cooktop (FY21)	44,000
Nextgen 911 (FY20)	200,000
North End Public Works building	450,000
Ocean city Inlet dredging project (FY19-FY20)	601,034
Ocean Pines Library (FY21 heating control upgrade)	80,000
Other Post Employment Benefit transfer (FY21 reconciliation)	2,500,000
Outdoor Sports Field Complex	400,000
Parking lot improvements	339,634
Parking lot upgrades/resurfacing (annually to complete)	200,000
Pocomoke Health Dept Building upgrades	500,000
Pocomoke Library building improvements	500,000
Prior year surplus (FY22 vehicles, EMS funding, operating exp)	4,325,935
Public Safety CAD system server (FY21)	43,857
Public Safety logistical storage engineering/design (FY22)	200,000
Public Works building expansion (FY22)	150,000
Public Works generator (FY22)	200,000
Recreation Center building (HVAC improvement)	300,000
Recycling and Home Owner Convenience Center repairs/upgrades	300,000
Reserve Fund transfer FY22 (July 2021 completed)	1,300,000
Reserve Fund increase	4,500,000
Roads Department paving projects (FY22 paving)	862,869
Siren Study (FY22)	50,000
Snow Hill Senior Center (HVAC + Roof)	150,000
Snow Hill transmitter building (replacement)	400,000
Snow Hill warehouse	250,000
Strategic Plan - Dude solutions building Mgmt. maintenance	100,000
States Attorney Building improvements	15,000
Tropospheric Ducting Engineering project	100,000
Maryland DHCD - Community Legacy Program grant match	10,000
West Ocean City commercial harbor bulkhead (FY22)	1,500,000
Wor-Wic Applied Technology Building (cip)	2,612,965
Total	\$ 35,511,437

The nonmajor governmental fund have assigned fund balances as follows:

- The Department of Social Services and the Local Management Board assigned funds are being held by those entities to provide services as directed by the entities for the benefit of the citizens of the County.
- Casino assigned funds originate from local impact grants which shall be used for improvements primarily in the communities in immediate proximity to the video lottery facilities. Currently, Casino funds are being used for the debt service payment on the Worcester Technical High School bond.
- Energy Service assigned funds are being held for energy conservation related initiatives.

NOTES TO FINANCIAL STATEMENTS

Note 13. Landfill Closure and Post-closure Care Costs

State and federal laws and regulations require the County to place a final cover on Worcester County landfills when closed and to perform certain maintenance and monitoring functions at the landfill sites for 30 years after closure.

The County has reported \$17,860,451 in estimated landfill closure and post-closure care liabilities at June 30, 2021 in the enterprise fund related to the Central Landfill. Accrual of closure and post-closure care costs have been recognized based on estimated capacity used to date.

The Central Landfill facility in Newark is the only active landfill in the County. The state-of-the-art facility is situated on a 724.5 acre parcel located approximately 3.5 miles northeast of the Town of Snow Hill. The facility, which began operations in 1990, has a permitted life span of 40 years and includes eight landfill cells. As of June 30, 2021, cells #2 and #3 are full. The County received approval from the Maryland Department of the Environment to begin mining the existing cell #1 instead of closing or “capping” it in order to reclaim as much as 40% of the airspace for future use. If successful, the mining operation will likely continue to the other closed or “filled” cells in order to reclaim landfill capacity and extend the overall life of the facility. The County began mining of cell #1 during fiscal year 2010, but suspended the mining operation during fiscal years 2014 through 2020 to avoid filling up cell #4 before cell #5 was complete. The County has completed cell #5 and plans to resume mining operations in the coming years.

The County has satisfied its financial assurance requirements based upon the local government financial ratio tests as of June 30, 2020. The County expects to satisfy these requirements as of June 30, 2021 using the same criteria.

Estimated closure and post-closure care costs may change in the future due to inflation and changes in technology, laws, and/or regulations.

Note 14. Risk Management

The County’s risk financing techniques include participation in a public entity pool and the purchase of commercial insurance.

For general, property, excess, and environmental liability coverage, the County is a member of the Maryland Local Government Insurance Trust (“LGIT”). This is a public entity risk pool, which is owned and directed by the local governments that subscribe to its coverages and operates under the terms of a Trust Agreement.

LGIT subscribers share the risk among participants of the pools. As a result, the County’s annual premium requirements are affected by the loss experience of the various insurance pools in which it participates. Conversely, favorable performance of certain insurance pools may result in reduced premiums.

The primary government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County carries commercial insurance for these and other risks of loss, including workers' compensation, employee health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage limits for the three most recent fiscal years.

Note 15. On-Behalf Payments

On-behalf payments for fringe benefits represent the pension contribution by the State of Maryland to the State Retirement System for applicable employees of the Library. The amount recognized as revenue and expenditures for the year ended June 30, 2021 was \$256,545 for the Library, which is included in miscellaneous revenues and libraries, recreation, parks and culture expenditures, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 16. Component Units**The Board of Education of Worcester County**Cash and Short-Term Investments

At June 30, 2021, the Board of Education (BOE) had deposits of \$9,715,565 (carrying value \$10,736,315), which were either fully insured or collateralized by securities held in the name of the BOE.

Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Transfers and Reductions	Balance June 30, 2021
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 1,886,779	\$ -	\$ -	\$ 1,886,779
Construction-in-progress	43,563,918	559,317	(43,390,024)	733,211
Total nondepreciable capital assets	45,450,697	559,317	(43,390,024)	2,619,990
Depreciable capital assets:				
Building and building improvements	227,199,721	6,439,565	41,412,946	275,052,232
Machinery and equipment	7,734,928	61,418	(120,678)	7,675,668
Total depreciable assets	234,934,649	6,500,983	41,292,268	282,727,900
Less accumulated depreciation for:				
Buildings and building improvements	(75,214,931)	(4,808,333)	1,705,117	(78,318,147)
Machinery and equipment	(3,545,818)	(854,354)	120,678	(4,279,494)
Total accumulated depreciation	(78,760,749)	(5,662,687)	1,825,795	(82,597,641)
Total depreciable capital assets, net	156,173,900	838,296	43,118,063	200,130,259
Governmental activities capital assets, net	\$ 201,624,597	\$ 1,397,613	\$ (271,961)	\$ 202,750,249
Business-type activities:				
Depreciable capital assets:				
Machinery, equipment and vehicles	\$ 255,496	\$ 7,645	\$ -	\$ 263,141
Less accumulated depreciation for:				
Machinery, equipment and vehicles	(239,979)	(5,268)	-	(245,247)
Total depreciable capital assets, net	15,517	2,377	-	17,894
Business-type activities capital assets, net	\$ 15,517	\$ 2,377	\$ -	\$ 17,894

NOTES TO FINANCIAL STATEMENTS

Note 16. Component Units (continued)Long-Term Debt

The following is a summary of long-term debt transactions of the BOE for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
Net OPEB liability	\$ 371,556,678	\$ 56,302,738	\$ -	\$ 427,859,416
Net pension liability	5,331,996	514,069	-	5,846,065
Capital leases	3,198,112	-	(630,778)	2,567,334
Retirement incentive and severance	557,974	395,876	(953,850)	-
Long-term portion of accrued compensated absences	373,441	584,061	(43,983)	913,519
	<u>\$ 381,018,201</u>	<u>\$ 57,796,744</u>	<u>\$ (1,628,611)</u>	<u>\$ 437,186,334</u>

Post-Retirement Benefits

The BOE currently funds 90% of the healthcare insurance premiums for retirees hired prior to July 1, 2015 (and 80% of the premiums for retirees hired subsequent to June 30, 2015) who have accumulated the required number of years of service with the BOE prior to their retirement. The BOE's OPEB Trust currently pays for the cost of these benefits on a pay-as-you-go basis. For the year ended June 30, 2021, the BOE's OPEB Trust paid for coverage of approximately 902 retirees at a total cost of approximately \$6,700,000. For the year ended June 30, 2021, the County contributed \$2,968,744 to the BOE's OPEB Trust to fund the ARC and the pay-as-you-go post-retirement healthcare benefits.

Commitments and Contingencies

The BOE regularly enters into contracts for goods and services during the normal course of operations. The contracts often extend over fiscal years. The BOE is in the process of approving bids for the SDMS addition project, scheduled to break ground in November of 2021. The construction bids for this project are scheduled to be approved by the BOE at the September 2021 meeting and by the County Commissioners in October 2021. The BOE awarded the steel bid early at a special BOE meeting to Crystal Steel Fabricators, Inc. in the amount of \$718,642. All construction contracts for the SDMS addition, including the steel, will be signed in October 2021.

The BOE receives a substantial amount of its support from Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the BOE.

On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic and resulting global disruptions have had significant impacts on the traditional education model of Boards of Education across the County. In addition, there has been significant economic uncertainty and volatility in financial markets. The impact on future funding and on defined benefit plan (pensions and other post-employment benefit) actuarial assumptions used estimate the net pension and other post-employment liabilities of the BOE are not reasonably estimated at this time.

The IRS is conducting a Federal Employment Tax Audit of the BOE for the tax year 2019 with respect to its treatment of its bus contractors as independent contractors. The BOE disputes the basis of the Audit of this

NOTES TO FINANCIAL STATEMENTS

Note 16. Component Units (continued)

claim and intends to vigorously defend. The IRS has not made any tax assessments at this point. The BOE has also submitted a memo that describes why the Audit should result in no tax liability.

Risk Management

The BOE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In July 1995, the BOE joined the Maryland Association of Boards of Education Workers' Compensation Group Insurance Fund (the "Fund"), a public entity risk pool currently providing workers' compensation coverage for participating boards of education in the State of Maryland. The BOE pays an annual premium to the Fund calculated based on projected payroll. The agreement with the Fund provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims which exceed coverage limits as specified in the agreement. Should the Fund encounter deficits in its casualty and/or property funds, this deficit may be made up from additional assessments of boards participating in the deficit Fund. The BOE continues to carry commercial insurance for all other risks of loss, including general liability, employee health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage limits for the three most recent fiscal years.

On-Behalf Payments

On-behalf payments for fringe benefits represent the pension contribution by the State of Maryland to the State Retirement System for applicable employees of the BOE. The amount recognized as revenue and expenditures for the year ended June 30, 2021 was \$6,815,130 for the BOE, which is included in intergovernmental revenues and education expenditures, respectively, in the BOE's separately issued financial statements.

GASB Statement No. 84 Fiduciary Activities Implementation

During the year ended June 30, 2021, the BOE adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities. The implementation of the statement has resulted in changing the presentation of the financial statements by removing the School Activity Funds from being reported as an Agency fund to now being reported as a major governmental fund. Beginning net position and fund balance have been restated to reflect this change.

	Statement of Activities
Net position, as previously reported at July 1, 2020	\$ (169,649,725)
Restatement	1,146,836
Net position, as restated, at July 1, 2020	<u>\$ (168,502,889)</u>
	Governmental Funds
Net position, as previously reported at July 1, 2020	\$ 1,688,534
Restatement	1,146,836
Net position, as restated, at July 1, 2020	<u>\$ 2,835,370</u>

Note 17. Required Fund Disclosures

The General Fund had an excess of actual expenditures over budgeted expenditures of \$15,095,295 for the year ended June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

Note 18. GASB Statement No. 84 Fiduciary Activities Implementation

The County implemented Government Accounting Standards Board's Statement No. 84, *Fiduciary Activities*, on July 1, 2020. This statement's objective is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities are reported.

Due to the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting beginning net position of \$366,989. Also, related to the implementation of GASB Statement No. 84, the County will no longer be reporting on Agency funds. At June 30, 2020, agency funds reported assets and liabilities of \$3,659,847. Also see Note 16.

REQUIRED SUPPLEMENTARY INFORMATION

WORCESTER COUNTY, MARYLAND

MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(as of measurement date)

Measurement Date	Employer's Proportion (Percentage) of the Collective NPL A	Employer's Proportionate Share of the Collective NPL B	Employer's Covered Payroll C	Proportionate Share as a Percentage of Covered Payroll (B / C)	Plan's Total Fiduciary Net Position (in \$000's) D	Plan's Total Pension Liability (in \$000's) E	Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (D / E)
June 30, 2014	0.1160133%	\$20,588,571	\$27,965,651	73.62%	\$45,339,988	\$63,086,719	71.87%
June 30, 2015	0.1316800%	27,365,360	23,419,512	116.85%	45,789,840	66,571,552	68.78%
June 30, 2016	0.1366138%	32,232,695	23,922,358	134.74%	45,365,927	68,959,954	65.79%
June 30, 2017	0.1228108%	26,556,233	23,537,007	112.83%	48,987,184	70,610,885	69.38%
June 30, 2018	0.1385248%	29,064,712	24,859,390	116.92%	51,827,233	72,808,833	71.18%
June 30, 2019	0.1394292%	28,758,121	25,130,065	114.44%	53,943,420	74,569,030	72.34%
June 30, 2020	0.1433537%	32,399,879	25,729,161	125.93%	54,586,037	77,187,397	70.72%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which the information is available.

WORCESTER COUNTY, MARYLAND
MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

SCHEDULE OF CONTRIBUTIONS
(as of fiscal year)

Fiscal Year	Contractually Required Contribution A	Actual Contribution B	Contribution Deficiency (Excess) (A - B)	Employer's Covered Payroll C	Actual Contribution as a Percentage of Covered Payroll (B / C)
2015	\$ 2,703,529	\$ 2,703,529	\$ -	\$ 23,419,512	11.54%
2016	2,775,459	2,775,459	-	23,922,358	11.60%
2017	2,661,350	2,661,350	-	23,537,007	11.31%
2018	2,499,618	2,499,618	-	24,859,390	10.06%
2019	2,762,289	2,762,289	-	25,130,065	10.99%
2020	2,863,177	2,863,177	-	25,729,161	11.13%
2021	3,073,593	3,073,593	-	26,968,715	11.40%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which the information is available.

WORCESTER COUNTY, MARYLAND
 MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2021
 ACTUARIAL ASSUMPTIONS - PENSION PLAN

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25-year closed amortization period ending June 30, 2039; 18 years
Asset Valuation Method	Five-year smoothed market (max. 120% and min 80% of the market
Inflation	In the 2020 actuarial valuation, 2.60% general, 3.10% wage. In the 2019 actuarial valuation, 2.65% general, 3.15% wage.
Salary Increases	In the 2020 actuarial valuation, 3.10% to 11.60%, including inflation. In the 2019 actuarial valuation, 3.10% to 11.60%, including inflation.
Investment Rate of Return	In the 2020 actuarial valuation, 7.40%. In the 2019 actuarial valuation, 7.40%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period July 1, 2014 to July 30, 2018.
Mortality	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

WORCESTER COUNTY, MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

As of June 30,	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability										
Service cost							\$ 1,608,612	\$ 1,636,060	\$ 1,253,739	\$ 1,310,245
Interest							5,528,825	5,523,505	5,824,086	5,672,207
Differences between expected and actual experience							(930,789)	-	(2,782,115)	-
Changes of assumptions							(972,422)	-	(2,884,137)	-
Benefit payments							(2,753,006)	(3,005,953)	(3,365,480)	(4,210,867)
Other charges							3,031,292	142,763	(177,634)	-
Net change in OPEB liability							5,512,512	4,296,375	(2,131,541)	2,771,585
Total OPEB liability - beginning							75,459,618	80,972,130	85,268,505	83,136,964
Total OPEB liability - ending (a)							<u>\$80,972,130</u>	<u>\$ 85,268,505</u>	<u>\$ 83,136,964</u>	<u>\$ 85,908,549</u>
Plan fiduciary net position										
Differences between expected and actual experience							41,035	(771,893)	(2,058,287)	9,128,879
Contributions - employer							2,500,000	5,285,500	7,124,143	3,968,744
Contributions - non-employer contributing entities							487,541	322,821	672,167	634,900
Net investment income							3,330,424	2,955,419	2,104,856	13,964,958
Benefit payments							(2,753,006)	(3,005,953)	(3,365,480)	(3,178,216)
Administrative expenses							(1,150)	(3,400)	(1,000)	(5,000)
Other charges							(41,035)	771,893	2,058,286	(9,128,879)
Net change in plan fiduciary net position							3,563,809	5,554,387	6,534,685	15,385,386
Plan fiduciary net position - beginning							45,741,273	49,305,082	54,859,470	61,394,155
Plan fiduciary net position - ending (b)							<u>\$49,305,082</u>	<u>\$ 54,859,469</u>	<u>\$ 61,394,155</u>	<u>\$ 76,779,541</u>
County's net OPEB liability - ending (a) - (b)							\$31,667,048	\$ 30,409,036	\$ 21,742,809	\$ 9,129,008
Plan fiduciary net position as a percentage of the total OPEB liability							60.89%	64.34%	73.85%	89.37%
Covered employee payroll							\$25,501,214	\$ 27,050,408	\$ 25,615,178	\$ 25,615,178
County's net OPEB liability as a percentage of covered employee payroll							124%	112%	85%	36%
Expected Average Remaining Service Years of All Participants							7.12	6.38	6.24	6.24

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

WORCESTER COUNTY, MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

SCHEDULE OF INVESTMENT RETURNS

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment							7.01%	5.67%	3.62%	20.21%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

WORCESTER COUNTY, MARYLAND
MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021
ACTUARIAL ASSUMPTIONS - PENSION PLAN

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25-year closed amortization period ending June 30, 2039; 18 years
Asset Valuation Method	Five-year smoothed market (max. 120% and min 80% of the market
Inflation	In the 2020 actuarial valuation, 2.60% general, 3.10% wage. In the 2019 actuarial valuation, 2.65% general, 3.15% wage.
Salary Increases	In the 2020 actuarial valuation, 3.10% to 11.60%, including inflation. In the 2019 actuarial valuation, 3.10% to 11.60%, including inflation.
Investment Rate of Return	In the 2020 actuarial valuation, 7.40%. In the 2019 actuarial valuation, 7.40%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period July 1, 2014 to July 30, 2018.
Mortality	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 2. Other Post Employment Benefits**Methods and assumptions used to determine contribution rates:**

Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed period
Amortization period	5 years
Inflation	3.00 %
Healthcare cost trend rates	5.50 % for fiscal year 2020, decreasing .07 % per year to an ultimate rate of 4.50 % for fiscal year 2035 and later years
Salary increases	4.00 %, average, including inflation
Investment rate of return	7.00 %
Mortality	PubG.H-2010 Mortality Table - General

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 %

Retiree contributions

	Pre-Medicare		Medicare Eligible	
	<u>Retiree</u>	<u>Spouse</u>	<u>Retiree</u>	<u>Spouse</u>
Pre 7/1/15 hires	\$ 841	\$ 1,463	\$ 749	\$ 749
7/1/15 & subsequent hires	1,682	2,926	1,498	1,498
Spouse pay-all		14,629		7,489

OTHER SUPPLEMENTARY INFORMATION

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES:				
Taxes:				
Real property:				
Full-year levy	\$ 138,167,141	\$ 138,167,141	\$ 137,988,228	\$ (178,913)
Semi-year levy	211,250	211,250	116,980	(94,270)
Personal property	332,719	332,719	286,849	(45,870)
Corporations and utilities	7,727,576	7,727,576	9,289,474	1,561,898
Net additions and abatements	(358,200)	(358,200)	(54,240)	303,960
	146,080,486	146,080,486	147,627,291	1,546,805
Interest on delinquent taxes	700,000	700,000	856,072	156,072
Discounts allowed on taxes	(475,000)	(475,000)	(486,651)	(11,651)
Tax credits for assessment increase	(1,246,265)	(1,246,265)	(1,240,029)	6,236
Total real and personal property	145,059,221	145,059,221	146,756,683	1,697,462
Local income tax	26,500,000	26,500,000	35,824,894	9,324,894
Other local taxes:				
Room tax admin	180,000	180,000	222,203	42,203
Room tax	1,050,000	1,050,000	863,004	(186,996)
Admission and amusement	620,000	620,000	611,223	(8,777)
Recordation	7,000,000	7,000,000	12,222,034	5,222,034
Trailer park excise tax	-	-	(159,303)	(159,303)
Transfer tax	4,500,000	4,500,000	8,176,629	3,676,629
Food tax admin	81,000	81,000	75,158	(5,842)
Total taxes	184,990,221	184,990,221	204,592,525	19,602,304
Licenses and permits:				
Business:				
Liquor licenses	825,000	825,000	1,126,744	301,744
Vending machine licenses	70,000	70,000	77,920	7,920
Traders' licenses	103,000	103,000	103,980	980
Occupational licenses	6,000	6,000	4,210	(1,790)
Bingo permits	18,500	18,500	3,053	(15,447)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

Year Ended June 30, 2021

(CONTINUED)

	Budgeted Amounts			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Licenses and permits, continued:				
Other:				
Building permits	\$ 300,000	\$ 300,000	\$ 309,972	\$ 9,972
Electrical permits	15,000	15,000	17,475	2,475
Marriage licenses	24,000	24,000	25,950	1,950
Commercial plumbing plan review	2,500	2,500	2,075	(425)
Civil ceremony licenses	1,200	1,200	1,020	(180)
Shoreline construction permits	19,000	19,000	23,400	4,400
Timber harvest permits	3,000	3,000	2,400	(600)
Sediment erosion control/SWM/permits	22,000	22,000	46,584	24,584
Environmental permits	56,625	56,625	82,905	26,280
Forestry conservation review fees	6,000	6,000	5,745	(255)
Health permits	396,707	396,707	432,556	35,849
Raffle permits	1,800	1,800	1,392	(408)
Rental permits	175,000	175,000	132,170	(42,830)
Plumbing permits	52,000	52,000	103,815	51,815
Landfill permits	320,000	320,000	319,400	(600)
Gas permits	20,000	20,000	18,410	(1,590)
PAYT tags - household	9,000	9,000	7,525	(1,475)
Planning and zoning permits	47,350	47,350	52,793	5,443
Total licenses and permits	2,493,682	2,493,682	2,901,494	407,812
Intergovernmental:				
Federal grants:				
Payments in lieu of taxes	20,305	20,305	21,037	732
CARES Act	-	-	5,254,036	5,254,036
American rescue plan act	-	-	172,937	172,937
CDBG housing rehab grant	150,000	150,000	22,965	(127,035)
CDBG federal grant	-	-	382,721	382,721
Homeland security grant	171,716	171,716	239,110	67,394
Bulletproof vest program	1,000	1,000	-	(1,000)
MDE beach monitoring grant	3,261	3,261	3,261	-
Traffic safety - State Highway Administration	720	720	2,119	1,399
Library federal grant	-	-	63,504	63,504
Child support enforcement	9,800	9,800	5,252	(4,548)
GOCCP sheriff grant	-	-	4,000	4,000
US Fish and Wildlife Service	7,000	7,000	6,111	(889)
State grants:				
Highway user revenue	1,166,491	1,166,491	1,087,504	(78,987)
911 State fees	645,332	645,332	673,758	28,426
Maryland State Police grants	-	-	1,144	1,144
Police protection	162,006	162,006	176,303	14,297
State park revenues	425,000	425,000	682,160	257,160
Open space program - parks	1,277,500	1,277,500	1,069,869	(207,631)
Library aid	170,290	170,290	170,290	-
Other housing rehab income	4,000	4,000	-	(4,000)
Share of State forest land	70,000	70,000	61,349	(8,651)
Eastern Shore library grant	75,000	75,000	86,638	11,638
Other grants	-105-	-	9,693,706	9,693,706

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	Budgeted Amounts		Variance with	
	Original	Final	Actual	Final Budget
Intergovernmental, continued:				
State grants, continued:				
Coastal zone grant	\$ -	\$ -	\$ 19,351	\$ 19,351
Sheriff - sex offender grant	22,000	22,000	27,421	5,421
Sheriff - health tobacco enforcement	-	-	2,168	2,168
Sheriff - health underage drinking	2,000	2,000	4,149	2,149
Heroin coordinator	50,615	50,615	50,615	-
Senator Amoss grant	372,927	372,927	379,692	6,765
Tourism	207,154	207,154	86,709	(120,445)
State aid for bridges	980,733	980,733	967,455	(13,278)
Critical area grant	10,000	10,000	9,000	(1,000)
MALPF administrative fees	-	-	12,674	12,674
DHCD housing administration fees	7,000	7,000	1,500	(5,500)
Conservation easement admin fee	20,000	20,000	63,387	43,387
Conservation easement reimbursements	60,000	60,000	105,416	45,416
Water system monitoring	17,560	17,560	23,694	6,134
Trial jury reimbursement	54,000	54,000	15,790	(38,210)
Family support grant	251,095	251,095	246,441	(4,654)
Drug court coordinator	237,352	237,352	194,666	(42,686)
Waterway improvement grants	254,300	254,300	296,470	42,170
Statewide specialized transportation assistance	126,620	126,620	126,975	355
Septic system BRF grants	240,000	240,000	426,243	186,243
Overtime grant projects	-	-	13,251	13,251
Intern Program grant	10,000	10,000	10,000	-
Dental program reimbursement	22,220	22,220	16,721	(5,499)
Bay Restoration operations and maintenance	10,000	10,000	34,855	24,855
Maryland coastal bays	-	-	320,530	320,530
MIEMSS emergency grant	-	-	804	804
MD Department of Aging grant	54,608	54,608	54,712	104
911 ENSB grant	67,892	67,892	1,597,514	1,529,622
Total intergovernmental	7,437,497	7,437,497	24,987,977	17,550,480
Service charges and fees:				
Liquor advertising fees	1,200	1,200	2,700	1,500
Donation sponsorship program	2,600	2,600	3,365	765
Sheriff fees	56,000	56,000	126,519	70,519
Sales of publications and copies	2,055	2,055	2,430	375
Library use charges	18,000	18,000	6,364	(11,636)
Library Erate reimbursements	2,000	2,000	971	(1,029)
Mosquito control charges	50,000	50,000	44,819	(5,181)
EDU transfer fee	-	-	800	800
Seacrets security	97,000	97,000	73,125	(23,875)
Purnell Properties security	-	-	13,200	13,200

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

Year Ended June 30, 2021

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Service charges and fees, continued:				
Vehicle tag fees	\$ 3,500	\$ 3,500	\$ 14	\$ (3,486)
Salary reimbursement	500	500	-	(500)
Housing program fees	-	-	19,540	19,540
Critical area review fees	28,000	28,000	45,111	17,111
Tourism programs and events	10,500	10,500	350	(10,150)
Shared facility fees	500	500	100	(400)
Stormwater management review fees	78,000	78,000	87,474	9,474
Roads department fees	5,000	5,000	3,000	(2,000)
Bay restoration administration fees	22,500	22,500	23,815	1,315
Shoreline Commission application fees	20,000	20,000	40,800	20,800
Park fees	29,540	29,540	31,692	2,152
Concession stand fees	65,000	65,000	14,104	(50,896)
Environmental fees	15,400	15,400	34,465	19,065
Economic development programs and events	-	-	1,000	1,000
Recreation fees	244,000	244,000	120,183	(123,817)
Solar renewable energy credits	1,000	1,000	5,799	4,799
Water and sewer plan amendment fees	2,000	2,000	1,000	(1,000)
Circuit Court bar library	5,000	5,000	1,505	(3,495)
Firearms training center fees	3,000	3,000	21,450	18,450
Payments for jail use	4,112,000	4,112,000	749,241	(3,362,759)
First offender program fees	10,000	10,000	4,250	(5,750)
Fire inspection fees	145,000	145,000	165,199	20,199
Family services legal fees	2,500	2,500	300	(2,200)
Community service fees	70,000	70,000	39,910	(30,090)
Public Works	30,000	30,000	32,747	2,747
Franchise fees	22,500	22,500	22,216	(284)
Special Events fees	203,075	203,075	50,308	(152,767)
Tournament fees	15,000	15,000	3,120	(11,880)
Motor coach fees	30,000	30,000	(150)	(30,150)
Recycling	81,200	81,200	83,114	1,914
Metal recycling	45,000	45,000	54,418	9,418
Tire revenue	30,000	30,000	31,755	1,755
Total service charges and fees	5,558,570	5,558,570	1,962,123	(3,596,447)

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Miscellaneous:				
Court fines	\$ 50,000	\$ 50,000	\$ 35,003	\$ (14,997)
Civil infraction fines	2,700	2,700	9,448	6,748
Retiree drug subsidy	170,000	170,000	152,794	(17,206)
Interest on investments	850,000	850,000	103,318	(746,682)
Rent revenue	150,561	150,561	193,971	43,410
Sale of capital assets	40,000	40,000	-	(40,000)
Miscellaneous	80,000	80,000	122,635	42,635
Health insurance reinvestment	-	-	1,437,487	1,437,487
Transfer from Development Tax Fund	-	-	13,108	13,108
MSRS library on-behalf payments	-	-	256,545	256,545
Total miscellaneous	1,343,261	1,343,261	2,324,309	981,048
Total revenues	201,823,231	201,823,231	236,768,428	34,945,197

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
EXPENDITURES:				
General government:				
County Commissioners' office:				
Salaries	\$ 988,074	\$ 988,074	\$ 1,018,899	\$ (30,825)
Benefits	484,825	484,825	513,728	(28,903)
Administrative	14,902	14,783	12,785	1,998
Other supplies and equipment	7,100	11,629	11,128	501
Equipment maintenance	11,700	11,782	11,782	-
Legal	16,350	11,821	10,696	1,125
Vehicle operating expense	4,000	4,000	1,839	2,161
Building site	1,344	1,381	1,381	-
Advertising	11,000	11,000	9,132	1,868
Training and travel	43,914	43,914	25,207	18,707
Enterprise fund credits	(83,592)	(83,592)	(76,315)	(7,277)
	1,499,617	1,499,617	1,540,262	(40,645)
Circuit Court:				
Salaries	994,175	994,175	986,923	7,252
Benefits	487,819	487,819	497,606	(9,787)
Administrative	21,249	21,249	19,535	1,714
Other supplies and equipment	9,900	9,900	5,806	4,094
Equipment maintenance	19,486	19,486	15,020	4,466
Grant services	161,096	161,096	108,969	52,127
Legal	105,000	105,000	35,059	69,941
Consulting services	-	5,190	5,190	-
Building site	5,765	5,765	2,076	3,689
Training and travel	8,932	3,742	2,507	1,235
Uniforms and personal equipment	500	500	-	500
	1,813,922	1,813,922	1,678,691	135,231
Orphans' Court:				
Salaries	21,000	21,000	21,000	-
Benefits	10,304	10,304	10,588	(284)
Training and travel	6,800	6,800	4,800	2,000
	38,104	38,104	36,388	1,716

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
General government, continued:				
State's Attorney's office:				
Salaries	\$ 1,436,515	\$ 1,436,515	\$ 1,406,675	\$ 29,840
Benefits	705,356	705,356	709,761	(4,405)
Overtime pay	1,000	1,000	1,026	(26)
Administrative	24,338	21,998	20,238	1,760
Other supplies and equipment	16,175	24,100	24,090	10
Equipment maintenance	10,229	10,729	10,696	33
Uniforms and personal equipment	500	500	413	87
Legal	7,800	12,151	12,151	-
Vehicle operating expense	6,500	2,628	2,581	47
Building site	3,050	3,577	3,488	89
Training and travel	25,750	18,659	15,809	2,850
	2,237,213	2,237,213	2,206,928	30,285
Treasurer's office:				
Salaries	1,274,990	1,274,990	1,236,849	38,141
Overtime pay	2,000	2,000	384	1,616
Benefits	626,589	626,589	623,812	2,777
Administrative	43,100	43,100	38,826	4,274
Other supplies and equipment	10,075	10,053	5,964	4,089
Equipment maintenance	83,680	83,680	83,392	288
Consulting services	1,200	1,200	-	1,200
Building site	1,200	1,222	1,222	-
Training and travel	4,900	4,900	2,155	2,745
Enterprise fund credits	(231,396)	(231,396)	(236,771)	5,375
	1,816,338	1,816,338	1,755,833	60,505
Elections office:				
State employees' salaries and benefits	522,228	522,228	500,249	21,979
Benefits	7,360	7,360	7,563	(203)
Administrative	12,476	42,596	42,596	-
Other supplies and equipment	171,938	127,367	267,493	(140,126)
Voting machines and poll expenses	173,023	186,044	241,549	(55,505)
Equipment maintenance	10,156	10,156	4,562	5,594
Consulting services	53,352	54,782	54,782	-
Building site	95,974	95,974	91,826	4,148
Training and travel	15,386	15,386	6,212	9,174
	1,061,893	1,061,893	1,216,832	(154,939)

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
General government, continued:				
Human resources:				
Salaries	\$ 472,097	\$ 472,097	\$ 457,972	\$ 14,125
Benefits	232,138	232,138	231,390	748
Overtime pay	1,000	1,000	954	46
Administrative	10,120	10,120	9,468	652
Other supplies and equipment	5,890	5,890	5,213	677
Equipment maintenance	2,400	2,400	2,033	367
Program expense	3,500	3,500	3,500	-
Consulting services	15,100	15,542	15,542	-
Vehicle operating expense	5,000	5,000	4,351	649
Uniforms and personal equipment	850	850	834	16
Building site	400	400	343	57
Advertising	5,000	5,000	4,821	179
Training and travel	4,500	4,058	3,485	573
Capital equipment	-	31,000	31,000	-
Enterprise fund credits	(67,138)	(67,138)	(67,138)	-
	690,857	721,857	703,768	18,089
Development review and permitting:				
Salaries	1,537,866	1,537,866	1,515,005	22,861
Benefits	754,596	754,596	763,864	(9,268)
Administrative	10,589	10,589	8,896	1,693
Other supplies and equipment	15,835	15,761	10,079	5,682
Equipment maintenance	11,978	11,978	4,477	7,501
Grant programs	-	-	1,939	(1,939)
Program expense	22,000	22,000	19,860	2,140
Housing rehabilitation program	221,100	221,100	75,803	145,297
Legal	28,500	24,055	23,925	130
Vehicle operating expense	14,000	14,000	10,918	3,082
Building site	1,200	1,274	1,274	-
Advertising	12,000	19,246	19,246	-
Training and travel	23,331	20,530	9,596	10,934
Enterprise fund credits	(84,430)	(84,430)	(84,430)	-
Capital equipment	-	27,358	27,358	-
	2,568,565	2,595,923	2,407,810	188,113

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
General government, continued:				
Environmental programs:				
Salaries	\$ 1,087,247	\$ 1,087,247	\$ 1,094,178	\$ (6,931)
Overtime pay	1,500	1,500	-	1,500
Benefits	534,223	534,223	551,684	(17,461)
Administrative	6,745	6,745	6,004	741
Other supplies and equipment	19,107	19,107	15,133	3,974
Equipment maintenance	2,400	2,400	2,353	47
Grant programs	240,000	240,000	463,806	(223,806)
Consulting services	74,100	74,100	102,400	(28,300)
Vehicle operating expense	19,400	19,400	17,800	1,600
Building site	1,045	1,045	504	541
Advertising	3,200	3,200	2,009	1,191
Training and travel	5,656	5,656	3,314	2,342
Capital equipment	-	27,000	27,000	-
Interfund	(27,777)	(27,777)	(27,777)	-
	1,966,846	1,993,846	2,258,408	(264,562)
Information Technology:				
Salaries	556,945	556,945	549,367	7,578
Benefits	273,280	273,280	276,990	(3,710)
Administrative	1,000	1,000	882	118
Other supplies and equipment	8,000	7,195	5,668	1,527
Vehicle operating expense	1,900	2,390	2,390	-
Building site	380	380	-	380
Advertising	-	395	395	-
Training and travel	6,452	6,372	2,180	4,192
Uniforms and personal equipment	450	450	414	36
Interfund	(29,366)	(29,366)	(29,366)	-
	819,041	819,041	808,920	10,121

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General government, continued:				
Other general government:				
Administrative	\$ 162,730	\$ 162,730	\$ 162,730	\$ -
Other supplies and equipment	54,500	43,166	33,759	9,407
Equipment maintenance	740,757	740,757	498,302	242,455
Systems maintenance	500	500	-	500
Consulting services	128,600	128,600	118,527	10,073
Energy	15,000	15,000	-	15,000
Building site	760,838	760,838	696,615	64,223
Other maintenance and services	4,800	4,800	3,775	1,025
Grant programs	-	-	2,613,427	(2,613,427)
Advertising	-	11,334	11,334	-
Training and travel	32,735	32,735	26,630	6,105
Tri-County Council	400,338	400,338	400,338	-
Other non-matching expenses - Briddletown	30,000	30,000	30,000	-
Other non-matching expenses - SDAT	589,787	589,787	505,914	83,873
Property-liability insurance	491,151	491,151	467,098	24,053
Other expenses	63,797	63,797	57,132	6,665
Capital equipment	330,398	15,972	20,820	(4,848)
Interest expense	32,838	32,838	32,838	-
	3,838,769	3,524,343	5,679,239	(2,154,896)
Total general government	18,351,165	18,122,097	20,293,079	(2,170,982)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

Year Ended June 30, 2021

(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Public safety:				
Sheriff's office:				
Salaries	\$ 5,715,612	\$ 5,715,612	\$ 5,247,839	\$ 467,773
Overtime pay	553,003	553,003	577,496	(24,493)
Benefits	3,075,866	3,075,866	2,937,130	138,736
Administrative	53,486	53,486	50,969	2,517
Other supplies and equipment	285,966	266,195	258,943	7,252
Equipment maintenance	151,147	141,386	136,417	4,969
Uniforms and personal equipment	234,180	200,512	179,634	20,878
Advertising	3,000	3,000	1,400	1,600
Legal	6,500	6,500	5,000	1,500
Consulting services	31,200	20,365	10,160	10,205
Vehicle operating expense	357,220	420,420	420,396	24
Building site	53,434	53,434	41,272	12,162
Training and travel	53,109	63,944	63,944	-
Capital equipment	-	100,771	-	100,771
	10,573,723	10,674,494	9,930,600	743,894
Emergency services:				
Salaries	1,426,030	1,426,030	1,302,290	123,740
Overtime pay	121,973	121,973	120,909	1,064
Benefits	759,569	759,569	717,576	41,993
Administrative	8,990	8,990	7,467	1,523
Other supplies and equipment	272,024	272,024	213,207	58,817
Equipment maintenance	492,325	492,325	427,870	64,455
Uniforms and personal equipment	7,950	6,750	5,639	1,111
Grant programs	165,201	165,201	1,786,360	(1,621,159)
Consulting services	-	5,835	6,130	(295)
Vehicle operating expense	12,000	17,300	17,250	50
Advertising	-	108	108	-
Building site	200,100	93,057	87,761	5,296
Training and travel	40,143	26,768	12,111	14,657
Capital equipment	-	110,375	-	110,375
	3,506,305	3,506,305	4,704,678	(1,198,373)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

Year Ended June 30, 2021

(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Public safety, continued:				
Jail:				
Salaries	\$ 6,310,943	\$ 6,310,943	\$ 6,116,449	\$ 194,494
Overtime pay	30,000	30,000	181,343	(151,343)
Benefits	3,111,355	3,111,355	3,175,342	(63,987)
Administrative	6,875	7,641	6,981	660
Other supplies and equipment	12,775	15,661	15,661	-
Equipment maintenance	29,435	29,435	28,463	972
Uniforms and personal equipment	54,550	54,550	53,569	981
Inmate supplies and services	2,251,037	2,244,988	2,111,924	133,064
Consulting services	4,000	6,397	4,897	1,500
Vehicle operating expense	12,800	12,800	4,551	8,249
Building site	788,675	763,725	654,769	108,956
Other maintenance and services	12,650	12,650	8,123	4,527
Training and travel	16,056	16,056	7,757	8,299
Capital equipment	18,302	43,252	73,182	(29,930)
	12,659,453	12,659,453	12,443,011	216,442
Fire Marshal:				
Salaries	424,648	424,648	421,385	3,263
Overtime pay	20,000	20,000	19,644	356
Benefits	218,179	218,179	222,366	(4,187)
Administrative	5,775	4,151	3,892	259
Supplies and equipment	32,100	32,100	34,920	(2,820)
Equipment maintenance	6,120	5,030	5,030	-
Uniforms and personal equipment	5,725	4,096	4,096	-
Vehicle operating expense	17,000	44,020	46,001	(1,981)
Building site	360	360	326	34
Training and travel	24,685	2,008	2,008	-
	754,592	754,592	759,668	(5,076)

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety, continued:				
Volunteer fire departments:				
County grant to fire companies	\$ 2,520,000	\$ 2,520,000	\$ 2,520,000	\$ -
Fireman's Training Center	47,204	47,204	36,240	10,964
State grant for fire companies	372,927	372,927	379,692	(6,765)
County grant to ambulance companies	5,011,973	5,011,973	5,011,973	-
Training and travel - transportation expense	3,000	3,000	-	3,000
Volunteer fireman worker's compensation	192,819	192,819	130,144	62,675
LOSAP appropriation	186,200	186,200	136,600	49,600
EMT Paramedic	8,000	8,000	-	8,000
	8,342,123	8,342,123	8,214,649	127,474
Total public safety	35,836,196	35,936,967	36,052,606	(115,639)
Public works:				
Maintenance:				
Salaries	963,974	963,974	810,906	153,068
Overtime pay	6,500	6,500	5,197	1,303
Benefits	476,189	476,189	411,478	64,711
Administrative	1,500	1,500	1,115	385
Other supplies and equipment	39,530	39,530	35,233	4,297
Equipment maintenance	8,131	8,131	8,131	-
Uniforms and personal equipment	7,000	7,000	5,509	1,491
Consulting services	100	100	-	100
Custodial services	5,000	5,000	2,148	2,852
Vehicle operating expense	45,000	35,696	34,868	828
Building site	26,088	35,392	16,781	18,611
Advertising	500	500	132	368
Training and travel	1,550	1,550	1,395	155
Capital equipment	-	41,000	41,000	-
	1,581,062	1,622,062	1,373,893	248,169
Roads department:				
Salaries	1,615,625	1,615,625	1,414,687	200,938
Overtime pay	20,000	20,000	2,655	17,345
Benefits	802,564	802,564	714,623	87,941
Administrative	2,300	2,300	1,784	516
Other supplies and equipment	126,820	126,820	120,064	6,756
Equipment maintenance	4,705	4,705	4,526	179
Road maintenance materials	1,105,500	1,105,500	1,093,415	12,085
Uniforms and personal equipment	12,600	12,485	9,415	3,070
Grant services	-	-	558,597	(558,597)
Consulting services	150	265	265	-
Vehicle operating expense	324,000	324,000	315,324	8,676

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

Year Ended June 30, 2021

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Public works, continued:				
Roads department, continued:				
Building site	\$ 34,700	\$ 34,700	\$ 26,950	\$ 7,750
Road maintenance	316,162	316,162	283,568	32,594
Advertising	1,300	1,300	387	913
Training and travel	1,990	1,990	1,255	735
	4,368,416	4,368,416	4,547,515	(179,099)
Homeowner Convenience Centers:				
Salaries	217,139	217,139	179,762	37,377
Benefits	108,998	108,998	91,283	17,715
Overtime pay	5,000	5,000	1,284	3,716
Building site	255,750	257,776	258,968	(1,192)
Administrative expense	6,000	5,080	5,080	-
Consulting services	2,300	2,200	2,200	-
Uniforms and personal equipment	3,150	2,144	2,144	-
Interfund	197,660	197,660	197,660	-
	795,997	795,997	738,381	57,616
Recycling:				
Salaries	410,555	410,555	417,758	(7,203)
Overtime pay	5,000	5,000	(179)	5,179
Benefits	203,903	203,903	210,544	(6,641)
Building site	68,500	68,500	53,067	15,433
Other maintenance and services	41,000	41,000	24,335	16,665
Supplies and equipment	14,000	14,000	12,445	1,555
Vehicle operating expenses	85,500	83,414	55,766	27,648
Advertising	500	500	-	500
Training and travel	1,314	1,314	-	1,314
Administrative expense	-	2,086	2,086	-
Consulting services	2,825	2,825	2,750	75
Uniforms and personal equipment	3,150	3,150	2,747	403
Interfund	213,832	213,832	213,832	-
	1,050,079	1,050,079	995,151	54,928

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public works, continued:				
Other public works:				
Salaries	\$ 609,009	\$ 609,009	\$ 616,605	\$ (7,596)
Benefits	298,827	298,827	310,892	(12,065)
Administrative	3,145	3,145	2,200	945
Other supplies and equipment	13,515	17,045	14,340	2,705
Equipment maintenance	11,275	11,275	7,972	3,303
Uniforms and personal equipment	1,050	1,129	1,129	-
Program expense	225	225	-	225
Consulting services	80,150	80,150	67,167	12,983
Vehicle operating expense	11,500	9,500	6,337	3,163
Building site	29,020	29,020	20,242	8,778
Other maintenance and services	1,700	1,700	1,234	466
Fleet services	(82,124)	(82,124)	(39,965)	(42,159)
Central fuel facility	-	-	(44,099)	44,099
Advertising	300	300	159	141
Training and travel	2,865	1,256	150	1,106
Enterprise fund credits	(146,324)	(146,324)	(146,324)	-
Capital equipment	-	34,897	34,897	-
	834,133	869,030	852,936	16,094
Total public works	8,629,687	8,705,584	8,507,876	197,708

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

Year Ended June 30, 2021

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Health and hospitals:				
Health department:				
Administrative	\$ 3,000	\$ 3,000	\$ 21	\$ 2,979
Health clinic's building expenses	416,002	416,002	368,932	47,070
Other non-matching expenses	242,063	242,063	237,076	4,987
Matching appropriation	5,022,732	5,022,732	5,022,732	-
	5,683,797	5,683,797	5,628,761	55,036
 Mosquito control:				
Salaries	96,387	96,387	98,767	(2,380)
Overtime pay	1,000	1,000	-	1,000
Benefits	47,786	47,786	49,798	(2,012)
Administrative	400	647	546	101
Other supplies and equipment	4,045	4,045	2,245	1,800
Equipment maintenance	550	568	568	-
Uniforms and personal equipment	700	700	700	-
Vehicle operating expense	15,000	14,735	14,005	730
Travel, training, and expense	175	175	-	175
Building site	5,350	5,350	2,202	3,148
Appropriation for spraying	70,000	70,000	37,618	32,382
	241,393	241,393	206,449	34,944
 Other health and hospitals:				
Worcester County Developmental Center	219,497	219,497	219,497	-
Atlantic General Hospital	100,000	100,000	100,000	-
	319,497	319,497	319,497	-
 Total health and hospitals	6,244,687	6,244,687	6,154,707	89,980
 Social services:				
Commission on Aging:				
Administrative	500	500	500	-
Other supplies and equipment	1,000	1,000	1,000	-
Grant services	181,228	181,228	181,687	(459)
Consulting services	300	300	300	-
Senior transportation	3,500	3,500	3,500	-
Senior center building expenses	202,450	202,450	326,115	(123,665)
Training and travel	7,000	7,000	7,000	-
Appropriation for Commission on Aging	1,104,900	1,104,900	1,104,900	-
	1,500,878	1,500,878	1,625,002	(124,124)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

Year Ended June 30, 2021

(CONTINUED)

	Budgeted Amounts			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Social services, continued:				
Other social services:				
State pass-through grant Diakonia	\$ -	\$ -	\$ 131,354	\$ (131,354)
CDBG Covid grant	-	-	246,367	(246,367)
Big Brothers / Big Sisters	1,000	1,000	1,000	-
BRAVE program	3,500	3,500	3,500	-
Coastal Hospice at the Ocean	10,000	10,000	10,000	-
The Cricket Center	10,000	10,000	10,000	-
Diakonia	45,000	45,000	45,000	-
Drug and alcohol council	9,000	9,000	-	9,000
Jesse Klump Memorial Fund, Inc.	1,000	1,000	1,000	-
Life Crisis Center	8,500	8,500	8,500	-
Maryland Food Bank	8,000	8,000	8,000	-
Oasis Ministries	9,000	9,000	9,000	-
Samaritan Shelter	20,000	20,000	20,000	-
Social Services Pharmacy grant	15,000	15,000	15,000	-
Worcester County GOLD	15,000	15,000	15,000	-
Youth & Family Counseling	91,710	91,710	91,710	-
Worcester County 4H & FFA Fair	10,000	10,000	10,000	-
Matching appropriation - DHMH - WCDC	28,871	28,871	28,871	-
	285,581	285,581	654,302	(368,721)
Total social services	1,786,459	1,786,459	2,279,304	(492,845)
Education:				
Board of Education:				
Retirement	619,100	619,100	624,039	(4,939)
Post-retirement benefits	3,250,000	3,250,000	3,968,744	(718,744)
School building improvements	100,000	100,000	100,000	-
Operating appropriations	93,692,139	93,692,139	93,692,139	-
Technology program	200,000	200,000	200,000	-
Restricted programs	-	-	27,759	(27,759)
	97,861,239	97,861,239	98,612,681	(751,442)
Wor-Wic Community College:				
Operating appropriation	2,418,122	2,418,122	2,530,242	(112,120)
	2,418,122	2,418,122	2,530,242	(112,120)
Total education	100,279,361	100,279,361	101,142,923	(863,562)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

Year Ended June 30, 2021

(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Libraries, recreation, parks and culture:				
Recreation department:				
Salaries	\$ 926,821	\$ 926,821	\$ 798,546	\$ 128,275
Overtime pay	10,000	10,000	1,517	8,483
Benefits	459,677	459,677	403,391	56,286
Administrative	72,583	68,124	29,216	38,908
Other supplies and equipment	52,262	52,262	27,233	25,029
Equipment maintenance	16,395	16,395	14,135	2,260
Other maintenance and services	100	100	-	100
Uniforms and personal equipment	2,000	3,342	3,341	1
Recreation programs	379,500	379,500	258,948	120,552
Consulting services	5,750	5,750	3,696	2,054
Vehicle and equipment operating expense	5,300	5,300	3,690	1,610
Building site	172,778	175,895	175,895	-
Advertising	-	-	550	(550)
Training and travel	37,750	37,750	5,622	32,128
Capital equipment	-	24,400	24,400	-
	2,140,916	2,165,316	1,750,180	415,136
Parks department:				
Salaries	426,615	426,615	428,747	(2,132)
Overtime pay	10,000	10,000	1,435	8,565
Benefits	214,237	214,237	216,897	(2,660)
Administrative	951	757	757	-
Supplies and equipment	15,426	20,587	20,587	-
Uniforms and personal equipment	2,600	2,502	2,502	-
Grant programs	1,270,985	1,270,985	1,219,843	51,142
Other supplies and materials	29,646	25,514	25,514	-
Vehicle and equipment operating expense	27,000	30,272	30,272	-
Park expenses	58,531	54,319	136,359	(82,040)
Equipment maintenance	-	628	1,348	(720)
Other maintenance and services	2,200	1,696	1,379	317
Advertising	200	354	354	-
Training and travel	750	675	675	-
Capital equipment	-	28,000	28,000	-
	2,059,141	2,087,141	2,114,669	(27,528)
Boat landings:				
Grant programs	265,000	265,000	322,338	(57,338)
Landing expenses	36,515	36,515	28,743	7,772
Advertising	800	800	-	800
	302,315	302,315	351,081	(48,766)

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Libraries, recreation, parks and culture, continued:				
Library:				
Salaries	\$ 1,930,885	\$ 1,930,885	\$ 1,842,954	\$ 87,931
Overtime pay	2,000	2,000	-	2,000
Benefits	948,422	948,422	929,216	19,206
Administrative	31,100	30,768	12,117	18,651
Other supplies and equipment	294,800	294,800	246,665	48,135
Equipment maintenance	55,008	55,008	36,747	18,261
Grant services	75,000	75,000	153,365	(78,365)
Legal	500	500	65	435
Vehicle operating expenses	750	899	899	-
Building site	361,922	361,922	296,376	65,546
Training and travel	8,500	8,500	841	7,659
Benefits and insurance	300	483	483	-
MSRS library on-behalf payments	-	-	256,545	(256,545)
	3,709,187	3,709,187	3,776,273	(67,086)
Other recreation and culture:				
Furnace Town	40,000	40,000	40,000	-
Marva Theatre	15,000	15,000	15,000	-
Discovery Center	30,000	30,000	30,000	-
	85,000	85,000	85,000	-
Total libraries, recreation, parks and culture	8,296,559	8,348,959	8,077,203	271,756
Conservation of natural resources:				
Extension service:				
Administrative	10,135	10,135	9,946	189
Other supplies and equipment	480	480	-	480
Equipment maintenance	6,000	6,000	4,432	1,568
Building site	2,500	2,500	1,646	854
Operating appropriation	187,582	187,582	187,582	-
	206,697	206,697	203,606	3,091
Other natural resources:				
Gypsy moth control	1,700	1,700	4,291	(2,591)
Soil Conservation District	48,554	48,554	48,554	-
Maryland agricultural land preservation fund	1,000	1,000	2,541	(1,541)
Matching appropriation beach maintenance	470,000	470,000	441,858	28,142
Conservation easements	-	-	6,550	(6,550)
	521,254	521,254	503,794	17,460
Total conservation of natural resources	727,951	727,951	707,400	20,551

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Economic development:				
Economic development department:				
Salaries	\$ 149,939	\$ 149,939	\$ 87,431	\$ 62,508
Benefits	73,572	73,572	44,082	29,490
Administrative	25,150	12,110	7,387	4,723
Other supplies and equipment	3,100	10,436	10,017	419
Equipment maintenance	1,200	1,200	1,075	125
Program expense	150,000	150,000	142,543	7,457
Grant programs	-	-	11,284,762	(11,284,762)
Consulting services	25,000	29,895	29,894	1
Uniforms & personal equipment	-	481	481	-
Vehicle operating expense	3,500	3,500	1,048	2,452
Building site	700	1,028	1,028	-
Other maintenance and services	25,000	25,000	25,000	-
Training and travel	18,675	18,675	5,637	13,038
	475,836	475,836	11,640,385	(11,164,549)
Tourism:				
Salaries	209,033	209,033	250,120	(41,087)
Benefits	102,568	102,568	126,110	(23,542)
Administrative	3,624	4,020	4,020	-
Other supplies and equipment	37,258	36,862	36,787	75
Equipment maintenance	1,575	975	779	196
Uniforms and personal equipment	250	250	-	250
Grant programs	207,154	207,154	169,133	38,021
Consulting services	54,100	49,098	49,066	32
Vehicle operating expense	2,350	1,865	1,865	-
Building site	17,534	14,972	14,972	-
Advertising	709,500	719,374	719,374	-
Training and travel	4,900	3,675	3,675	-
	1,349,846	1,349,846	1,375,901	(26,055)
Total economic development	1,825,682	1,825,682	13,016,286	(11,190,604)

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2021
 (CONTINUED)

	Budgeted Amounts			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Intergovernmental:				
Towns' share county bingo fees	\$ 3,100	\$ 3,100	\$ 591	\$ 2,509
Towns' share county income tax	2,000,000	2,000,000	2,523,699	(523,699)
Towns' share liquor license fees	342,157	342,157	662,625	(320,468)
Grants to towns - conditional grants	10,000	10,000	10,000	-
Grants to towns for police	475,000	475,000	475,000	-
Grants to towns for fire	614,000	614,000	614,000	-
Grants to towns for tourism	50,000	50,000	50,000	-
Other grants to towns	4,912,958	4,912,958	4,912,958	-
Total intergovernmental	8,407,215	8,407,215	9,248,873	(841,658)
Total expenditures	190,384,962	190,384,962	205,480,257	(15,095,295)
Excess of revenues over expenditures	11,438,269	11,438,269	31,288,171	19,849,902
OTHER FINANCING SOURCES (USES):				
Transfer to Debt Service Fund	(13,935,669)	(13,935,669)	(13,938,909)	3,240
Transfer to Capital Projects Fund	-	-	(3,163,365)	3,163,365
Transfer to Department of Liquor Control	-	-	(449,411)	449,411
Transfer from Casino Fund	2,497,400	2,497,400	2,497,400	-
Total other financing uses	(11,438,269)	(11,438,269)	(15,054,285)	3,616,016
Net change in fund balance	\$ -	\$ -	16,233,886	\$ 16,233,886
Fund balance, beginning			<u>55,096,817</u>	
Fund balance, ending			<u>\$ 71,330,703</u>	



WORCESTER COUNTY, MARYLAND
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2021

	Department of Social Services <u>Fund</u>	Local Management <u>Board</u>	Casino <u>Fund</u>	Energy Service <u>Fund</u>	<u>Total</u>
ASSETS					
Cash and short-term investments	\$ 82,225	\$ 592,665	\$ 1,777,380	\$ -	\$ 2,452,270
Due from other funds	-	-	-	269,335	269,335
Total assets	\$ 82,225	\$ 592,665	\$ 1,777,380	\$ 269,335	\$ 2,721,605
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 152,819	\$ -	\$ -	\$ 152,819
Due to other funds	-	-	158,327	-	158,327
Total liabilities	-	152,819	158,327	-	311,146
Fund balances:					
Assigned	82,225	439,846	1,619,053	269,335	2,410,459
Total fund balances	82,225	439,846	1,619,053	269,335	2,410,459
Total liabilities and fund balances	\$ 82,225	\$ 592,665	\$ 1,777,380	\$ 269,335	\$ 2,721,605

WORCESTER COUNTY, MARYLAND
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2021

	Department of Social Services <u>Fund</u>	Local Management <u>Board</u>	Casino <u>Fund</u>	Energy Service <u>Fund</u>	<u>Total</u>
REVENUES:					
Intergovernmental	\$ 20,235	\$ 755,043	\$ 3,141,956	\$ -	\$ 3,917,234
Interest income	-	4	1,969	-	1,973
Total revenues	20,235	755,047	3,143,925	-	3,919,207
EXPENDITURES:					
Social services	17,278	451,011	-	-	468,289
Administrative expenses	-	156,357	-	41,100	197,457
Total expenditures	17,278	607,368	-	41,100	665,746
Excess (deficiency) of revenues over expenditures	2,957	147,679	3,143,925	(41,100)	3,253,461
OTHER FINANCING USES:					
Transfers out	-	-	(2,497,400)	-	(2,497,400)
Excess (deficiency) of revenues and other financing uses over expenditures	2,957	147,679	646,525	(41,100)	756,061
Fund balances, beginning	79,268	292,167	972,528	310,435	1,654,398
Fund balances, ending	\$ 82,225	\$ 439,846	\$ 1,619,053	\$ 269,335	\$ 2,410,459

WORCESTER COUNTY, MARYLAND

BALANCE SHEET

LOCAL MANAGEMENT BOARD - NONMAJOR GOVERNMENTAL FUND

June 30, 2021

ASSETS

Cash	\$ 580,425
Cash - earned reinvestment	12,240
Total assets	592,665

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	152,819
Total liabilities	152,819
Fund balance	439,846
Total liabilities and fund balance	\$ 592,665

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 LOCAL MANAGEMENT BOARD - NONMAJOR GOVERNMENTAL FUND
 Year Ended June 30, 2021

REVENUES:

Community partnership grant	\$ 579,532
Administrative receipts	175,511
Total revenues	755,043

EXPENDITURES:

Administrative:	
Salaries	82,028
Benefits	40,886
Advertising	1,498
Communications	1,588
Consultants	6,480
Indirect administrative expenses	15,191
Postage	300
Printing	1,200
Professional dues/publications	179
Supplies	440
Conferences/conventions	6,567
Community partnership grant:	
Building Bridges	145,294
Local Care Team Coordinator	53,000
Planning Strategy	2,340
WE3	100,377
Worcester Connects Program	150,000
Total expenditures	607,368

Change in fund balance before other financing sources	147,675

OTHER FINANCING SOURCES:

Interest income	4
Change in fund balance	147,679
Fund balance, beginning	292,167
Fund balance, ending	\$ 439,846

WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF FUND NET POSITION - OPERATING FUNDS

DEPARTMENT OF WATER AND WASTEWATER SERVICES

June 30, 2021

	West Ocean City <u>S.A.</u>	Ocean Pines <u>S.A.</u>	Newark Service <u>Area</u>	Briddletown Service <u>Area</u>	Shared Facilities	Edgewater Acres <u>S.A.</u>
ASSETS						
Current assets:						
Cash and short-term investments	\$2,146,732	\$ 2,410,728	\$(483,226)	\$ 23,887	\$61,970	\$ (5,558)
Accounts receivable - usage billings	407,001	1,905,849	48,346	7,302	122	61,426
Total current assets	2,553,733	4,316,577	(434,880)	31,189	62,092	55,868
Capital assets:						
Land and land rights	47,037	63,319	4,527	-	-	-
Water and sewer systems	11,076,985	48,915,748	3,577,979	341,349	-	94,806
Machinery and equipment	56,000	4,047,401	-	-	-	92,701
Construction-in-progress	223,250	1,124,911	-	-	-	-
	11,403,272	54,151,379	3,582,506	341,349	-	187,507
Less: accumulated depreciation	(9,409,925)	(27,541,123)	(822,554)	(283,379)	-	(146,700)
	1,993,347	26,610,256	2,759,952	57,970	-	40,807
Total assets	4,547,080	30,926,833	2,325,072	89,159	62,092	96,675
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	121,817	484,967	215,943	3,369	244	14,912
Interfund payable	-	679,031	1,372,056	-	-	-
Total current liabilities	121,817	1,163,998	1,587,999	3,369	244	14,912
Other liabilities:						
Compensated absences	7,341	137,076	2,818	714	-	1,727
Due to other funds	115,093	2,137,597	50,286	3,398	1,004	31,924
Total other liabilities	122,434	2,274,673	53,104	4,112	1,004	33,651
Total liabilities	244,251	3,438,671	1,641,103	7,481	1,248	48,563
NET POSITION						
Unrestricted net position	\$4,302,829	\$27,488,162	\$ 683,969	\$ 81,678	\$60,844	\$ 48,112

ITEM 14

Assateague Pointe <u>S.A.</u>	River Run <u>S.A.</u>	Mystic Harbour <u>S.A.</u>	Lighthouse Sound <u>S.A.</u>	Riddle Farm <u>S.A.</u>	The Landings <u>S.A.</u>	Support Groups	Total
\$ 433,841	\$ 394,843	\$ 263,836	\$ 135,339	\$ (928,408)	\$ (211,453)	\$ 440,842	\$ 4,683,373
67,213	31,791	359,454	25,602	837,837	83,810	-	3,835,753
501,054	426,634	623,290	160,941	(90,571)	(127,643)	440,842	8,519,126
-	-	-	-	-	-	-	114,883
1,180,231	-	20,678,398	-	21,179,847	9,140,609	-	116,185,952
-	128,233	550,317	26,381	-	-	1,440,072	6,341,105
-	-	-	-	-	-	-	1,348,161
1,180,231	128,233	21,228,715	26,381	21,179,847	9,140,609	1,440,072	123,990,101
(1,087,249)	(128,233)	(4,178,276)	(1,319)	(7,385,432)	(3,275,894)	(1,172,761)	(55,432,845)
92,982	-	17,050,439	25,062	13,794,415	5,864,715	267,311	68,557,256
594,036	426,634	17,673,729	186,003	13,703,844	5,737,072	708,153	77,076,382
14,915	3,675	52,167	2,410	34,966	17,120	23,688	990,191
46,770	-	(1,031,886)	-	30,614	-	-	1,096,585
61,685	3,675	(979,719)	2,410	65,580	17,120	23,688	2,086,776
2,714	1,078	11,406	1,231	4,114	2,235	-	172,456
43,511	20,888	244,894	26,005	733,247	243,163	417,465	4,068,475
46,225	21,966	256,300	27,236	737,361	245,398	417,465	4,240,931
107,910	25,641	(723,419)	29,646	802,941	262,518	441,153	6,327,707
\$ 486,126	\$ 400,993	\$18,397,148	\$ 156,357	\$12,900,903	\$ 5,474,554	\$ 267,000	\$70,748,675

WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF FUND NET POSITION - CAPITAL PROJECTS FUNDS
 DEPARTMENT OF WATER AND WASTEWATER SERVICES
 June 30, 2021

	West Ocean City <u>S.A.</u>	Ocean Pines <u>S.A.</u>	Oyster Harbor <u>S.A.</u>	Newark Service <u>Area</u>
ASSETS				
Current assets:				
Cash and short-term investments	\$ 44,998	\$ 4,973,675	\$ 34,035	\$ 15,118
Accounts receivable - EDU	-	1,232,043	4,581	435,860
Interfund receivable	-	679,031	-	1,372,056
Total current assets	44,998	6,884,749	38,616	1,823,034
Other assets:				
Long-term EDU receivable	-	6,065,000	-	1,157,652
Total other assets	-	6,065,000	-	1,157,652
Total assets	44,998	12,949,749	38,616	2,980,686
LIABILITIES				
Current liabilities:				
Interfund payable	-	-	26,229	-
Bonds payable - current portion	-	944,065	-	51,354
Accrued bond interest payable	-	122,060	-	2,449
Total current liabilities	-	1,066,125	26,229	53,803
Other liabilities:				
Unearned revenue	-	6,935,578	-	847,566
Bonds payable	-	6,722,781	-	1,157,866
Total other liabilities	-	13,658,359	-	2,005,432
Total liabilities	-	14,724,484	26,229	2,059,235
NET POSITION				
Unrestricted net position (deficit)	\$ 44,998	\$ (1,774,735)	\$ 12,387	\$ 921,451

Mystic Harbour <u>S.A.</u>	Snug Harbor <u>S.A.</u>	Riddle Farm <u>S.A.</u>	<u>Total</u>
\$ 2,655,107	\$ -	\$ -	\$ 7,722,933
294,470	41,800	16,692	2,025,446
-	46,770	30,614	2,128,471
2,949,577	88,570	47,306	11,876,850
9,268,003	120,892	195,000	16,806,547
9,268,003	120,892	195,000	16,806,547
12,217,580	209,462	242,306	28,683,397
1,005,657	-	-	1,031,886
277,040	31,757	12,421	1,316,637
15,822	2,097	3,896	146,324
1,298,519	33,854	16,317	2,494,847
9,462,895	152,649	205,000	17,603,688
10,195,192	120,892	223,451	18,420,182
19,658,087	273,541	428,451	36,023,870
20,956,606	307,395	444,768	38,518,717
\$ (8,739,026)	\$ (97,933)	\$ (202,462)	\$ (9,835,320)

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES AND EXPENSES
 BUDGET AND ACTUAL - OPERATING FUNDS
 DEPARTMENT OF WATER AND WASTEWATER SERVICES
 Year Ended June 30, 2021

	West Ocean City Service Area			Ocean Pines Service Area		
	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES:						
Charges for service	\$1,450,000	\$1,496,938	\$ 46,938	\$7,410,441	\$ 7,516,579	\$ 106,138
Interest and penalties	19,000	-	(19,000)	83,000	4,850	(78,150)
Other revenue	-	3,612	3,612	145,000	1,116,255	971,255
Total operating revenues	1,469,000	1,500,550	31,550	7,638,441	8,637,684	999,243
OPERATING EXPENSES:						
Personnel services	233,241	160,197	73,044	3,833,215	3,397,160	436,055
Supplies and materials	31,968	23,449	8,519	473,256	489,443	(16,187)
Maintenance and services	974,104	910,508	63,596	2,111,729	2,445,914	(334,185)
Other charges	19,902	20,760	(858)	102,570	98,881	3,689
Interfund charges	113,794	113,792	2	475,461	475,461	-
Total operating expenses	1,373,009	1,228,706	144,303	6,996,231	6,906,859	89,372
Operating income (loss) before depreciation	95,991	271,844	175,853	642,210	1,730,825	1,088,615
Depreciation	-	298,628	(298,628)	-	1,563,010	(1,563,010)
Net operating income (loss)	95,991	(26,784)	(122,775)	642,210	167,815	(474,395)
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	94,009	-	(94,009)	(101,210)	-	101,210
Transfer from (to) other funds	-	-	-	-	1,889,213	1,889,213
Sale of capital assets	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest income	20,000	1,647	(18,353)	-	-	-
Net nonoperating revenues (expenses)	114,009	1,647	(112,362)	(101,210)	1,889,213	1,990,423
Net income (loss)	\$ 210,000	\$ (25,137)	\$(235,137)	\$ 541,000	\$ 2,057,028	\$ 1,516,028
OTHER BUDGETED EXPENDITURES:						
Capital outlay	\$ (210,000)			\$ (541,000)		
Total other budgeted expenditures	(210,000)			(541,000)		
Budgeted net income (loss)	\$ -			\$ -		

Newark Service Area			Bridgetown Service Area			Edgewater Acres Service Area		
Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
\$ 148,588	\$ 177,752	\$ 29,164	\$ 13,330	\$ 14,782	\$ 1,452	\$240,692	\$ 253,558	\$ 12,866
2,000	125	(1,875)	550	-	(550)	2,000	75	(1,925)
24,640	25,039	399	-	125	125	875	864	(11)
175,228	202,916	27,688	13,880	14,907	1,027	243,567	254,497	10,930
84,064	113,764	(29,700)	7,813	7,178	635	46,333	69,622	(23,289)
14,114	11,458	2,656	1,088	784	304	4,301	2,668	1,633
57,107	84,614	(27,507)	33,185	28,906	4,279	165,317	173,942	(8,625)
1,469	1,491	(22)	333	221	112	2,313	2,347	(34)
6,134	6,135	(1)	1,378	1,378	-	11,627	11,626	1
162,888	217,462	(54,574)	43,797	38,467	5,330	229,891	260,205	(30,314)
12,340	(14,546)	(26,886)	(29,917)	(23,560)	6,357	13,676	(5,708)	(19,384)
-	28,716	(28,716)	-	11,296	(11,296)	-	5,717	(5,717)
12,340	(43,262)	(55,602)	(29,917)	(34,856)	(4,939)	13,676	(11,425)	(25,101)
(12,340)	-	12,340	(83)	-	83	6,324	-	(6,324)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	30,000	30,000	-	-	-	-
-	-	-	-	-	-	-	-	-
(12,340)	-	12,340	29,917	30,000	83	6,324	-	(6,324)
\$ -	\$ (43,262)	\$ (43,262)	\$ -	\$ (4,856)	\$ (4,856)	\$ 20,000	\$ (11,425)	\$ (31,425)
\$ -			\$ -			\$ (20,000)		
-			-			(20,000)		
\$ -			\$ -			\$ -		

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES AND EXPENSES
 BUDGET AND ACTUAL - OPERATING FUNDS
 DEPARTMENT OF WATER AND WASTEWATER SERVICES
 Year Ended June 30, 2021
 (CONTINUED)

	Assateague Pointe Service Area			River Run Service Area		
	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES:						
Charges for service	\$ 259,240	\$ 266,594	\$ 7,354	\$ 175,000	\$ 179,294	\$ 4,294
Interest and penalties	3,750	25	(3,725)	700	150	(550)
Other revenue	-	19,905	19,905	-	625	625
Total operating revenues	262,990	286,524	23,534	175,700	180,069	4,369
OPERATING EXPENSES:						
Personnel services	105,745	70,198	35,547	60,946	40,438	20,508
Supplies and materials	28,007	22,720	5,287	21,283	10,900	10,383
Maintenance and services	108,439	90,812	17,627	99,457	92,178	7,279
Other charges	5,951	5,732	219	3,726	1,795	1,931
Interfund charges	29,845	29,846	(1)	9,743	9,743	-
Total operating expenses	277,987	219,308	58,679	195,155	155,054	40,101
Operating income (loss) before depreciation	(14,997)	67,216	82,213	(19,455)	25,015	44,470
Depreciation	-	80,043	(80,043)	-	-	-
Net operating income (loss)	(14,997)	(12,827)	2,170	(19,455)	25,015	44,470
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	14,997	-	(14,997)	19,455	-	(19,455)
Transfer from (to) other funds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Net nonoperating revenues (expenses)	14,997	-	(14,997)	19,455	-	(19,455)
Net income (loss)	\$ -	\$ (12,827)	\$ (12,827)	\$ -	\$ 25,015	\$ 25,015
OTHER BUDGETED EXPENDITURES:						
Capital outlay	\$ -			\$ -		
Total other budgeted expenditures	-			-		
Budgeted net income (loss)	\$ -			\$ -		

Mystic Harbour Service Area			Lighthouse Sound Service Area			Riddle Farm Service Area		
Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
\$ 1,259,340	\$ 1,350,830	\$ 91,490	\$ 99,840	\$ 100,200	\$ 360	\$667,580	\$ 898,958	\$ 231,378
15,000	625	(14,375)	700	-	(700)	6,500	300	(6,200)
-	257,673	257,673	-	294	294	-	1,568	1,568
1,274,340	1,609,128	334,788	100,540	100,494	(46)	674,080	900,826	226,746
555,477	445,437	110,040	51,162	58,453	(7,291)	303,284	335,832	(32,548)
242,881	196,669	46,212	12,324	12,492	(168)	74,020	89,290	(15,270)
640,254	704,921	(64,667)	43,251	40,813	2,438	340,719	604,864	(264,145)
20,624	19,769	855	1,221	663	558	17,602	7,907	9,695
95,368	95,368	-	3,445	3,445	-	23,625	22,999	626
1,554,604	1,462,164	92,440	111,403	115,866	(4,463)	759,250	1,060,892	(301,642)
(280,264)	146,964	427,228	(10,863)	(15,372)	(4,509)	(85,170)	(160,066)	(74,896)
-	611,081	(611,081)	-	1,319	(1,319)	-	556,341	(556,341)
(280,264)	(464,117)	(183,853)	(10,863)	(16,691)	(5,828)	(85,170)	(716,407)	(631,237)
185,264	-	(185,264)	40,863	-	(40,863)	120,170	-	(120,170)
125,000	-	(125,000)	-	-	-	-	240,202	240,202
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	71	71	-	-	-	-	(121)	(121)
310,264	71	(310,193)	40,863	-	(40,863)	120,170	240,081	119,911
\$ 30,000	\$ (464,046)	\$ (494,046)	\$ 30,000	\$ (16,691)	\$ (46,691)	\$ 35,000	\$ (476,326)	\$ (511,326)
\$ (30,000)			\$ (30,000)			\$ (35,000)		
(30,000)			(30,000)			(35,000)		
\$ -			\$ -			\$ -		

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES AND EXPENSES
 BUDGET AND ACTUAL - OPERATING FUNDS
 DEPARTMENT OF WATER AND WASTEWATER SERVICES
 Year Ended June 30, 2021
 (CONTINUED)

	The Landings Service Area			Support Group		
	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES:						
Charges for service	\$ 326,496	\$ 334,646	\$ 8,150	\$ -	\$ -	\$ -
Interest and penalties	4,000	75	(3,925)	-	-	-
Other revenue	-	345	345	-	62,317	62,317
Total operating revenues	330,496	335,066	4,570	-	62,317	62,317
OPERATING EXPENSES:						
Personnel services	106,985	125,325	(18,340)	-	-	-
Supplies and materials	28,053	10,304	17,749	-	-	-
Maintenance and services	193,426	239,094	(45,668)	-	-	-
Other charges	2,492	1,927	565	-	-	-
Interfund charges	8,066	8,065	1	-	-	-
Total operating expenses	339,022	384,715	(45,693)	-	-	-
Operating income (loss) before depreciation	(8,526)	(49,649)	(41,123)	-	62,317	62,317
Depreciation	-	241,308	(241,308)	-	96,712	(96,712)
Net operating income (loss)	(8,526)	(290,957)	(282,431)	-	(34,395)	(34,395)
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	8,526	-	(8,526)	-	-	-
Transfer from (to) other funds	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Net nonoperating revenues (expenses)	8,526	-	(8,526)	-	-	-
Net income (loss)	\$ -	\$ (290,957)	\$ (290,957)	\$ -	\$ (34,395)	\$ (34,395)
OTHER BUDGETED EXPENDITURES:						
Capital outlay	\$ -			\$ -		
Total other budgeted expenditures	-			-		
Budgeted net income (loss)	\$ -			\$ -		

Shared Facilities			Combined Totals		
Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
\$ -	\$ -	\$ -	\$ 12,050,547	\$12,590,131	\$ 539,584
-	-	-	137,200	6,225	(130,975)
-	30,500	30,500	170,515	1,519,122	1,348,607
-	30,500	30,500	12,358,262	14,115,478	1,757,216
-	1,773	(1,773)	5,388,265	4,825,377	562,888
-	-	-	931,295	870,177	61,118
-	10,573	(10,573)	4,766,988	5,427,139	(660,151)
-	-	-	178,203	161,493	16,710
-	-	-	778,486	777,858	628
-	12,346	(12,346)	12,043,237	12,062,044	(18,807)
-	18,154	18,154	315,025	2,053,434	1,738,409
-	-	-	-	3,494,171	(3,494,171)
-	18,154	18,154	315,025	(1,440,737)	(1,755,762)
-	-	-	375,975	-	(375,975)
-	-	-	125,000	2,129,415	2,004,415
-	-	-	30,000	30,000	-
-	-	-	20,000	1,597	(18,403)
-	-	-	550,975	2,161,012	1,610,037
\$ -	\$ 18,154	\$ 18,154	\$ 866,000	\$ 720,275	\$ (145,725)
\$ -			\$ (866,000)		
-			(866,000)		
\$ -			\$ -		

WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET POSITION - CAPITAL PROJECTS FUNDS
 DEPARTMENT OF WATER AND WASTEWATER SERVICES
 Year Ended June 30, 2021

	West Ocean City <u>S.A.</u>	Ocean Pines <u>S.A.</u>	Oyster Harbor <u>S.A.</u>	Newark Service Area
Revenues:				
Debt service revenue	\$ -	\$ 1,383,541	\$ 17,136	\$ 64,429
Other revenues	-	73,216	-	1,046,771
Total revenues	-	1,456,757	17,136	1,111,200
Operating income (loss)	-	1,456,757	17,136	1,111,200
Nonoperating income (expense):				
Interest on investments	50	7,120	28	5
Bond interest expense	-	(306,481)	(1,515)	(7,371)
Transfers from (to) other funds	-	(1,889,213)	-	-
Total nonoperating income (expense)	50	(2,188,574)	(1,487)	(7,366)
Change in net position	50	(731,817)	15,649	1,103,834
Net position (deficit), beginning	44,948	(1,042,918)	(3,262)	(182,383)
Net position (deficit), ending	\$ 44,998	\$ (1,774,735)	\$ 12,387	\$ 921,451

Mystic Harbour <u>S.A.</u>	Snug Harbor <u>S.A.</u>	Riddle Farm <u>S.A.</u>	<u>Total</u>
\$ 395,832	\$ 33,962	\$ 24,876	\$ 1,919,776
83,324	-	2,421	1,205,732
479,156	33,962	27,297	3,125,508
479,156	33,962	27,297	3,125,508
2,995	-	272	10,470
(259,058)	(2,339)	(9,600)	(586,364)
-	-	(240,202)	(2,129,415)
(256,063)	(2,339)	(249,530)	(2,705,309)
223,093	31,623	(222,233)	420,199
(8,962,119)	(129,556)	19,771	(10,255,519)
\$ (8,739,026)	\$ (97,933)	\$ (202,462)	\$ (9,835,320)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION BY OPERATING FUND - BUDGET AND ACTUAL
DEPARTMENT OF SOLID WASTE
Year Ended June 30, 2021

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
Operating revenues:			
Licenses and permits	\$ 4,500	\$ 5,165	\$ 665
Stump, yard waste, and mulch revenue	40,000	57,064	17,064
Interest and penalties on overdue accounts	2,000	1,219	(781)
Interfund charges	411,492	411,492	-
Other revenue	125,800	43,791	(82,009)
Tipping fees	3,937,945	4,726,922	788,977
Total operating revenues	4,521,737	5,245,653	723,916
Total operating expenses	2,643,137	4,891,638	(2,248,501)
Operating income (loss) before depreciation	1,878,600	354,015	(1,524,585)
Depreciation	-	1,931,176	(1,931,176)
Operating income (loss)	1,878,600	(1,577,161)	(3,455,761)
Nonoperating income (expense):			
Interest on investments	50,500	5,976	(44,524)
Transfer to reserves	(873,747)	-	873,747
Interest expense	(1,055,353)	(260,833)	794,520
Total nonoperating income (expense)	(1,878,600)	(254,857)	1,623,743
Change in net position	\$ -	(1,832,018)	\$ (1,832,018)
Net position, beginning		943,590	
Net position, ending		\$ (888,428)	

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION BY OPERATING FUND - BUDGET AND ACTUAL
DEPARTMENT OF SOLID WASTE

Year Ended June 30, 2021

(CONTINUED)

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
Expenses:			
Department: Administration			
Salaries	\$ 125,055	\$ 125,251	\$ (196)
Benefits	91,291	66,679	24,612
Salaries and benefits - Treasurer's support	52,947	52,947	-
Salaries and benefits - Public Works and administrative support	117,102	117,102	-
Administrative expenses	13,075	10,149	2,926
Audit services	8,125	7,650	475
Insurance	12,250	11,296	954
Solid waste committee	1,500	-	1,500
Supplies	-	468	(468)
Uniforms	700	681	19
	422,045	392,223	29,822
Department: Solid Waste			
Salaries	673,362	545,652	127,710
Benefits	490,481	328,259	162,222
Buildings and grounds	150,000	85,843	64,157
Capital equipment	42,000	-	42,000
Closure and post-closure costs	-	2,777,285	(2,777,285)
Consulting services	125,000	144,737	(19,737)
Fuel	200,000	114,928	85,072
Leachate expense	225,000	263,970	(38,970)
Safety expense	2,000	867	1,133
Supplies and equipment	2,500	1,212	1,288
Telephone	4,000	2,009	1,991
Training	1,649	496	1,153
Uniforms	8,750	3,750	5,000
Utilities	30,000	17,035	12,965
Vehicle and heavy equipment maintenance	266,350	213,372	52,978
	2,221,092	4,499,415	(2,278,323)
Total operating expenses	\$ 2,643,137	\$ 4,891,638	\$ (2,248,501)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION BY OPERATING STORE - BUDGET AND ACTUAL
DEPARTMENT OF LIQUOR CONTROL
Year Ended June 30, 2021

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
Sales:			
Pocomoke City	\$ 930,000	\$ 533,354	\$ (396,646)
Total sales	930,000	533,354	(396,646)
Miscellaneous revenues	-	97,933	97,933
Total operating revenues	930,000	631,287	(298,713)
Cost of goods sold	632,400	388,789	243,611
Gross profit	297,600	242,498	(55,102)
Total operating expenses	218,769	209,525	9,244
Operating income (loss) before general expenses	78,831	32,973	(45,858)
General expenses	61,700	37,758	23,942
Operating income (loss)	17,131	(4,785)	(21,916)
Transfers from other funds	-	449,411	449,411
Gain on sale of fixed assets	-	257,671	257,671
Distributions to municipalities	(17,131)	(3,334)	13,797
Change in net position after distributions	\$ -	698,963	\$ 698,963
Net deficit, beginning		(698,963)	
Net deficit, ending		\$ -	

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION BY OPERATING STORE - BUDGET AND ACTUAL
DEPARTMENT OF LIQUOR CONTROL

Year Ended June 30, 2021

(CONTINUED)

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
Expenses:			
Store: Pocomoke City			
Salaries	\$ 67,704	\$ 33,416	\$ 34,288
Payroll taxes and benefits	23,665	10,563	13,102
Bank fees	14,000	10,113	3,887
Outsourced labor	90,000	46,267	43,733
Repairs and maintenance	5,000	2,219	2,781
Security	300	215	85
Supplies	3,000	1,859	1,141
Telephone	3,600	1,333	2,267
Utilities	11,500	5,173	6,327
	218,769	111,158	107,611
Store: 16th Street - Ocean City			
Rent	-	98,367	(98,367)
	-	98,367	(98,367)
Total expenses	\$ 218,769	\$ 209,525	\$ 9,244

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF GENERAL EXPENSES - BUDGET AND ACTUAL
 DEPARTMENT OF LIQUOR CONTROL
 Year Ended June 30, 2021

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
General and administrative expenses:			
Salaries and benefits - Treasurer's support	\$ 10,000	\$ 5,311	\$ 4,689
Salaries and benefits - Public works and administrative support	5,000	2,556	2,444
Group insurance	2,000	1,414	586
Advertising	9,000	4,460	4,540
Depreciation	-	8,157	(8,157)
Professional fees	35,000	15,290	19,710
Travel	500	314	186
Uniforms	200	256	(56)
Total general and administrative expenses	\$ 61,700	\$ 37,758	\$ 23,942

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF REVENUES AND EXPENSES BY STORE
 DEPARTMENT OF LIQUOR CONTROL
 Year Ended June 30, 2021

	2021 Total	Percentage	Total Retail	Pocomoke City	16th Street
Sales:					
Retail, less discounts	\$ 533,354		\$ 533,354	\$ 533,354	\$ -
Net sales	533,354		533,354	533,354	-
Miscellaneous revenues	97,933		97,933	678	97,255
Net revenues	631,287	100.00%	631,287	534,032	97,255
Cost of sales	388,789	61.59%	388,789	388,789	-
Gross profit	242,498	38.41%	242,498	145,243	97,255
Store expenses:					
Salaries	33,416	5.29%	33,416	33,416	-
Credit card and bank fees	10,113	1.60%	10,113	10,113	-
Utilities	5,173	0.82%	5,173	5,173	-
Payroll taxes and benefits	10,563	1.67%	10,563	10,563	-
Outsourced labor	46,267	7.33%	46,267	46,267	-
Rent	98,367	15.58%	98,367	-	98,367
Repairs and maintenance	2,219	0.35%	2,219	2,219	-
Security	215	0.03%	215	215	-
Supplies	1,859	0.29%	1,859	1,859	-
Telephone	1,333	0.21%	1,333	1,333	-
	209,525	33.19%	209,525	111,158	98,367
Loss after store expenses	32,973	5.22%	32,973	34,085	(1,112)
General expenses	37,758	5.98%	37,758	37,758	-
Distributions to municipalities	(3,334)	-0.53%	(3,334)	(3,334)	-
Transfers from (to) other funds	449,411	71.19%	449,411	449,411	-
Gain (loss) on the sale of assets	257,671	40.82%	257,671	257,671	-
Net income (loss)	\$ 698,963	110.72%	\$ 698,963	\$ 700,075	\$ (1,112)

WORCESTER COUNTY, MARYLAND
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 June 30, 2021

	State of Maryland Property Taxes	Maryland Department of Motor Vehicles - License Fees	Tax Sale Fund	Development Taxes	Performance Bonds	Personal Property Tax Liability	Forest Conservation	Bay Restoration	Snow Hill Property Tax
ASSETS									
Cash and short-term investments	\$ -	\$ -	\$ 84,406	\$ 220,195	\$ 1,287,339	\$ 140,973	\$ 139,599	\$ 101,154	\$ -
Taxes receivable	341,622	-	-	-	-	-	-	96,174	43,471
Total assets	341,622	-	84,406	220,195	1,287,339	140,973	139,599	197,328	43,471
LIABILITIES									
Accounts payable	-	-	84,406	-	1,287,339	140,973	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other governments	341,622	-	-	16,797	-	-	-	197,328	43,471
Total liabilities	341,622	-	84,406	16,797	1,287,339	140,973	-	197,328	43,471
NET POSITION									
Fiduciary net position held for others	-	-	-	203,398	-	-	139,599	-	-
Total net position	\$ -	\$ -	\$ -	\$ 203,398	\$ -	\$ -	\$ 139,599	\$ -	\$ -

ITEM 14

Berlin Property Tax	Pocomoke Property Tax	Ocean City Property Tax	Special Loans	Critical Areas	Seized Funds Pending Forfeiture	Snow Hill Room Tax	Berlin Room Tax	Pocomoke Room Tax	Ocean City Room Tax	Ocean City Food Tax	Total
\$ -	\$ -	\$ -	\$ 68,080	\$ 77,998	\$ 261,205	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,380,949
93,781	240,954	610,165	-	-	-	-	-	-	-	-	1,426,167
93,781	240,954	610,165	68,080	77,998	261,205	-	-	-	-	-	3,807,116
-	-	-	-	-	388	-	-	-	-	-	1,513,106
-	-	-	-	-	260,817	-	-	-	-	-	260,817
93,781	240,954	610,165	-	-	-	-	-	-	-	-	1,544,118
93,781	240,954	610,165	-	-	261,205	-	-	-	-	-	3,318,041
-	-	-	68,080	77,998	-	-	-	-	-	-	489,075
\$ -	\$ -	\$ -	\$ 68,080	\$ 77,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 489,075

WORCESTER COUNTY, MARYLAND
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 June 30, 2021

	State of Maryland Property Taxes	Maryland Department of Motor Vehicles - License Fees	Tax Sale Fund	Development Taxes	Performance Bonds	Personal Property Tax Liability	Forest Conservation	Bay Restoration	Snow Hill Property Tax
ADDITIONS:									
Collections for other governments	\$ 17,915,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 723,115	\$ 950,895
Grant funding	-	-	-	-	-	-	-	-	-
Other	-	3,390	-	140,658	245,162	22,200	-	-	-
Interest	-	-	-	-	-	-	439	-	-
Total additions	17,915,318	3,390	-	140,658	245,162	22,200	439	723,115	950,895
DEDUCTIONS:									
Payments to other governments	17,915,318	3,390	-	60,853	-	-	-	723,115	950,895
Other	-	-	-	25,808	245,162	22,200	-	-	-
Total deductions	17,915,318	3,390	-	86,661	245,162	22,200	-	723,115	950,895
Change in net position	-	-	-	53,997	-	-	439	-	-
Net position, beginning as restated (see Note 18)	\$ -	-	-	149,401	-	-	139,160	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ 203,398	\$ -	\$ -	\$ 139,599	\$ -	\$ -

ITEM 14

Berlin Property Tax	Pocomoke Property Tax	Ocean City Property Tax	Special Loans	Critical Areas	Seized Funds Pending Forfeiture	Snow Hill Room Tax	Berlin Room Tax	Pocomoke Room Tax	Ocean City Room Tax	Ocean City Food Tax	Total
\$ 3,699,277	\$ 2,647,949	\$ 42,368,460	\$ -	\$ -	\$ -	\$ 11,114	\$ 41,852	\$ 129,843	\$ 18,654,180	\$ 1,383,751	\$ 88,525,754
-	-	-	144,683	-	-	-	-	-	-	-	144,683
-	-	-	-	-	220,575	-	-	-	-	-	631,985
-	-	-	-	181	-	-	-	-	-	-	620
3,699,277	2,647,949	42,368,460	144,683	181	220,575	11,114	41,852	129,843	18,654,180	1,383,751	89,303,042
3,699,277	2,647,949	42,368,460	-	-	-	11,114	41,852	129,843	18,654,180	1,383,751	88,589,997
-	-	-	77,214	-	220,575	-	-	-	-	-	590,959
3,699,277	2,647,949	42,368,460	77,214	-	220,575	11,114	41,852	129,843	18,654,180	1,383,751	89,180,956
-	-	-	67,469	181	-	-	-	-	-	-	122,086
-	-	-	611	77,817	-	-	-	-	-	-	366,989
\$ -	\$ -	\$ -	\$ 68,080	\$ 77,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 489,075

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF ASSESSABLE BASE
 GENERAL FUND
 Year Ended June 30, 2021

	<u>Full-Year Assessment</u>	<u>Half-Year Assessment</u>	<u>Total</u>
Real property	\$ 16,361,254,556	\$ 27,687,649	\$ 16,388,942,205
Personal property - individuals and firms - all districts	13,561,690	-	13,561,690
Railroads and public utilities	190,545,490	-	190,545,490
Railroads and public utilities - reduced rate	677,278	-	677,278
Ordinary business corporations	248,921,988	-	248,921,988
Total	\$ 16,814,961,002	\$ 27,687,649	\$ 16,842,648,651

Computation of Taxes for County Purposes

\$16,361,254,556 assessable base at \$0.845 per \$100 base (full-year)	\$ 138,252,601
\$453,029,168 assessable base at \$2.1125 per \$100 base (full-year)	9,570,241
\$677,278 assessable base at \$0.845 per \$100 base (full-year)	5,723
\$27,687,649 assessable base at \$0.4225 per \$100 base (half-year)	116,980
	147,945,545
Adjustment for deferred property taxes receivable	(264,014)
Net additions and abatements	(54,240)
Total County taxes for the year ended June 30, 2021	\$ 147,627,291

WORCESTER COUNTY, MARYLAND
 SCHEDULE OF ASSESSABLE BASES AND TAX LEVIES
 GENERAL FUND
 Fiscal Years Ended June 30, 2021

<u>Fiscal Year</u>	<u>Assessable Base at June 30</u>	<u>Percentage Change From Prior Year</u>	<u>Tax Rate</u>	<u>Taxes</u>	<u>Percentage Change From Prior Year</u>
1994 - 1995	\$ 2,288,466,700	1.69%	1.68	\$ 38,367,332	1.69%
1995 - 1996	2,309,492,502	0.92%	1.68	38,687,619	0.83%
1996 - 1997	2,380,191,243	3.06%	1.68	39,864,643	3.04%
1997 - 1998	2,426,505,995	1.95%	1.72	41,606,010	4.37%
1998 - 1999	2,491,029,177	2.66%	1.72	42,705,429	2.64%
1999 - 2000	2,586,502,181	3.83%	1.74	44,830,570	4.98%
2000 - 2001	2,712,238,607	4.86%	1.74	46,883,527	4.58%
2001 - 2002	6,748,561,217 *	(0.47)%	.73 - 1.825	52,068,932	11.06%
2002 - 2003	7,264,345,677	7.64%	.73 - 1.825	56,057,444	7.66%
2003 - 2004	8,441,544,002	16.21%	.73 - 1.825	64,473,123	15.01%
2004 - 2005	10,074,216,702	19.34%	.73 - 1.825	76,196,731	18.18%
2005 - 2006	11,906,248,133	18.19%	.73 - 1.825	89,397,911	17.33%
2006 - 2007	14,580,162,820	22.46%	.70 - 1.750	104,613,265	17.02%
2007 - 2008	17,371,368,530	19.14%	.70 - 1.750	124,489,545	19.00%
2008 - 2009	20,247,338,533	16.56%	.70 - 1.750	144,925,736	16.42%
2009 - 2010	19,301,510,253	(4.67)%	.70 - 1.750	138,391,588	(4.51)%
2010 - 2011	18,130,187,255	(6.07)%	.70 - 1.750	130,012,598	(6.05)%
2011 - 2012	17,522,393,962	(3.35)%	.70 - 1.750	125,901,362	(3.16)%
2012 - 2013	15,775,515,175	(9.97)%	.77 - 1.925	125,175,667	(0.58)%
2013 - 2014	15,069,853,304	(4.47)%	.77 - 1.925	119,266,630	(4.72)%
2014 - 2015	14,888,348,699	(1.20)%	.77 - 1.925	119,042,321	(0.19)%
2015 - 2016	14,885,658,093	(0.02)%	.835 - 2.0875	128,059,010	7.57%
2016 - 2017	15,193,940,789	2.07%	.835 - 2.0875	131,175,473	2.43%
2017 - 2018	15,561,696,352	2.42%	.835 - 2.0875	133,807,437	2.01%
2018 - 2019	15,923,438,805	2.32%	.835 - 2.0875	137,743,893	2.94%
2019 - 2020	16,369,397,578	2.80%	.845 - 2.1125	143,174,528	3.94%
2020 - 2021	16,842,648,651	2.89%	.845 - 2.1125	147,627,291	3.11%

* Effective in fiscal year 2002, the State of Maryland converted to a full cash value for assessment purposes.
 Prior to fiscal year 2002, the State of Maryland assessed properties at 40% of market value.

WORCESTER COUNTY, MARYLAND

TAXES RECEIVABLE

GENERAL FUND

June 30, 2021

Levies of years ended June 30:

2021	\$ 3,142,378
2020	141,636
2019	81,723
2018	39,458
2017 and prior	221,790
Total	\$ 3,626,985

NOTES TO OTHER SUPPLEMENTARY INFORMATION

Note 1. Budgetary Basis

Other supplementary information includes financial statements and schedules that are not required by the Governmental Accounting Standards Board, nor are they considered part of the basic financial statements. Such information is included for purposes of additional analysis. The budgetary information contained in this section is prepared and adopted on a basis consistent with generally accepted accounting principles. Such statements and schedules include:

Budgetary Comparison Schedules:

- General Fund
- Department of Water and Wastewater Services
- Department of Solid Waste
- Department of Liquor Control

Note 2. Actual Revenues and Expenditures over Budget

Expenditures in the General Fund exceeded the budget by \$15.1 million and were primarily related to the expenditure of Covid-19 related grant funds which were received by the County in FY21. This grant activity was not budgeted in FY21 due to the uncertainty associated with the Covid-19 Pandemic when the FY21 Budget was adopted in June 2020. The increased grant activity is most evident in the Other General Government department on page 113 as well as the Emergency Services and Economic Development departments shown on pages 114 and 123 respectively.

Revenue in the General Fund Exceeded the budget by \$34.9 million and approximately \$17.5 million relates to additional grant funding included in the Intergovernmental revenues on pages 105 and 106. In addition, the Real and Personal Property Taxes exceeded budget by \$1.7 million and the Other Local Taxes exceeded budget by \$8.5 million due to a steadily improving real estate market and the related property transfer activity as shown on page 104. Income Taxes also exceeded estimates by \$9.3 million due to a stronger than expected labor market also shown on page 104.

STATISTICAL SECTION

This part of Worcester County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. The Statistical Section contains data which usually covers more than one year and may present non-accounting data. As a result, this section of the report is unaudited.

<u>Contents</u>	<u>Schedule</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	1 – 4
Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.</i>	5 – 11
Debt Capacity <i>These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	12 – 15
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time with other governments.</i>	16 – 17
Operating Information <i>These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.</i>	18 – 20

Sources: *Unless otherwise noted, the information in these schedules is derived from the financial reports for the relevant year. The County implemented GASB Statement Number 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

Schedule 1
Worcester County, Maryland
Net Position by Component, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 99,870,348	\$ 90,110,170	\$ 86,424,881	\$ 86,671,386	\$ 77,759,097	\$ 82,846,858	\$ 86,692,388	\$ 89,332,799	\$ 97,904,523	\$ 104,538,442
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	11,260,873	21,389,838	(5,573,996)	(28,314,942)	(22,728,680)	(25,490,273)	(66,318,716)	(66,240,565)	(83,677,700)	(69,019,908)
Total governmental activities net position	111,131,221	111,500,008	80,850,885	58,356,444	55,030,417	57,356,585	20,373,672	23,092,234	14,226,823	35,518,534
Business-type activities										
Net investment in capital assets	54,334,765	59,302,023	53,642,591	55,184,962	53,420,609	58,358,305	61,943,999	61,719,892	57,912,012	57,958,906
Unrestricted	1,912,977	27,420	4,651,348	571,926	30,886	(3,737,553)	(4,778,123)	(1,937,328)	2,105,496	2,066,021
Total business-type activities net position	56,247,742	59,329,443	58,293,939	55,756,888	53,451,495	54,620,752	57,165,876	59,782,564	60,017,508	60,024,927
Primary government										
Net investment in capital assets	154,205,113	149,412,193	140,067,472	141,856,348	131,179,706	141,205,163	148,636,387	151,052,691	155,816,535	162,497,348
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	13,173,850	21,417,258	(922,648)	(27,743,016)	(22,697,794)	(29,227,826)	(71,096,839)	(68,177,893)	(81,572,204)	(66,953,887)
Total primary government net position	\$ 167,378,963	\$ 170,829,451	\$ 139,144,824	\$ 114,113,332	\$ 108,481,912	\$ 111,977,337	\$ 77,539,548	\$ 82,874,798	\$ 74,244,331	\$ 95,543,461

Notes: Fiscal years prior to 2014 have not been restated for the effects of implementing GASB Statement No. 68

Fiscal year 2015 has been restated to recognize deferred outflows related to the advance refunding of portions of the County's 2007 and 2008 bond issues

Fiscal years prior 2018 have not been restated for the effects of implementing GASB Statement No. 75

Schedule 2
Worcester County, Maryland
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 38,001,439	\$ 38,915,371	\$ 41,815,245	\$ 38,635,684	\$ 44,076,570	\$ 44,311,285	\$ 38,378,190	\$ 27,275,158	\$ 23,725,666	\$ 27,023,761
Public safety	29,409,797	33,952,043	31,088,753	31,973,300	31,539,249	33,626,987	36,229,150	37,741,726	38,790,887	39,295,951
Public works	6,579,810	6,582,195	6,843,212	5,217,371	5,567,728	4,850,672	8,808,385	7,810,742	10,065,623	9,629,488
Health and hospitals	5,414,163	5,379,303	6,003,573	6,551,417	6,377,497	6,657,023	6,597,319	6,691,645	6,780,295	6,640,734
Social services	1,861,337	1,799,550	1,879,944	1,946,138	2,075,471	2,035,417	2,290,971	2,444,405	2,446,321	2,903,950
Education	75,683,870	77,254,710	84,004,053	100,313,254	93,437,468	94,649,729	92,556,477	99,447,577	127,270,912	109,762,529
Libraries, recreation and culture	5,301,793	5,322,151	5,438,515	6,092,227	5,258,231	5,905,393	6,049,573	7,147,979	7,873,319	8,903,755
Conservation of natural resources	661,679	226,121	241,883	375,697	497,939	425,671	712,005	849,887	840,547	748,500
Economic development	2,094,400	1,947,815	1,667,636	1,932,046	1,631,443	1,686,229	1,711,548	1,634,878	1,876,097	13,069,061
Interest on long-term debt	3,092,624	2,601,958	2,428,386	4,891,421	3,874,043	4,076,145	3,704,618	2,852,292	2,646,733	2,555,254
Total governmental activities expenses	<u>168,100,912</u>	<u>173,981,217</u>	<u>181,411,200</u>	<u>197,928,555</u>	<u>194,335,639</u>	<u>198,224,551</u>	<u>197,038,236</u>	<u>193,896,289</u>	<u>222,316,400</u>	<u>220,532,983</u>
Business-type activities:										
Department of Solid Waste	5,307,959	5,424,173	5,513,619	5,638,012	4,183,293	4,367,047	4,092,967	5,691,253	2,975,362	7,083,647
Department of Water and Wastewater	11,671,743	11,502,025	12,351,756	13,409,381	14,035,346	13,691,072	14,466,207	15,060,164	15,174,092	16,142,579
Department of Liquor Control	15,213,363	15,102,811	15,518,122	10,477,998	7,929,512	6,076,646	1,032,268	999,469	1,035,251	636,072
Total business-type activities expenses	<u>32,193,065</u>	<u>32,029,009</u>	<u>33,383,497</u>	<u>29,525,391</u>	<u>26,148,151</u>	<u>24,134,765</u>	<u>19,591,442</u>	<u>21,750,886</u>	<u>19,184,705</u>	<u>23,862,298</u>
Total primary government expenses	<u>\$ 200,293,977</u>	<u>\$ 206,010,226</u>	<u>\$ 214,794,697</u>	<u>\$ 227,453,946</u>	<u>\$ 220,483,790</u>	<u>\$ 222,359,316</u>	<u>\$ 216,629,678</u>	<u>\$ 215,647,175</u>	<u>\$ 241,501,105</u>	<u>\$ 244,395,281</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,873,888	\$ 1,932,275	\$ 2,010,031	\$ 2,081,072	\$ 2,053,695	\$ 2,087,794	\$ 2,276,106	\$ 2,062,878	\$ 1,851,965	\$ 2,679,098
Public safety	6,025,129	6,182,160	5,616,912	5,143,953	5,513,482	6,030,900	5,803,127	5,651,824	3,885,304	1,148,737
Public works	79,893	75,543	79,207	87,884	75,713	88,721	98,986	107,201	509,961	533,758
Health and hospitals	457,086	434,917	435,267	431,421	431,643	430,894	444,284	447,883	425,583	477,375
Libraries, recreation and culture	182,130	196,705	236,546	312,460	349,348	361,834	364,513	353,870	305,597	232,390
Economic development	49,840	17,833	22,230	38,184	8,747	17,615	20,046	35,608	33,829	22,390
Operating grants and contributions	4,257,505	4,181,653	4,154,275	5,132,554	5,244,177	5,559,621	7,131,615	7,431,909	9,097,988	24,502,238
Capital grants and contributions	2,078,722	1,546,506	1,220,927	1,861,970	1,936,382	1,984,522	2,932,654	1,043,469	942,814	5,756,212
Total governmental activities program revenues	<u>15,004,193</u>	<u>14,567,592</u>	<u>13,775,395</u>	<u>15,089,498</u>	<u>15,613,187</u>	<u>16,561,901</u>	<u>19,071,331</u>	<u>17,134,642</u>	<u>17,053,041</u>	<u>35,352,198</u>
Business-type activities:										
Charges for services:										
Department of Solid Waste	4,590,998	4,182,238	3,783,926	4,060,039	4,004,384	3,757,085	4,005,295	4,262,096	4,502,971	5,245,653
Department of Water and Wastewater	11,107,727	15,766,173	13,013,971	12,885,762	12,160,567	14,283,986	15,406,636	17,244,935	16,216,982	17,240,986
Department of Liquor Control	15,888,520	15,414,939	15,476,906	9,985,444	7,623,320	5,236,447	864,418	945,096	1,040,823	631,287
Operating grants and contributions	22,000	47,000	25,000	49,202	26,000	26,000	26,000	26,000	28,000	30,000
Total business-type activities program revenues	<u>31,609,245</u>	<u>35,410,350</u>	<u>32,299,803</u>	<u>26,980,447</u>	<u>23,814,271</u>	<u>23,303,518</u>	<u>20,302,349</u>	<u>22,478,127</u>	<u>21,788,776</u>	<u>23,147,926</u>
Total primary government program revenues	<u>\$ 46,613,438</u>	<u>\$ 49,977,942</u>	<u>\$ 46,075,198</u>	<u>\$ 42,069,945</u>	<u>\$ 39,427,458</u>	<u>\$ 39,865,419</u>	<u>\$ 39,373,680</u>	<u>\$ 39,612,769</u>	<u>\$ 38,841,817</u>	<u>\$ 58,500,124</u>
Net (expense)/revenue										
Governmental activities	\$ (153,096,719)	\$ (159,413,625)	\$ (167,635,805)	\$ (182,839,057)	\$ (178,722,452)	\$ (181,662,650)	\$ (177,966,905)	\$ (176,761,647)	\$ (205,263,359)	\$ (185,180,785)
Business-type activities	(583,820)	3,381,341	(1,083,694)	(2,544,944)	(2,333,880)	(831,247)	710,907	727,241	2,604,071	(714,372)
Total primary government net expense	<u>\$ (153,680,539)</u>	<u>\$ (156,032,284)</u>	<u>\$ (168,719,499)</u>	<u>\$ (185,384,001)</u>	<u>\$ (181,056,332)</u>	<u>\$ (182,493,897)</u>	<u>\$ (177,255,998)</u>	<u>\$ (176,034,406)</u>	<u>\$ (202,659,288)</u>	<u>\$ (185,895,157)</u>

ITEM 14

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues and other changes in net position										
Governmental activities:										
Property taxes	\$ 121,290,966	\$ 121,348,615	\$ 117,173,133	\$ 117,097,119	\$ 127,411,911	\$ 130,179,520	\$ 132,813,479	\$ 136,687,069	\$ 142,030,348	\$ 147,020,697
Local income tax	12,900,072	12,676,852	13,673,793	13,690,331	17,931,884	22,891,694	22,260,250	23,172,123	28,891,384	35,824,894
Other local taxes	23,111,431	25,047,347	24,324,762	25,418,688	28,239,135	30,136,897	30,555,387	13,986,660	13,543,200	22,010,948
State shared	687,960	904,365	891,106	931,712	942,464	936,535	-	-	-	-
Department of Liquor Control distribution	103,626	620,428	284,609	9,005	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	(1,665,007)	(250,000)	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	(1,336,264)	(1,666,323)	(1,698,323)	2,582,957	(449,411)
Interest	283,728	193,101	194,221	180,030	207,071	476,064	1,059,323	2,163,658	1,966,015	114,302
Other	1,530,161	656,711	690,527	3,017,731	663,960	704,372	618,739	5,117,087	7,384,044	1,951,066
Total governmental activities	<u>159,907,944</u>	<u>159,782,412</u>	<u>156,982,151</u>	<u>160,344,616</u>	<u>175,396,425</u>	<u>183,988,818</u>	<u>185,640,855</u>	<u>179,428,274</u>	<u>196,397,948</u>	<u>206,472,496</u>
Business-type activities:										
Transfers in (out)	(675,340)	(321,854)	(10,984)	-	-	1,336,264	1,666,323	1,698,323	(2,582,957)	449,411
Other	-	-	-	-	-	588,168	-	-	-	254,337
Interest	12,334	22,214	59,174	7,893	28,487	76,072	167,894	191,124	213,830	18,043
Total business-type activities	<u>(663,006)</u>	<u>(299,640)</u>	<u>48,190</u>	<u>7,893</u>	<u>28,487</u>	<u>2,000,504</u>	<u>1,834,217</u>	<u>1,889,447</u>	<u>(2,369,127)</u>	<u>721,791</u>
Total primary government	<u>\$ 159,244,938</u>	<u>\$ 159,482,772</u>	<u>\$ 157,030,341</u>	<u>\$ 160,352,509</u>	<u>\$ 175,424,912</u>	<u>\$ 185,989,322</u>	<u>\$ 187,475,072</u>	<u>\$ 181,317,721</u>	<u>\$ 194,028,821</u>	<u>\$ 207,194,287</u>
Change in net position										
Governmental activities	\$ 6,811,225	\$ 368,787	\$ (10,653,654)	\$ (22,494,441)	\$ (3,326,027)	\$ 2,326,168	\$ 7,673,950	\$ 2,718,562	\$ (8,865,411)	\$ 21,291,711
Business-type activities	(1,246,826)	3,081,701	(1,035,504)	(2,537,051)	(2,305,393)	1,169,257	2,545,124	2,616,688	234,944	7,419
Total primary government	<u>\$ 5,564,399</u>	<u>\$ 3,450,488</u>	<u>\$ (11,689,158)</u>	<u>\$ (25,031,492)</u>	<u>\$ (5,631,420)</u>	<u>\$ 3,495,425</u>	<u>\$ 10,219,074</u>	<u>\$ 5,355,250</u>	<u>\$ (8,630,467)</u>	<u>\$ 21,299,130</u>

Notes: Fiscal years prior to 2015 have not been restated for the effects of implementing GASB Statement No. 68

Fiscal year 2015 has been restated to recognize deferred outflows related to the advance refunding of portions of the County's 2007 and 2008 bond issues

Fiscal years prior 2018 have not been restated for the effects of implementing GASB Statement No. 75

Schedule 3
Worcester County, Maryland
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 110,609	\$ 102,938	\$ 103,849	\$ 5,255	\$ 106,655	\$ 134,238	\$ 59,544	\$ 8,556	\$ 47,892	\$ 110,153
Restricted										
Assigned	10,821,409	15,735,019	9,662,128	8,679,957	16,315,297	23,486,890	18,735,587	16,626,776	19,483,747	35,511,437
Unassigned	38,855,192	40,904,499	39,833,756	33,976,802	33,532,633	34,308,460	35,170,292	35,170,278	35,565,178	35,709,113
Total General Fund	<u>49,787,210</u>	<u>56,742,456</u>	<u>49,599,733</u>	<u>42,662,014</u>	<u>49,954,585</u>	<u>57,929,588</u>	<u>53,965,423</u>	<u>51,805,610</u>	<u>55,096,817</u>	<u>71,330,703</u>
All other governmental funds										
Restricted	-	-	42,954,786	31,685,392	18,055,520	1,655,852	-	34,728,744	9,259,319	978,115
Assigned	2,372,247	3,670,839	3,054,848	2,249,959	1,876,454	1,578,412	1,628,447	2,240,640	1,654,398	2,410,459
Unassigned	(599,589)	(1,247,996)	-	-	(13,457)	-	(554,039)	-	-	-
Total all other governmental funds	<u>1,772,658</u>	<u>2,422,843</u>	<u>46,009,634</u>	<u>33,935,351</u>	<u>19,918,517</u>	<u>3,234,264</u>	<u>1,074,408</u>	<u>36,969,384</u>	<u>10,913,717</u>	<u>3,388,574</u>
Total governmental funds	<u>\$ 51,559,868</u>	<u>\$ 59,165,299</u>	<u>\$ 95,609,367</u>	<u>\$ 76,597,365</u>	<u>\$ 69,873,102</u>	<u>\$ 61,163,852</u>	<u>\$ 55,039,831</u>	<u>\$ 88,774,992</u>	<u>\$ 66,010,534</u>	<u>\$ 74,719,277</u>

Schedule 4

Worcester County, Maryland

Changes in Fund Balances, Governmental Funds,

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property tax	\$ 121,243,588	\$ 121,570,804	\$ 117,311,193	\$ 117,963,356	\$ 127,061,276	\$ 130,270,802	\$ 132,742,340	\$ 137,214,614	\$ 142,160,874	\$ 146,756,683
Income tax	12,900,072	12,676,852	13,673,793	13,690,331	17,931,884	22,891,694	22,260,250	23,172,123	28,891,384	35,824,894
Room tax	13,262,770	13,632,599	14,127,887	14,707,093	15,564,805	16,398,656	16,877,349	1,043,596	984,669	1,085,207
Food tax	1,215,666	1,247,890	1,299,372	1,358,236	1,424,439	1,553,867	1,501,166	79,305	77,437	75,158
Transfer tax	2,595,376	2,912,623	3,165,274	3,278,524	4,158,215	4,271,320	4,400,977	4,631,429	4,680,904	8,176,629
Recordation tax	5,328,454	6,648,660	5,142,527	5,437,913	6,449,513	7,250,500	7,018,586	7,116,381	7,115,438	12,222,034
Other local taxes	709,165	605,575	589,702	636,922	642,163	662,554	757,309	1,115,949	684,752	451,920
Licenses and permits	1,739,111	1,756,502	1,854,757	1,917,527	1,896,140	1,964,838	2,131,974	1,959,788	2,027,965	2,901,494
* Intergovernmental	7,081,107	5,747,750	5,402,866	7,015,992	7,215,195	7,585,022	10,097,621	8,529,777	9,980,985	30,257,437
Service charges	6,833,192	8,417,639	7,521,417	6,915,882	7,265,304	7,778,109	6,647,971	6,459,709	4,775,728	1,962,123
Miscellaneous	1,673,075	830,237	869,043	741,127	894,974	946,352	857,191	5,604,217	8,194,012	2,231,975
Interest income	283,183	190,069	187,775	180,035	155,069	404,551	1,014,636	1,861,896	1,424,410	103,318
Total revenues	<u>174,864,759</u>	<u>176,237,200</u>	<u>171,145,606</u>	<u>173,842,938</u>	<u>190,658,977</u>	<u>201,978,265</u>	<u>206,307,370</u>	<u>198,788,784</u>	<u>210,998,558</u>	<u>242,048,872</u>
Expenditures										
General government	13,272,863	12,850,452	14,134,546	13,296,067	13,817,335	14,471,003	15,244,102	17,325,562	19,022,436	20,293,079
Public safety	26,513,127	31,157,171	28,621,374	29,173,284	30,032,349	31,692,896	33,806,134	35,402,667	36,183,713	36,052,606
Public works	4,273,829	4,641,049	4,726,992	5,104,405	5,533,978	6,593,857	6,868,097	6,773,851	8,749,324	8,507,876
Health and hospitals	4,900,545	5,060,999	5,472,143	6,083,778	5,972,819	6,136,576	6,352,671	6,218,443	6,193,861	6,154,707
Social services	1,861,337	1,799,550	1,879,944	1,946,138	2,075,471	2,035,417	2,036,763	2,444,405	2,446,321	2,903,950
Education	75,683,870	77,254,710	80,510,956	100,313,254	93,437,468	85,965,082	92,556,477	99,447,577	127,270,912	109,762,529
Libraries, recreation and culture	5,133,304	4,674,945	5,517,089	6,052,818	6,041,560	5,376,686	5,529,816	6,695,951	7,184,206	8,077,203
Conservation of natural resources	661,679	226,121	241,883	375,697	497,939	425,671	712,005	849,887	840,547	748,500
Economic development	1,762,761	1,897,159	1,610,180	1,874,591	1,590,410	1,624,752	1,652,589	1,577,718	1,822,959	13,016,286
Distributions to municipalities	20,317,357	20,450,152	21,871,051	22,572,176	23,471,593	24,828,030	25,062,659	8,032,840	8,314,671	9,248,873
Debt service interest	3,166,657	2,675,991	2,908,091	4,249,246	3,540,622	3,742,724	3,371,197	3,327,448	3,821,328	3,729,849
Debt service principal	7,824,044	7,393,498	7,628,103	9,487,482	7,940,134	8,197,986	8,952,180	8,654,694	9,397,476	10,209,060
Capital projects	7,046,175	3,084,228	7,788,332	2,005,481	3,431,562	18,009,658	8,620,378	6,699,794	2,515,262	4,186,200
Total expenditures	<u>172,417,548</u>	<u>173,166,025</u>	<u>182,910,684</u>	<u>202,534,417</u>	<u>197,383,240</u>	<u>209,100,338</u>	<u>210,765,068</u>	<u>203,450,837</u>	<u>233,763,016</u>	<u>232,890,718</u>
Excess of revenues over (under) expenditures	<u>2,447,211</u>	<u>3,071,175</u>	<u>(11,765,078)</u>	<u>(28,691,479)</u>	<u>(6,724,263)</u>	<u>(7,122,073)</u>	<u>(4,457,698)</u>	<u>(4,662,053)</u>	<u>(22,764,458)</u>	<u>9,158,154</u>
Other financing sources (uses)										
Issuance of long-term debt	-	14,212,936	48,209,146	37,437,354	-	-	-	40,043,602	-	-
Payment to bond refunding escrow agent	-	(9,678,680)	-	(27,757,877)	-	-	-	-	-	-
Transfers:										
Transfers in	11,214,335	11,467,814	14,458,054	19,908,436	17,469,180	17,469,746	22,440,497	19,872,169	20,394,209	19,599,674
Transfers out	(11,214,335)	(11,467,814)	(14,458,054)	(19,908,436)	(17,469,180)	(19,056,923)	(24,106,820)	(21,570,492)	(20,394,209)	(20,049,085)
Total other financing sources (uses)	<u>-</u>	<u>4,534,256</u>	<u>48,209,146</u>	<u>9,679,477</u>	<u>-</u>	<u>(1,587,177)</u>	<u>(1,666,323)</u>	<u>38,345,279</u>	<u>-</u>	<u>(449,411)</u>
Net change in fund balances	<u>\$ 2,447,211</u>	<u>\$ 7,605,431</u>	<u>\$ 36,444,068</u>	<u>\$ (19,012,002)</u>	<u>\$ (6,724,263)</u>	<u>\$ (8,709,250)</u>	<u>\$ (6,124,021)</u>	<u>\$ 33,683,226</u>	<u>\$ (22,764,458)</u>	<u>\$ 8,708,743</u>
Debt service as a percentage of noncapital expenditures	6.52%	5.88%	5.84%	6.86%	5.97%	6.00%	6.10%	6.10%	5.72%	6.06%

* Includes state shared taxes originally reported separately in years prior to 2018.

Schedule 5

Worcester County, Maryland

Assessed Value (Full Cash Value) of Taxable Property,
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property Individuals and Firms	Businesses, Corporations and Utilities	Total Assessable Base	County Tax Rate *	State Tax Rate
2021	\$ 16,388,942,205	\$ 13,561,690	\$ 440,144,756	\$ 16,842,648,651	\$ 0.845	\$ 0.112
2020	15,965,833,845	16,109,633	387,454,100	16,369,397,578	0.845	0.112
2019	15,544,751,018	15,702,611	362,985,175	15,923,438,804	0.835	0.112
2018	15,207,948,042	15,928,910	337,819,400	15,561,696,352	0.835	0.112
2017	14,825,676,056	18,977,901	349,286,832	15,193,940,789	0.835	0.112
2016	14,534,558,652	17,437,771	333,661,670	14,885,658,093	0.835	0.112
2015	14,556,412,647	16,548,700	315,387,352	14,888,348,699	0.770	0.112
2014	14,755,590,502	17,112,844	297,149,958	15,069,853,304	0.770	0.112
2013	15,462,442,895	15,847,573	297,224,707	15,775,515,175	0.700	0.112
2012	17,207,677,633	16,321,783	298,394,546	17,522,393,962	0.700	0.112

Source: State of Maryland, Department of Assessments and Taxation

Note: * Per \$100 of value

Schedule 6

Worcester County, Maryland

Direct and Overlapping Property Tax Rates,

Last Ten Fiscal Years

(rate per \$100 of assessed value)

	Year Taxes Are Payable									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
County Direct Rates										
General	\$ 0.70	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.835	\$ 0.835	\$ 0.835	\$ 0.835	\$ 0.845	\$ 0.845
Town Rates										
Berlin	0.73	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.80	0.80
Ocean City	0.395	0.4585	0.472	0.4704	0.478	0.4656	0.4656	0.4656	0.4559	0.4559
Pocomoke	0.75	0.82	0.82	0.9285	0.9375	0.9375	0.9375	0.9375	0.9375	0.9375
Snow Hill	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86

Schedule 7

Worcester County, Maryland

Principal Property Tax Accounts,
Current Year and Ten Years Ago

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Delmarva Power	\$ 96,861,190	1	0.58%	\$ 47,504,070	2	0.27%
Harrison Inn Stardust	67,738,100	2	0.40%	62,420,580	1	0.36%
Sun TRS Frontier LLC	44,289,933	3	0.26%			
Americana Stowaway Motel Inc.	42,462,867	4	0.25%	24,333,840	5	0.14%
Sandiper Energy	37,614,220	5	0.22%			
91st Street Joint Venture	36,122,700	6	0.21%	29,714,050	3	0.17%
Ocean Enterprise 589 LLC	35,963,300	7	0.21%	21,534,970	6	0.12%
Sun TRS Castaways LLC	35,945,133	8	0.21%			
Choptank Electric Cooperative	30,738,020	9	0.18%	19,563,720	8	0.11%
Ocean I Hospitality	28,612,433	10	0.17%			
Verizon Maryland				28,237,950	4	0.16%
Harrison Hi 18 LLC				19,942,030	7	0.11%
Individual				19,415,933	9	0.11%
L P B O C Hotel				18,844,800	10	0.11%
Total	\$ 456,347,896		2.71%	\$ 291,511,943		1.66%

Schedule 8
Worcester County, Maryland
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year	Net Taxes Levied for Fiscal Year *	Collected within the Fiscal Year of the Levy		Delinquent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 146,705,516	\$ 143,244,884	97.64%	\$ 2,963,232	146,208,116	99.66%
2020	141,912,724	139,087,210	98.01%	1,944,305	141,031,515	99.40%
2019	136,104,204	133,114,537	97.80%	3,145,394	136,259,931	100.11%
2018	132,889,741	129,867,847	97.73%	3,122,478	132,990,325	100.08%
2017	130,113,435	127,089,001	97.68%	3,093,229	130,182,230	100.05%
2016	127,310,134	124,150,927	97.52%	2,910,349	127,061,276	99.80%
2015	116,946,415	113,877,415	97.38%	2,913,774	116,791,189	99.87%
2014	117,232,826	113,637,017	96.93%	2,865,685	116,502,702	99.38%
2013	120,978,969	118,039,082	97.57%	2,668,186	120,707,268	99.78%
2012	120,824,876	117,865,015	97.55%	2,461,933	120,326,948	99.59%

Notes: The information in this schedule relates to the County's own property tax levies, and does not include those it collects on behalf of other governments

* This chart nets the Homestead Credit with the total tax levy for each year

Schedule 9
Worcester County, Maryland
Income Tax Rates,
Last Ten Tax Years

Tax Year	State Income Tax Rate								Worcester County Local Income Tax Direct Rate
	\$0 to \$1,000 Net Taxable Income	\$1,000 to \$2,000 Net Taxable Income	\$2,000 to \$3,000 Net Taxable Income	\$3,000 to \$100,000 Net Taxable Income	\$100,000 to \$125,000 Net Taxable Income	\$125,000 to \$150,000 Net Taxable Income	\$150,000 to \$250,000 Net Taxable Income	In excess of \$250,000 Net Taxable Income	
2020	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	2.25%
2019	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2018	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2017	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2016	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2015	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.25%
2014	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.25%
2013	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.25%
2012	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.25%
2011	2.00%	3.00%	4.00%	4.75%	4.75%	4.75%	4.75%	4.75%	1.25%

Note: The current maximum local income tax rate allowed is 3.2%. Effective 1-1-2020 the local income tax rate was increased to 2.25%.

Schedule 10
Worcester County, Maryland
Income Tax Filers Summary Information,
Last Ten Tax Years

Tax Year	Number of Taxable Returns	Maryland Adjusted Gross Income	Net Taxable Income	Net State Income Tax	Local Income Tax	Total Tax Liability	Worcester County Income Tax Direct Rate
2019	22,310	\$ 1,706,306,718	\$ 1,435,176,212	\$ 62,504,860	\$ 23,976,896	\$ 86,481,755	1.75%
2018	21,766	1,650,656,050	1,387,009,956	61,120,584	23,289,508	84,410,092	1.75%
2017	22,013	1,576,110,470	1,267,247,948	55,643,247	21,264,452	76,907,699	1.75%
2016	21,224	1,520,968,799	1,215,306,788	53,513,972	20,527,947	74,041,919	1.75%
2015	20,882	1,545,094,426	1,249,149,607	56,496,462	15,064,794	71,561,256	1.25%
2014	20,851	1,365,308,664	1,072,579,791	47,357,771	13,075,365	60,433,136	1.25%
2013	20,617	1,286,708,049	990,978,118	43,499,534	12,128,750	55,628,284	1.25%
2012	20,440	1,290,129,238	994,950,253	43,469,925	12,174,791	55,644,716	1.25%
2011	20,024	1,217,864,067	914,819,943	38,544,724	11,193,861	49,738,585	1.25%
2010	20,005	1,210,435,351	902,488,197	38,732,378	11,049,389	49,693,809	1.25%

Source: Revenue Administration Division, State of Maryland Comptroller's Office - 2019 data is the most current available

Notes: See Schedule 11 for detailed breakout of adjusted gross income

Schedule 11

Worcester County, Maryland

Income Tax Filers, Net Taxable Income, and Liability by Adjusted Gross Income Level,

As of June 30, 2021

	Tax Year 2019					
	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total
Adjusted Gross Income Level						
\$250,000 and higher	824	3.7%	\$ 440,057,491	30.7%	\$ 7,232,086	30.2%
\$100,000 - 249,999	3,419	15.3%	438,163,937	30.5%	7,471,899	31.2%
\$50,000 - 99,999	5,599	25.1%	317,931,682	22.2%	5,518,016	23.0%
\$25,000 - 49,999	6,990	31.3%	182,217,900	12.7%	2,910,321	12.1%
\$5,000 - 24,999	5,356	24.0%	56,587,644	3.9%	841,059	3.5%
Under \$5,000	122	0.5%	217,558	0.0%	3,515	0.0%
Totals	22,310	100.0%	1,435,176,212	100.0%	23,976,896	100.0%

	Tax Year 2009					
	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total
Adjusted Gross Income Level						
\$250,000 and higher	347	1.8%	\$ 177,675,584	21.4%	\$ 2,220,947	21.9%
\$100,000 - 249,999	1,983	10.1%	220,733,439	26.6%	2,759,170	27.2%
\$50,000 - 99,999	4,772	24.4%	236,465,714	28.5%	2,955,202	29.1%
\$25,000 - 49,999	6,010	30.7%	138,732,413	16.7%	1,636,386	16.1%
\$5,000 - 24,999	6,335	32.4%	56,755,533	6.8%	580,325	5.7%
Under \$5,000	121	0.6%	231,104	0.0%	2,620	0.0%
Totals	19,568	100.0%	830,593,787	100.0%	10,154,650	100.0%

Source: Revenue Administration Division, State of Maryland Comptroller's Office - 2019 data is the most current available

Schedule 12
Worcester County, Maryland
Ratios of Outstanding Debt by Type,
As of June 30, 2021

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Bond/Lease Debt Per Capita
	General Obligation Bonds	Note Outstanding	Deferred Bond Premiums	General Obligation Bonds	Capital Leases	Deferred Bond Premiums (Costs)			
2021	\$ 82,673,478	\$ 405,895	\$ 9,139,165	\$ 23,229,702	\$ 1,553,603	\$ 1,339,831	\$ 118,341,674	3.77%	2,256
2020	92,882,538	421,777	10,313,760	23,634,612	1,615,768	1,466,408	130,334,863	4.14%	2,515
2019	102,279,413	437,024	11,488,355	24,968,024	1,725,689	1,560,386	142,458,891	4.53%	2,749
2018	76,854,107	451,661	6,395,561	20,591,706	1,874,810	688,717	106,856,562	3.44%	2,062
2017	85,806,287	465,712	6,750,477	20,151,002	803,425	719,748	114,696,651	3.81%	2,219
2016	94,004,273		7,105,393	22,670,278	1,353,997	758,437	125,892,378	4.31%	2,447
2015	101,944,407		7,460,309	24,299,716	1,527,500	782,829	136,014,761	4.99%	2,639
2014	102,921,889		5,648,657	23,223,396	1,391,965	411,541	133,597,448	5.21%	2,585
2013	67,549,992		919,216	17,062,876	1,359,361	(173,920)	86,717,525	3.34%	1,680
2012	70,701,211		701,272	19,348,694	1,239,613	(211,545)	91,779,245	3.68%	1,779

Notes: 2021 percentage of personal income calculated using 2020 personal income data, which is the most recent available

2021 bond/lease debt per capita calculated using 2020 population data, which is the most recent available

See Schedule 16 for population and personal income data

Schedule 13

Worcester County, Maryland

Ratios of General Bonded Debt Outstanding,

As of June 30, 2021

Fiscal Year	General Obligation Bonds	Total Taxable Assessable Base	Percentage of Total Taxable Assessable Base	Population	Bond Debt Per Capita
2021	\$ 116,382,176	\$ 16,842,648,651	0.69%	*	2,218
2020	128,297,318	16,369,397,578	0.78%	52,460	2,248
2019	140,296,178	15,923,438,805	0.80%	51,823	2,455
2018	104,530,091	15,561,696,352	0.63%	51,823	1,894
2017	113,427,514	15,193,940,789	0.70%	51,443	2,060
2016	124,538,381	14,885,658,093	0.78%	51,444	2,268
2015	134,487,261	14,888,348,699	0.85%	51,540	2,449
2014	132,205,483	15,069,853,304	0.84%	51,675	2,441
2013	85,358,164	15,775,515,175	0.54%	51,620	1,639
2012	90,539,632	17,522,393,962	0.51%	51,578	1,746

Source: Worcester County Finance Office

Notes: * Information not yet available

2021 bond debt per capita calculated using 2020 population data, which is the most recent available

Schedule 14
Worcester County, Maryland
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

	<u>Governmental Unit</u>	<u>Debt Outstanding</u>
Direct Debt		
	Worcester County - General Government	\$ 12,458,160
	Worcester County - School Debt	<u>79,760,378</u>
	Subtotal Direct Debt	<u>92,218,538 *</u>
Overlapping Debt		
	Berlin	14,427,330
	Ocean City	84,501,447
	Pocomoke	5,972,468
	Snow Hill	<u>2,160,504</u>
	Subtotal Overlapping Debt	<u>107,061,749 **</u>
Total Direct and Overlapping Debt		<u><u>\$ 199,280,287</u></u>

Source: Worcester County Finance Office

Note: * Net direct debt of the County includes Governmental Activities general obligation bonds and notes payable.
See Note 6

** Overlapping debt is the debt of other governmental entities located within the County that is payable in whole or in part by taxpayers of the County.
Unaudited information provided by municipalities

Schedule 15
Worcester County, Maryland
Debt Margin Information,
As of June 30, 2021
(dollars in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Debt Outstanding Limit										
Taxable Assessable Base	\$ 17,522,394	\$ 15,775,515	\$ 15,069,853	\$ 14,888,349	\$ 14,885,658	\$ 15,193,941	\$ 15,561,696	\$ 15,923,439	\$ 16,369,398	\$ 16,842,649
Debt Limit, 1% of Assessable Base	175,224	157,755	150,699	148,883	148,857	151,939	155,617	159,234	163,693	168,426
Amount of Debt Applicable to Limit	71,402	68,469	108,571	109,405	101,110	92,557	83,250	113,768	103,196	91,813
Debt Margin	<u>\$ 104,523</u>	<u>\$ 90,205</u>	<u>\$ 47,777</u>	<u>\$ 46,939</u>	<u>\$ 54,852</u>	<u>\$ 66,133</u>	<u>\$ 78,763</u>	<u>\$ 56,955</u>	<u>\$ 70,811</u>	<u>\$ 76,613</u>
Total debt applicable to the limit as a percentage of debt limit	40.75%	43.40%	72.05%	73.48%	67.92%	60.92%	53.50%	71.45%	63.04%	54.51%
Total Debt Service Limit										
Total Governmental Fund Revenue	\$ 174,865	\$ 176,237	\$ 171,146	\$ 173,843	\$ 190,659	\$ 201,978	\$ 206,307	\$ 198,789	\$ 210,999	\$ 242,049
Debt Service Limit, 10% of Revenue	17,486	17,624	17,115	17,384	19,066	20,198	20,631	19,879	21,099	24,205
Debt Service Applicable to Limit	10,991	10,069	10,536	13,737	11,481	11,941	12,323	11,982	13,219	13,939
Debt Service Margin	<u>\$ 6,496</u>	<u>\$ 7,554</u>	<u>\$ 6,578</u>	<u>\$ 3,648</u>	<u>\$ 7,585</u>	<u>\$ 8,257</u>	<u>\$ 8,307</u>	<u>\$ 7,897</u>	<u>\$ 7,881</u>	<u>\$ 10,266</u>
Total debt service applicable to the limit as a percentage of debt service limit	62.85%	57.13%	61.56%	79.02%	60.22%	59.12%	59.73%	60.28%	62.65%	57.59%

Note: The County has established a debt capacity policy by adopting Resolution 07-1. The policy limits the County's outstanding general obligation long-term debt to no more than 1 percent of the assessable property tax base of the County and the annual debt service to no more than 10 percent of the annual government revenue.

Schedule 16
Worcester County, Maryland
Demographic and Economic Statistics,
Last Ten Fiscal Years

Year	Population ^a	Personal Income ^b (dollars in thousands)	Per Capita Personal Income ^b	Public School Enrollment ^c	Unemployment Rate ^d
2021	*	*	*	6,711	*
2020	52,460	3,137,940	59,816	6,882	11.2%
2019	51,823	3,148,166	60,748	6,810	5.5%
2018	51,823	3,109,753	60,007	6,684	6.4%
2017	51,690	3,007,897	58,191	6,667	5.7%
2016	51,444	2,919,306	56,747	6,660	6.2%
2015	51,540	2,723,740	52,847	6,654	7.9%
2014	51,675	2,562,653	49,592	6,649	7.2%
2013	51,620	2,597,794	50,325	6,650	8.5%
2012	51,578	2,493,986	48,354	6,643	8.2%
2011	51,514	2,265,940	43,987	6,699	8.9%

Sources: ^a U.S. Census Bureau Population Factfinder

^b U.S. Department of Commerce Bureau of Economic Analysis, November 17, 2020

^c Worcester County Board of Education

^d Maryland Department of Labor, Licensing and Regulation, as of June 30

Note: * Information not yet available

Schedule 17
Worcester County, Maryland
Principal Employers,
Current Year and Nine Years Ago

Employer	2021	
	Employees	Percentage of Total County Employment
Harrison Group	1,235	4.98%
Town of Ocean City	1,200	4.83%
Worcester County Board of Education	1,194	4.81%
Atlantic General Hospital	960	3.87%
Worcester County Government	658	2.65%
Wal-Mart Super Center	505	2.03%
O.C. Seacrets, Inc.	500	2.01%
Bayshore Development	350	1.41%
Carousel Resort Hotel & Condominiums	325	1.31%
Ocean Downs	286	1.15%
	7,213	29.06%
Total Worcester County Employees		24,822

Employer	2012	
	Employees	Percentage of Total County Employment
Town of Ocean City	1,365	4.59%
Worcester County Board of Education	1,187	3.99%
Harrison Group	1,099	3.69%
Atlantic General Hospital	802	2.70%
Worcester County Government	644	2.17%
Phillips Seafood Restaurant	600	2.02%
Wal-Mart Super Center	600	2.02%
O.C. Seacrets, Inc.	550	1.85%
Clarion Fountainebleu Hotel	350	1.18%
Dough Roller	322	1.08%
	6,154	20.69%
Total Worcester County Employees		29,745

Sources: Worcester County Economic Development

Schedule 18
Worcester County, Maryland
Full-time Equivalent County Government Employees by Function,
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	125.0	124.3	122.0	121.4	122.0	120.6	121.6	128.0	125.6	126.9
Commissioners, judges, and boards	21.0	22.0	21.0	21.0	19.0	19.0	20.0	20.0	19.0	19.0
Public safety	207.1	212.1	222.3	225.2	228.7	231.7	237.0	229.3	226.3	223.9
Public works	59.7	57.7	56.9	59.1	57.2	59.8	60.0	58.1	76.7	75.9
Social services - LMB	-	-	-	-	-	-	-	-	-	-
Library and recreation	60.4	63.1	63.1	64.0	64.3	65.5	65.5	69.4	75.2	74.9
Natural resources	-	-	-	-	-	-	-	-	-	-
Water and wastewater	62.6	62.9	65.2	64.8	65.9	64.9	63.4	62.6	59.5	39.1
Solid waste	36.6	35.0	35.6	35.7	35.2	35.3	36.1	34.1	15.3	15.1
Liquor control	<u>36.0</u>	<u>31.8</u>	<u>31.0</u>	<u>24.5</u>	<u>19.0</u>	<u>15.9</u>	<u>4.3</u>	<u>2.7</u>	<u>1.9</u>	<u>1.1</u>
Total	<u>608.4</u>	<u>608.9</u>	<u>617.1</u>	<u>615.7</u>	<u>611.3</u>	<u>612.7</u>	<u>607.9</u>	<u>604.2</u>	<u>599.5</u>	<u>575.9</u>

Source: Worcester County Finance Office

Notes: A full-time employee is scheduled to work 260 days per year (52 weeks x 5 days per week).
 At eight hours per day, 2,080 hours are scheduled per year (including vacation and sick leave).
 Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

County Commissioners, Orphan's Court Judges, and Board Members noted as full-time equivalent

The Department of Liquor Control was new in FY12

Part-time and temporary employees are included in this table

Schedule 19
Worcester County, Maryland
Operating Indicators by Function,
Last Ten Fiscal Years

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Function/Program</u>										
General Government										
Building permits issued *	65	76	124	133	138	127	154	158	167	197
Value of new construction (in 000's)	14,437	20,344	31,150	26,806	29,865	29,559	31,415	37,927	36,725	59,704
Public Safety										
Detention Center										
Average daily population	375	376	335	338	344	345	351	310	222	163
Fire protection (all volunteer)										
Fire calls answered	1,539	1,612	2,164	2,673	2,436	2,181	2,179	1,996	2,151	2,273
Emergency Medical Services										
EMS calls answered	6,050	6,243	5,937	6,537	6,551	6,906	6,959	7,480	9,430	9,504
Education										
Students	6,643	6,650	6,649	6,654	6,660	6,667	6,684	6,810	6,882	6,811
Teachers	570	571	572	572	572	572	585	584	584	589
Public Works										
Centerline miles of road maintained	530	530	530	531	531	531	533	533	533	533
Wastewater treated (mgd)	2.3	2.3	2.4	2.4	2.4	2.1	1.9	1.9	1.3	1.4

Source: Worcester County Finance Office and individual County departments

Note: * Single Family Dwelling Units

Schedule 20
Worcester County, Maryland
Capital Asset Statistics by Function,
Last Ten Fiscal Years

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Function/Program</u>										
Public Safety										
Detention center capacity	507	507	507	507	507	507	507	507	507	507
Fire companies	9	9	9	9	9	9	9	9	9	9
Emergency medical services companies	7	7	7	7	7	7	7	7	7	7
Education										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Intermediate schools	1	1	1	1	1	1	1	1	1	1
Middle schools	3	3	3	3	3	3	3	3	3	3
Special school	1	1	1	1	1	1	1	1	1	1
High schools	3	3	3	3	3	3	3	3	3	3
Technical high school	1	1	1	1	1	1	1	1	1	1
Public libraries	5	5	5	5	5	5	5	5	5	5
Recreation Facilities										
Recreation center	1	1	1	1	1	1	1	1	1	1
County parks	13	13	13	13	13	13	13	13	13	13
Park acreage	883	883	883	883	883	883	883	883	883	883
Public landings and wharves	9	9	9	9	9	9	9	9	9	9
Boat slips	8	8	8	8	8	8	8	8	8	38
Public Works										
Centerline miles of County roads	530	530	530	531	531	531	533	533	533	533
Public easements - Ocean Pines	64.12	64.12	64.12	64.12	64.12	64.12	64.12	64.12	64.12	64.12
Bridges	44	44	44	44	43	43	43	43	43	43
Wastewater treatment plants	8	8	8	8	8	8	8	8	8	8
Miles of sewer pipeline	187	187	190	191	191	192	193	195	195	196
Water well house facilities	5	5	5	5	5	5	5	5	5	5
Pump stations	54	54	54	55	55	55	56	57	57	57
Water tanks	6	6	6	6	6	6	6	6	6	6
Waterlines	150	151	151	151	154	156	157	157	157	157
Water treatment facilities	10	10	10	10	10	10	10	10	10	10
Recycling center	1	1	1	1	1	1	1	1	1	1

Source: Worcester County Finance Office and individual County departments



Worcester County

Annual Comprehensive Financial Report

WORCESTER COUNTY • 1 WEST MARKET STREET, GOVERNMENT CENTER, ROOM 1105
SNOW HILL, MD 21863 • WWW.CO.WORCESTER.MD.US

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Date of Delivery]

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

\$ _____
County Commissioners of Worcester County, Maryland
Consolidated Public Improvement Bonds, 2022 Series

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by County Commissioners of Worcester County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland (the “County”), of its \$ _____ Consolidated Public Improvement Bonds, 2022 Series, dated the date of their delivery (the “Bonds”).

As bond counsel, we have examined:

- (i) Sections 11-401 and 19-501 to 19-510, inclusive (the “Act”), of the Local Government Article of the Annotated Code of Maryland (the “Local Government Article”);
- (ii) Sections 9-601 to 9-699, inclusive, of the Environment Article of the Annotated Code of Maryland (the “Sanitary District Act”);
- (iii) Section PW5-204 of Subtitle II of Title 5 of the Public Works Article (“Section PW5-204”) of the Code of Public Local Laws of Worcester County (the “Code of Public Local Laws”);
- (iv) Appendices QQ (Bill 22-11), RR (Bill 22-12) and SS (Bill 22-13) of the Code of Public Local Laws (the “Appendices”);
- (v) Resolution No. 22-26 of the Board of County Commissioners of Worcester County, Maryland (the “Board”) adopted on November 1, 2022, as supplemented by Resolution No. 22-__ adopted by the Board on November __, 2022 (collectively, the “Bond Resolution”);
- (vi) Section 19-101 of the Local Government Article (the “Consolidation Act”);
- (vii) the Tax and Section 148 Certificate of the County dated the date hereof (the “Tax Certificate”);
- (viii) relevant provisions of the Internal Revenue Code of 1986, as amended (the “Code”) and the applicable regulations thereunder;
- (ix) relevant provisions of the Constitution and laws of the State of Maryland; and
- (x) such certified proceedings and other papers as we have deemed necessary to render this opinion.

The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering the opinions specifically expressed herein. This opinion letter is dated as of the date of issuance and delivery of the Bonds.

Unless the context clearly indicates otherwise, each capitalized term used in this opinion letter shall have the same meaning as set forth in the Bonds.

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

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

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

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

We do not express any opinion herein concerning any law other than the law of the State of Maryland and the federal law of the United States of America.

Based upon, and subject to, the foregoing, and on the basis of statutes, regulations and decisions existing on the date hereof, it is our opinion, as of the date hereof, that:

1. The County is duly authorized to issue the Bonds by existing law of the State of Maryland, particularly the Act, the Sanitary District Act, Section PW5-204, the Appendices, and the Consolidation Act.

2. The County has taken all action legally necessary for the issuance, execution and delivery of the Bonds in compliance with the Act, the Sanitary District Act, Section PW5-204, the Appendices, the Consolidation Act, and the Bond Resolution.

3. The Bonds are the valid and binding general obligation bonds of the County to the payment of which, both principal and interest, the full faith and credit and unlimited taxing power of the County are pledged and for the payment of which the County is empowered to impose ad valorem taxes on all real and tangible personal property in the County that is subject to assessment for unlimited County taxation.

4. To provide for the payment of the principal of and interest on the Bonds when due, the County, by passage of the Appendices and the Bond Resolution, has covenanted to impose said ad valorem taxes at a rate and in an amount sufficient for that purpose in each fiscal year in which provision must be made for the payment of such principal and interest

5. Under existing laws of the State of Maryland, the principal of and interest on the Bonds are exempt from Maryland state and local taxes, but no opinion is expressed as to such exemption from Maryland estate or inheritance taxes or any other Maryland taxes not levied or assessed directly on the Bonds or the interest thereon.

6. Under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain certifications of the County, interest on the Bonds is excludable from gross income for purposes of Section 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax; however, for taxable years beginning after December 31, 2022, such interest will be included in the "adjusted financial statement income" of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations. Interest earned on the Bonds may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States of America.

The opinions set forth in this paragraph 6 are subject to the condition that the County complies with all requirements that must be satisfied subsequent to the issuance of the Bonds so that interest on the Bonds continues to be excluded from gross income for federal income tax purposes. The County has covenanted and agreed in the Tax Certificate to comply with each such requirement. Failure to comply with certain requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We assume no responsibility for, and will not monitor, compliance with the covenants and agreements contained in the Tax Certificate. In the event of noncompliance with such covenants and agreements, available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent the interest on the Bonds from becoming includable in gross income for federal income tax purposes.

Other than as set forth in the preceding paragraphs 5 and 6, we express no opinion regarding the Maryland or federal income tax consequences arising with respect to ownership of the Bonds.

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

ITEM 14

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

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

Very truly yours,

FORM OF NOTICE OF SALE

\$28,625,000*

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2022 SERIES

Overview. Electronic bids only via Parity® (as referred to herein, “Parity”) will be received for the above-captioned issue of general obligation bonds (the “Bonds”) of County Commissioners of Worcester County, Maryland (the “County”) by the Finance Officer of the County (the “Finance Officer”) on Tuesday, November 15, 2022 (unless rescheduled) (in either such case, the “Bid Date”), until 10:45 a.m. prevailing Eastern time (“ET”) on the Bid Date for the purchase of the County’s Consolidated Public Improvement Bonds, 2022 Series (the “Bonds”).

By submitting a bid, a bidder represents and warrants to the County that (i) its bid is submitted by an officer or agent duly authorized to bind such bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and (ii) it has an established industry reputation for underwriting new issuances of municipal bonds.

Dated Date and Interest Payment Dates. The Bonds will be dated as of the date of delivery of the Bonds. Interest on the Bonds will be payable on August 1, 2023 and semiannually thereafter on February 1 and August 1 until maturity or earlier redemption.

Principal Amounts and Principal Payment Dates. The Bonds will be subject to principal amortization either through serial maturities or mandatory sinking fund redemptions or a combination thereof, as described below. The Bonds will be issued in the aggregate principal amount of \$28,625,000* and will mature or be subject to mandatory sinking fund redemption on August 1 in the following years and in the following amounts (the “Preliminary Amounts”), subject to adjustment as described under “Adjustments” below:

<u>Year of Maturity*</u>	<u>Principal Amount*</u>	<u>Year of Maturity*</u>	<u>Principal Amount*</u>
2023	\$1,090,000	2031	\$1,975,000
2024	1,395,000	2032	2,080,000
2025	1,465,000	2033	2,185,000
2026	1,535,000	2034	2,295,000
2027	1,620,000	2035	2,415,000
2028	1,700,000	2036	2,540,000
2029	1,785,000	2037	2,670,000
2030	1,875,000		

Serial Bonds and/or Term Bonds. A bidder may designate in its bid two or more consecutive principal amounts specified above as a term bond, which matures on the maturity date of the last included principal amount of the sequence. More than one such sequence of principal amounts may be designated as a term bond. Any term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire amount of each installment payment designated for inclusion in such term bond, as adjusted if applicable.

Adjustments. After selecting the winning bid for the Bonds, the aggregate principal amount of the Bonds and the principal amortization schedule may be adjusted as determined by the County. **Any such adjustments will not reduce the aggregate principal amount of the Bonds by more than 15%.** The dollar amount bid for the Bonds by the winning bidder will be adjusted proportionately to reflect any decrease in the aggregate principal amount of the Bonds finally determined to be issued. Any such

*Preliminary, subject to change.

adjustment will be communicated to the winning bidder by 4:45 p.m. ET on the Bid Date. 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. Any such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the underwriter's discount per \$1,000 of par amount of the Bonds from the underwriter's discount that would have been received based on the purchase price in the winning bid, the coupon rates or initial offering prices specified by the successful bidder. **The successful bidder for the Bonds as so adjusted may not withdraw its bid or change the interest rates bid or initial offering prices as a result of any changes made to the principal amounts of the Bonds within these limits.** ALL BIDS SHALL REMAIN FIRM FOR 6 HOURS AFTER THE BID DEADLINE.

General Obligations. The Bonds will be unconditional general obligation bonds of the County and will be issued upon its full faith and credit and unlimited taxing power, 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.

Bond Registrar and Paying Agent; Book-Entry Only. The principal of the Bonds will be payable at the designated corporate trust office of Manufacturers and Traders Trust Company (the "Bond Registrar and Paying Agent"). The Bonds will be issued in book-entry only form and held under The Depository Trust Company's "FAST" system.

Use of Proceeds. The Bonds are being issued to finance or reimburse (a) project expenditures relating to (i) Phase 2 improvements to the Worcester County Jail, (ii) a new Public Safety Logistical Storage Facility, (iii) an addition to Stephen Decatur Middle School, and (iv) a belt filter press in the Ocean Pines service area, and (b) costs of issuance and other related costs of the Bonds.

Optional Redemption. The Bonds maturing on or after August 1, 2033 are subject to redemption at the option of the County prior to their respective maturities, as a whole or in part on any date on or after August 1, 2032, in any order of maturity directed by the County, upon payment of a redemption price equal to 100% of the principal amount of the Bonds (or portions thereof) to be redeemed, together with accrued interest on the principal amount being redeemed to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed in whole or in part, without premium or penalty.

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

Electronic Bids. Bids must be submitted by electronic bidding via Parity and submitted by 10:45 a.m. ET. No bid will be accepted after the time for receiving bids for the Bonds. 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.

Each prospective electronic bidder shall be solely responsible to submit its bid via Parity and to make the arrangements to access Parity. Neither the County nor Parity shall (i) have any duty or obligation to provide or assure access to Parity, (ii) be responsible for proper operation of Parity, or (iii) have any liability for any delays or interruptions of, or any damages caused by Parity. The County is using Parity as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds and 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. Each bidder is solely responsible for the costs and expenses of submitting its bid via Parity. If difficulties are encountered, please contact Parity at (212) 849-5021 and notify the County's financial advisor, Davenport & Company LLC, by facsimile at (866) 932-6660.

Electronic bids must be submitted for the purchase of the Bonds (all or none) via Parity. Prior to the specified deadline for the Bonds, 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 bid deadline occurs, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided, subject to this Notice of Sale. **For purposes of the electronic bidding process, the time as maintained on Parity shall constitute the official time.**

Bidding Constraints. Each bidder must submit a bid for the Bonds on an "all or none" basis. Bidders may specify more than one rate of interest to be borne by the Bonds but all Bonds of the same maturity must bear interest at a single rate; no split or supplemental interest rates and no conditional bids are permitted. The specified interest rates must be in multiples of one-eighth ($\frac{1}{8}$)

or one-twentieth ($\frac{1}{20}$) of one percent (1%). A zero rate may not be named for any maturity. Bids for the Bonds must not be for less than 100% of par or more than 115% of par, the highest interest rate specified for the Bonds may not exceed the lowest interest rate in the same bid by more than 300 basis points and the maximum permitted coupon is five percent (5%). By submitting a bid for Bonds, a bidder agrees, if it is the successful bidder for the Bonds, to (1) provide to the County full and complete pricing information with respect to the Bonds 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, 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; and (3) timely cause copies of the final Official Statement to be filed with the MSRB.

Establishment of Issue Price. The County expects and intends that the provisions of U.S. Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purpose of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds. If such competitive sale requirements are met, the successful bid for the Bonds will be treated as a "Qualified Competitive Bid." If such competitive sale requirements are not met, the successful bid for the Bonds will be treated as a "Nonqualified Competitive Bid."

If the apparent successful bid is a Qualified Competitive Bid, as promptly as possible after the bid deadline, the County will notify the apparent successful bidder and such bidder shall advise the County of the reasonably expected initial offering price to the public of each maturity of the Bonds. In addition, the successful bidder shall be required to provide to the County information to establish the reasonably expected initial offering price for each maturity of the Bonds for federal income tax purposes by completing a certificate acceptable to bond counsel to the County, on or before the date of issuance of the Bonds, substantially in the form of Appendix E-1 to the Preliminary Official Statement, with appropriate completions, edits and attachments.

If the apparent successful bid is a Nonqualified Competitive Bid, as promptly as possible after the bid deadline, the County will notify the apparent successful bidder and such bidder shall advise the County of the initial sale price or initial offering price to the public, as applicable, of each maturity of the Bonds. In addition, the successful bidder will be required to provide to the County information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of the Bonds for federal income tax purposes by completing a certificate acceptable to bond counsel to the County, on or before the date of issuance of the Bonds, substantially in the form of Appendix E-2 to the Preliminary Official Statement, with appropriate completions, edits and attachments. **It is noted that the procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices of the Bonds for some or all maturities of the Bonds for up to five (5) business days after the sale date. Bids will not be subject to cancellation if the hold-the-offering price rule applies to any maturity of the Bonds.**

All actions to be taken on behalf of the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County's financial advisor, Davenport & Company LLC, and any notice or report to be provided to the County may be provided to the County's financial advisor Davenport & Company LLC or bond counsel to the County.

Good Faith Deposit. The successful bidder for the Bonds shall submit a good faith deposit for the Bonds in the amount of \$286,250 (the "Deposit"). The Deposit shall be transferred by federal funds wire transfer no later than 3:00 p.m. ET on the Bid Date (the "Deposit Deadline"). Wire instructions will be provided to the successful bidder of the Bonds by the County's financial advisor upon verification of bids submitted, identification of the successful bidder for the Bonds and prior to the Deposit Deadline. The successful bidder for the Bonds will provide the federal funds wire reference number for its Deposit to the County's financial advisor as quickly as it is available.

Notification of the award of the Bonds, if made, will be indicated on Parity and shall not be made until after confirmation of receipt of the Deposit and adoption by the Board of County Commissioners of the County of a resolution making the award. If a Deposit is not received by the Deposit Deadline, the County will have the option to not award the Bonds without any liability to the successful bidder and the successful bidder shall be responsible to the County for all consequential damages arising from such failure.

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 a successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages.

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 FOR THE BONDS AND TO WAIVE ANY IRREGULARITY OR NON-CONFORMITY IN ANY BID. The award of the Bonds, if made, will be made to the bidder offering the lowest interest cost to the County. The lowest interest cost shall be determined in accordance with the true interest cost (“TIC”) method by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid. If two or more bidders for the Bonds bid the same lowest TIC, 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, 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.

CUSIP Numbers. CUSIP numbers for the Bonds will be applied for by the County’s 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 for the Bonds to accept delivery of and make payment for the Bonds.

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.

Continuing Disclosure. In order to assist bidders in complying with the SEC Rule 15c2-12(b)(5), the County, pursuant to a continuing disclosure agreement, will undertake to provide certain information annually and notices of the occurrence of certain enumerated events. The proposed form of the Continuing Disclosure Agreement is set forth as Appendix D to the Preliminary 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 therefor 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 therefor, the County will deliver to the successful bidders 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 (except to the extent an amendment or supplement is required due to a change in information provided by or on behalf of the successful bidder), with an electronic copy of the Official Statement and, if requested, with a reasonable number of hard copies of the Official Statement and any amendments or supplements thereto.

Delivery of the Bonds. Delivery of the Bonds will be made to the successful bidder through the facilities of DTC on or about November 30, 2022. On the closing date, bond counsel will deliver an opinion substantially in the form of Appendix B to the Preliminary Official Statement and the County will deliver customary closing documents as described in the Preliminary Official Statement. Payment of the net purchase price for the Bonds shall be made in immediately available funds.

Right to Modify Notice of Sale. The County reserves the right to modify any provisions of this Notice of Sale, including, without limitation, to reschedule the Bid Date or time of sale, or to change the preliminary amortization schedule for the Bonds or the bidding parameters for the Bonds; any such modifications shall be made not later than 9:30 a.m. ET on the Bid Date and communicated through Parity (or a related service) or TM3 News Service. Any bid submitted shall be in accordance with and be deemed to incorporate this Notice of Sale, including any modifications so made.

Additional Information. The Preliminary Official Statement of the County 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, Maryland, 21286 (410-296-9426).

**COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND**

By: Joseph M. Mitrecic
President of the Board
of County Commissioners

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

§ _____
COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2022 SERIES

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (this “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, 2022 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:

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

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

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

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

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

(a) The County shall provide to the MSRB annual financial information and operating data as set forth in Schedule A to this 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 each fiscal year, commencing with the fiscal year ended June 30, 2022.

(b) The County shall provide to the MSRB, if any, 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 ended June 30, 2022, 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 ended June 30, 2022), 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; provided that, the County may modify the accounting principles utilized in the presentation of financial information by amending this Disclosure Agreement pursuant to the provisions of Section 6 hereof. Changes in Generally Accepted Accounting Principles, where applicable to financial information to be provided by the County, shall not require the County to amend this Disclosure Agreement.

(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 the MSRB.

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

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

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

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of Bond holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the County;
- (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, 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;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect Bond holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

For purposes of the event identified in clause (12) of this Section 4(a), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the

existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

For purposes of the events identified in clauses (15) and (16) of this Section 4(a), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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 either at their maturity or by redemption prior to 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) this 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 experienced 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 and operating data containing the additional or amended financial information or operating data.

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 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event.

Section 8. Dissemination Agent.

The County may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent.

Section 9. 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 of the United States of America, as applicable.

Section 10. 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 11. 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 this 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 pursuant to Section 7 hereof or with disclosures made pursuant to Section 3(a) or (b) hereof or a notice of occurrence of a Listed Event.

Section 12. Relationship to Bonds.

This 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 13. 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.

Section 14. MSRB Requirements.

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

IN WITNESS WHEREOF, this Continuing Disclosure Agreement being executed by County Commissioners of Worcester County, Maryland as of this: _____ day of _____ 2022.

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

(SEAL)

By: _____
President of Board of County
Commissioners

ATTEST:

Chief Administrative Officer

ITEM 14

Schedule A

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

APPENDIX E

PROPOSED FORMS OF ISSUE PRICE CERTIFICATES

Appendix E-1FORM OF ISSUE PRICE CERTIFICATE FOR
QUALIFIED COMPETITIVE BID§ _____
COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2022 SERIESISSUE PRICE CERTIFICATE (Qualified Competitive Bid)

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

1. ***Reasonably Expected Initial Offering Price.***

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

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

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

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

2. ***Defined Terms.***

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

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

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

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

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate of the Issuer and with respect to compliance with the federal income tax rules affecting the Bonds, and by Funk & Bolton, P.A., bond counsel to the Issuer, in rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice bond counsel may give to the Issuer from time to time relating to the Bonds.

_____, as Purchaser

By: _____

Name:

Title:

(Authorized Signatory)

Dated: _____, 2022

SCHEDULE A

EXPECTED OFFERING PRICES

[To be Attached]

SCHEDULE B

COPY OF PURCHASER'S BID

[To be Attached]

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

\$ _____
**COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2022 SERIES**

ISSUE PRICE CERTIFICATE (Nonqualified Competitive Bid)

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

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

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

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

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

3. ***Defined Terms.***

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

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

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

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

ITEM 14

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

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

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

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate of the Issuer and with respect to compliance with the federal income tax rules affecting the Bonds, and by Funk & Bolton, P.A., bond counsel to the Issuer, in rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice bond counsel may give to the Issuer from time to time relating to the Bonds.

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

By: _____
Name:
Title:
(Authorized Signatory)

Dated: _____, 2022

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES

[To be Inserted or Attached]

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

[To be Inserted or Attached]

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

[To be Attached]