

PRELIMINARY OFFICIAL STATEMENT DATED JULY 9, 2026

**NEW ISSUE-DTC BOOK-ENTRY ONLY**



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

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

**\$95,535,000\***

**FREDERICK COUNTY, MARYLAND**

**General Obligation Public Facilities Project Bonds, Series 2026A**

<b>Dated: Date of Delivery</b>	<b>Due: As shown on inside cover</b>
Redemption	Bonds maturing on or after August 1, 2037, are subject to prior redemption in whole or in part, on or after August 1, 2036, at a price equal to 100% of the principal amount thereof, together with accrued interest thereon to the date of redemption.
Security	General obligations of Frederick County, Maryland
Purpose	The Bonds are being issued by the County for the purpose of (i) financing certain capital projects of the County's Capital Improvement Program and (ii) paying all or a portion of the costs of issuance related thereto.
Interest Payment Dates	February 1 and August 1, beginning February 1, 2027
Closing/Settlement	On or about August 12, 2026
Denominations	\$5,000
Book-Entry Only Form	The Depository Trust Company, New York, NY
Paying Agent/Registrar	Manufacturers and Traders Trust Company, Baltimore, MD
Bond Counsel	McGuireWoods LLP, Baltimore, MD
Financial Advisor	Davenport & Company LLC, Towson, MD
Issuer Contact	Frederick County, Director of Finance: (301) 600-1193

**For additional information related to the County, please visit the Investor Relations platform at <https://www.frederickcountymdbond.com>**

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of McGuireWoods LLP, Baltimore, Maryland, Bond Counsel. The date of this Official Statement is \_\_\_\_\_, 2026 and the information contained herein speaks only as of such date.

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

\* 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.

**\$95,535,000\* General Obligation Public Facilities Project Bonds, Series 2026A**

**MATURITIES, 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>
2027	\$2,560,000				2042	\$5,390,000			
2028	2,690,000				2043	5,610,000			
2029	2,830,000				2044	5,840,000			
2030	2,970,000				2045	6,080,000			
2031	3,125,000				2046	6,330,000			
2032	3,290,000				2047	865,000			
2033	3,455,000				2048	905,000			
2034	3,635,000				2049	940,000			
2035	3,820,000				2050	980,000			
2036	4,015,000				2051	1,020,000			
2037	4,220,000				2052	1,065,000			
2038	4,435,000				2053	1,110,000			
2039	4,665,000				2054	1,160,000			
2040	4,905,000				2055	1,210,000			
2041	5,155,000				2056	1,260,000			

\*Preliminary, subject to change.

\*\*Interest rates and offering yields or prices will be set forth in the final Official Statement described herein.

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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 reflected herein.

**FREDERICK COUNTY, MARYLAND  
OFFICIAL ROSTER OF COUNTY OFFICIALS**

**COUNTY EXECUTIVE**

**Jessica Fitzwater**

**COUNTY COUNCIL**

**Brad Young, President**

**Kavonté Duckett, Vice President**

**M.C. Keegan-Ayer**

**Mason Carter**

**Jerry Donald**

**Renee Knapp**

**Steve McKay**

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**CERTAIN APPOINTED AND MANAGERIAL OFFICIALS**

**John K. Peterson**

Chief Administrative Officer

**Daniel Lewis, CPFO**  
Chief Financial Officer

**Bryon C. Black**  
County Attorney

**Kelly M. Weaver, CPA**  
Director, Budget

**Erin White, CPA**  
Director, Finance Division

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

**Deborah Carpenter, AICP**  
Director, Planning & Permitting Division

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

**Lee Zimmerman**  
Director, Solid Waste & Recycling

**Heather Gramm, CEcD**  
Director, Division of Economic Opportunity

**Shannon Moore**  
Director, Energy & Environment Division

**BOND COUNSEL**  
McGuireWoods LLP  
Baltimore, Maryland

**FINANCIAL ADVISOR**  
Davenport & Company LLC  
Towson, Maryland

**COUNTY AUDITOR**  
SB & Company  
Owings Mills, Maryland

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

No dealer, broker, salesman, or other person has been authorized by the County or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. The information set forth herein has been obtained from the County and other sources which are deemed to be reliable, but it is not to be construed as a representation by the County as to information from sources other than the County.

This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or holders of any of the Bonds.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the County since the respective dates as of which information is given herein.

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not of, this Official Statement.

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

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## LOCATION

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

### Maryland



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## OFFICIAL STATEMENT

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\$95,535,000\*

### FREDERICK COUNTY, MARYLAND General Obligation Public Facilities Project Bonds, Series 2026A

#### INTRODUCTION

The purpose of this Official Statement, including the cover page, inside cover page and Appendices hereto, is to set forth certain information in connection with the issuance and sale by Frederick County, Maryland (the “County”) of its \$95,535,000\* General Obligation Public Facilities Project Bonds, Series 2026A (the “Bonds”). However, statements made involving estimates and assumptions, whether or not expressly so stated, are intended merely as such and not as representations of facts. Figures herein relating to tax collections, assessed value of property, and the financial position of the County have been taken from official records of the County.

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

For information regarding the County and its finances, see Appendix A attached hereto and incorporated herein by reference. Information concerning the County is also available on the County’s investor information website at <https://www.frederickcountymdbonds.com>. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of or incorporated into this Official Statement.

The County, founded in 1748, originally included the present Maryland counties of Garrett, Allegany, Washington, Carroll and Montgomery. It is located in the north central part of Maryland and is 664 square miles in area. The County is bordered on the north by Pennsylvania, on the west by Washington County, on the east by Howard and Carroll Counties, and on the south by Montgomery County and Virginia. According to the July 1, 2025, U.S. Census population estimates, the population of the County is 302,883.

There are 12 incorporated towns within the County. The County seat and largest city is the City of Frederick. According to the July 1, 2024, U.S. Census population estimates, the population of City of Frederick is 89,537. The City of Frederick is located approximately 45 miles northwest of Washington, D.C. and 45 miles west of Baltimore, Maryland.

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

The executive offices of the County are located at Winchester Hall, 12 East Church Street, Frederick, Maryland. The County’s website is [www.frederickcountymd.gov](http://www.frederickcountymd.gov).

Any questions regarding this Official Statement or the Bonds should be directed to the Director of Finance, Frederick County, Maryland, Winchester Hall, 12 East Church Street, Frederick, Maryland 21701.

#### THE BONDS

##### General

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

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\*Preliminary, subject to change.

Interest on the Bonds, calculated on a 30-day month/360-day year basis, will be payable semiannually on February 1 and August 1, beginning February 1, 2027, until the principal amount is paid.

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

The Bonds will be issued in fully registered form without coupons and will be issued in denominations of \$5,000 and integral multiples thereof. The Bonds initially will be issued in book-entry form without any physical distribution of certificates made to the public. The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds and the Bonds will be registered in the name of DTC’s partnership nominee, Cede & Co. See “DTC and Book-Entry Only System” below.

So long as the Bonds are maintained in book-entry form, payments of principal, premium and interest on the Bonds will be made as described below under “DTC and Book-Entry Only System.” At any other time, the principal amount of and premium, if any, on the Bonds will be payable at the principal corporate trust office of Manufacturers and Traders Trust Company, Baltimore, Maryland (the “Paying Agent” and “Bond Registrar”). Interest on the Bonds will be payable by check of the Paying Agent mailed to the registered owners thereof. The principal of, premium, if any, and interest on the Bonds will be paid in lawful money of the United States of America in the manner and at the places hereinabove described.

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

#### **Authorization**

The Bonds are issued pursuant to the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland, as amended (the “Bond Act”), Section 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended (the “Consolidated Bond Act”), Bill No. 24-16 (the “2024 Bond Bill”) enacted by the County Council on October 15, 2024, Bill No. 26-04 (the “2026 Bond Bill”) enacted by the County Council on April 7, 2026, Sections 2-13-1 through 2-13-35, inclusive, of the Code of Public Local Laws of Frederick County (1979), as amended (the “Water and Sewer Act”), Sections 5-601 through 5-604 of the Education Article of the Annotated Code of Maryland, as amended (the “School Bond Act” and, collectively with the Bond Act, the Consolidated Bond Act, the 2024 Bond Bill, the 2026 Bond Bill, and the Water and Sewer Act, the “Acts”), and in accordance with Resolution No. 26-14 adopted by the County Council on June 16, 2026 (the “Resolution”). See “CERTAIN DEBT INFORMATION – Bonded Indebtedness of the County; Debt Limitations” below.

#### **Security for the Bonds**

The Acts provide that the Bonds constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the County to the punctual payment of the maturing principal of and interest on the Bonds as and when they become due and payable. The Acts further provide, and the County has covenanted in the Resolution, that in each and every fiscal year of the County that any of the Bonds are outstanding, the County shall levy or cause to be levied ad valorem taxes sufficient to provide such sums as the County may deem sufficient and necessary, in conjunction with any other funds that will be available for the purpose, to provide for the payment of the interest on the Bonds coming due in each such year and to pay the principal of the Bonds maturing in each such fiscal year. In the event the proceeds from taxes so levied in any such fiscal year shall prove inadequate for such purposes, additional taxes shall be levied in the succeeding fiscal years to make up such deficiency.

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

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

## **DTC and Book-Entry Only System**

The information under this heading concerning DTC and DTC's book-entry only system has been obtained from sources that the County believes to be reliable. No representation is made by the Bond Registrar and Paying Agent or the County as to, and the Bond Registrar and Paying Agent and the County take no responsibility for the completeness or the accuracy of such information or the absence of material adverse changes in such information subsequent to the date of this Official Statement.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, prepayments, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Bonds of any maturity are selected for redemption, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

So long as a nominee of DTC is the registered owner of the Bonds, references herein to the Bondholders or the holders or owners of the Bonds shall mean DTC and shall not mean the Beneficial Owners of the Bonds. The County will recognize DTC or its nominee as the holder of all of the Bonds for all purposes, including the payment of the principal or redemption price of and interest on the Bonds, as well as the giving of notices and any consent or direction required or permitted to be given to or on behalf of the Bondholders. Any failure of DTC to advise any Direct Participant or of any Direct Participant to notify any Indirect Participant or any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the proceedings for the redemption of the Bonds or of any other action premised on such notice. The County will not have any responsibility or obligation to Participants or Beneficial Owners with respect to: 1) the accuracy of any records maintained by DTC or by any Participant; 2) the payment by DTC or by any Participant of any amount with respect to the principal of, premium, if any, or interest on the Bonds; 3) any notice which is permitted or required to be given to bondholders; 4) any consent given by DTC or other action taken by DTC as bondholder; or 5) the selection by DTC or any Participant of any Beneficial Owner to receive payment in the event of partial redemption of the Bonds.

#### Payments on Bonds

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

***The County cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Bonds paid to DTC or its nominee, as the registered owner of the Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement. DTC may charge the Participants a sum sufficient to cover any tax, fee or other governmental charge that may be imposed for every transfer and exchange of a beneficial interest in the Bonds, and the Participants may seek reimbursement therefor from the Beneficial Owners.***

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

#### Termination of Book-Entry Only System

In the event that the book-entry-only-system is discontinued, the Bonds will be delivered by DTC to the Bond Registrar and Paying Agent and such Bonds will be exchanged for certificated Bonds registered in the names of the Direct Participants or the Beneficial Owners identified to the Bond Registrar and Paying Agent. In such event, certain provisions of the Bonds pertaining to ownership of the Bonds will be applicable to the registered owners of the Bonds as described herein. (See "THE BONDS").

Book-Entry Only System – Miscellaneous

The information in the section “BOOK-ENTRY ONLY SYSTEM — The Depository Trust Company” has been obtained by the County from DTC. The County takes no responsibility for the accuracy or completeness thereof. None of the County, the Bond Registrar or the Paying Agent will have any responsibility or obligations to the Direct or Indirect Participants or the persons for whom they act as nominees with respect to the payments to or in the providing of notice to the Direct or Indirect Participants, or Beneficial Owners. The County cannot and does not give any assurance that the Direct or Indirect Participants or others will distribute principal and interest payments paid to DTC or its nominees, as the registered owner, or any redemption or other notices to the Beneficial Owners, or that they will do so on a timely basis or that they will serve and act in the manner described in this Official Statement.

**Application of Proceeds of the Bonds\***

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

The sources and uses of funds related to the Bonds, including information regarding the projects to be financed with the proceeds of the Bonds generally, are shown below.

<b>Sources of Funds:</b>	
Par Amount of the Bonds.....	
Original Issue Premium/Discount.....	
<b>Total Sources of Funds .....</b>	
<b>Uses of Funds:</b>	
Capital Projects:	
General Government .....	
Transportation .....	
Public Schools (K-12) .....	
Public Safety .....	
Parks.....	
Community College .....	
Stormwater .....	
Water & Sewer .....	
Total Capital Project Funding .....	
Costs of Issuance/Underwriter’s Discount.....	
Additional Proceeds .....	
<b>Total Uses of Funds.....</b>	

\*Preliminary, subject to change.

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## Redemption\*

### *Optional Redemption of Bonds*

The Bonds maturing on or after August 1, 2037 are subject to redemption prior to their respective maturities, at the option of the County, at any time on or after August 1, 2036, either as a whole or in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption.

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

So long as the Bonds are maintained under a book-entry only system, the selection of individual ownership interests in the Bonds to be credited with any partial redemption shall be made as described under "Book-Entry Only System." In case part but not all of a Bond shall be selected for redemption, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof a Bond or Bonds in any authorized denomination as specified by the registered owner. The aggregate principal amount of the Bond or Bonds so issued shall be equal to the unredeemed balance of the principal amount of the Bond surrendered.

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

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

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\*Preliminary, subject to change.

*Mandatory Sinking Fund Redemption\**

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

Term Bond maturing August 1, \_\_\_\_\_

<u>Year</u>	<u>Sinking Fund Installment</u>
-------------	---------------------------------

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\_\_\_\_\_  
\*\* Final Maturity

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

**Registration and Transfer**

So long as the Bonds are maintained in book-entry form, transfers of ownership interests will be made as described above under “DTC and Book-Entry Only System.” At any other time, the Bonds will be transferable only upon the registration books kept at the principal corporate trust office of the Bond Registrar, by the registered owner thereof upon surrender thereof together with a written instrument of transfer in form attached thereto and satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized attorney. The County may deem and treat the person in whose name a Bond is registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal or redemption price thereof and interest due thereon and for all other purposes. Upon any such transfer or exchange, the County shall execute and the Bond Registrar shall authenticate and deliver a new registered Bond or Bonds of any authorized denomination in an aggregate principal amount equal to the principal amount of the Bond exchanged or transferred and maturing on the same date and bearing interest at the same rate. In each case, the County and the Bond Registrar may require payment by any holder of Bonds requesting exchange or transfer of Bonds of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect to such exchange or transfer, and the County and the Bond Registrar may charge a sum sufficient to reimburse them for expenses incurred in connection with such exchange or transfer.

The Bond Registrar shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption; provided, however, that this limitation shall not apply to any portion of a Bond which is not being called for redemption.

**Bondholders’ Remedies**

A claim at law or in equity may be made against the County in the event that it fails to perform its obligations under the Bonds to the registered owners thereof and that any judgments or ruling by a Maryland court of competent jurisdiction resulting from such claim would be enforceable against the County. A Maryland court may have jurisdiction to entertain proceedings and power to grant additional relief, if necessary, to enforce the levy and collection of such taxes and payment of the proceeds thereof to the holders of general obligation bonds, subject to the inherent constitutional limitations referred to below. While remedies would be available to bondholders and while the Bonds are entitled to constitutional protection against the impairment of the obligation of contracts, such constitutional protection and the enforcement of such remedies would not be absolute.

Enforcement of a claim for payment of the principal of or interest on the Bonds could be made subject to the provisions of federal bankruptcy laws or of any statutes that may hereafter be constitutionally enacted by the United States Congress or the Maryland General Assembly extending the time of payment or imposing other constraints upon enforcement.

\_\_\_\_\_  
\*Preliminary, subject to change.

## **RATINGS**

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

## **LEGAL MATTERS**

### **Approval of Legal Proceedings**

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

## **TAX MATTERS**

### **Opinion of Bond Counsel – Federal Income Tax Status of Interest**

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

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

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

### **Reliance and Assumptions; Effect of Certain Changes**

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

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

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

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

### **Certain Collateral Federal Tax Consequences**

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

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

### **Original Issue Discount**

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

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

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

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

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

### **Original Issue Premium**

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

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

### **Information Reporting and Backup Withholding**

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

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

### **Internal Revenue Service Audits**

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

### **Tax Exemption – State of Maryland Taxation**

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

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

## **Changes in Federal and State Tax Law and Regulations**

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

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

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

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

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## COUNTY GOVERNMENT AND ADMINISTRATION

### General

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

The County provides a full range of services, including fire and rescue; law enforcement; sanitation services; construction and maintenance of highways, streets, and infrastructure; recreational activities; permitting and zoning activities; and general government activities. The County’s sanitation services, i.e., water, sewer, and solid waste management (including residential recycling), and comprehensive care services are wholly supported through user fees; the remaining services are primarily tax-supported. Incorporated municipalities within the County provide some or all of the following services within their boundaries which relieves the County from providing these services in those areas: water, sewer, solid waste management, highway and street maintenance, parks and recreation, and police protection. There have been no recent significant changes or interruptions in the provision of these services.

The County is a “charter county” under the Maryland Constitution. Prior to December 1, 2014, the County was governed under the county commissioner form of government. As a charter county, the County operates under separate legislative and executive branches of government, with the legislative power vested in an elected County Council and executive power in an elected County Executive. Charter counties have significant home rule powers, including the powers to enact local laws, to levy and collect taxes and assessments, and to incur debt.

The County Council is composed of seven members, consisting of five members elected from council districts and two at-large members. County Council members serve four-year terms and may not serve more than three consecutive terms.

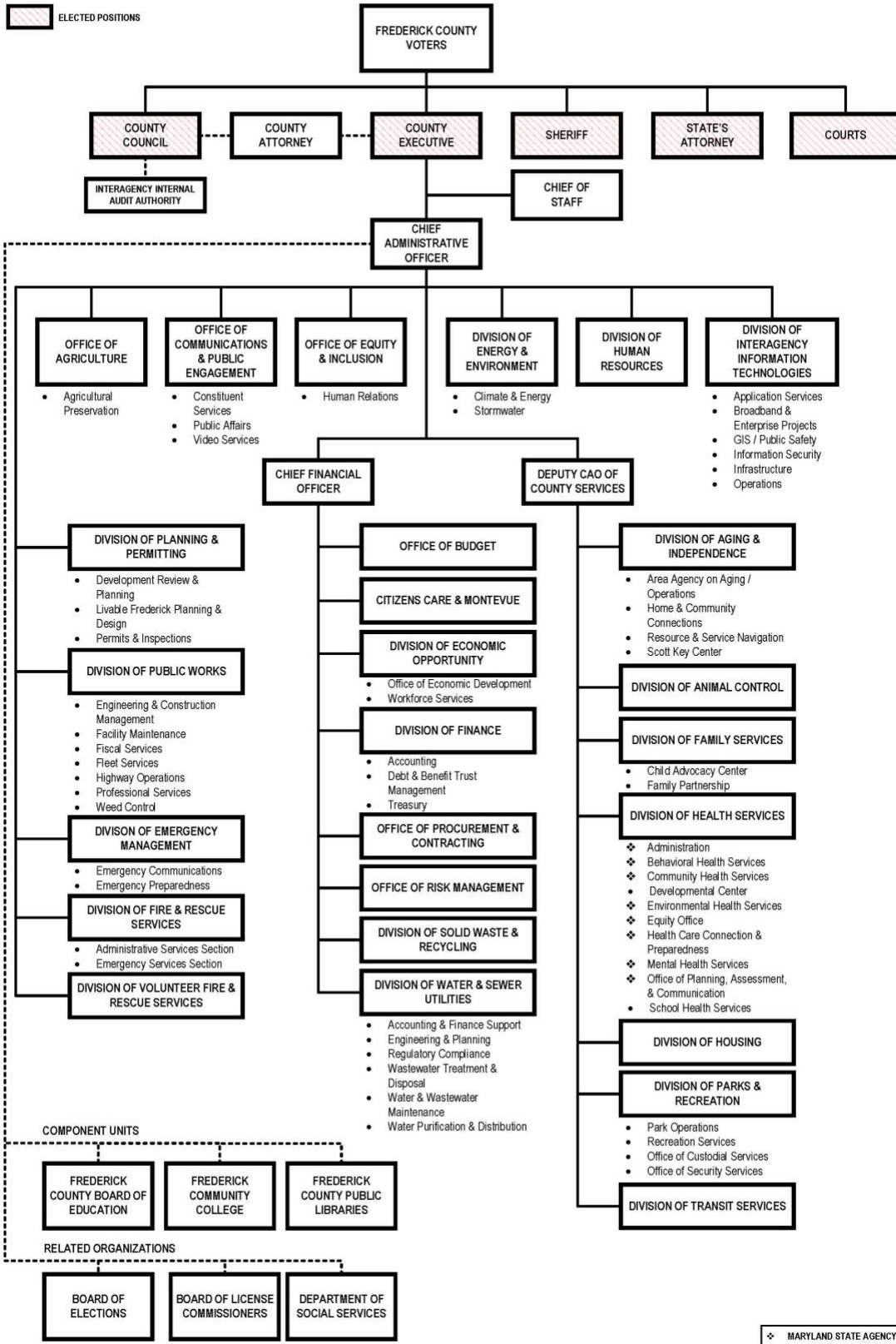
The County Executive is the chief executive officer of the County and serves a four-year term. No County Executive may serve more than two consecutive terms. The County Executive appoints other County executive officers, including a Chief Administrative Officer, a County Attorney, a Director of Finance,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

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

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

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# FREDERICK COUNTY GOVERNMENT ORGANIZATIONAL CHART



## Certain Elected and Appointed Officials

*Jessica Fitzwater, County Executive*, centers her leadership on the values of inclusion, accountability, and sustainability and believes Frederick County should be a vibrant and unique community where everyone can live, work, and thrive while enjoying a strong sense of place and belonging. Fitzwater's top priority is supporting students, educators, and families. She increased education funding by 30 percent in her first three budgets and invested heavily in school construction and renovation. Under her leadership, the County is building the new Linganore Creek Elementary School in one year – the fastest a school has ever been built in Maryland, which will relieve overcrowding and save taxpayer dollars. Ms. Fitzwater is committed to managing growth responsibly while preserving Frederick County's incredible quality of life. She helped to cut the number of acres zoned for data centers in half, limiting their sprawl and ensuring they cannot be built on the vast majority of the County's land. She is focused on housing affordability and using County-owned land to spur the building of affordable units. She set a land preservation goal of 160,000 acres by 2051 and increased investments in open space, agricultural programs, parks, bikeways, and trails. Ms. Fitzwater spent 16 years as an elementary music teacher at Oakdale Elementary School located in the County and served two terms on the County Council prior to being elected County Executive. She was raised in Smithsburg, Maryland, graduated from the public schools, and earned degrees from St. Mary's College of Maryland and Hood College. She lives in Frederick with her two children and is a member of Beth Shalom Congregation.

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

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

*M.C. Keegan-Ayer, County Council Member*, graduated from Bridgewater College, in Bridgewater, Virginia, with a degree in education. After teaching school for two years, she went to work on Capitol Hill for 10 years, first as a Legislative Assistant, then as a Legislative Director, and finished up as a lobbyist for an organization representing workers from across the U.S. Ms. Keegan-Ayer worked part-time as a staffer in the campaign office of Congresswoman Beverly Byron and continued to work for her until the early 1990s. She has served in leadership positions in various organizations over the years including being the president of the homeowner's association in her neighborhood, on the PTAs at her children's schools, and continuing to work on these PTAs for over 20 years in various capacities. Ms. Keegan-Ayer also served on the PTA Council of Frederick County, first as chair of the Legislative Issues Committee, and later as the second vice president in charge of all legislative issues and advocacy efforts. She was elected to the County Council in November of 2014, and after being sworn in, was elected as the Vice President of the Council. She held that leadership position all four years of her first term as the Representative District 3, being re-elected to Vice President in December of 2016. She was re-elected to represent District 3 in the gubernatorial election of 2018 and was subsequently elected as the President of the Council, a position she was re-elected to in December 2020. In her capacity as a representative for District 3, Ms. Keegan-Ayer sits as a liaison on the boards of various commissions and organizations including Containment Laboratory Citizens Advisory Commission, Senior Services Advisory Board, Workforce Development Board, Domestic Violence Coordinating Council, Immigrant Affairs Commission, Frederick County Board of Elections, Metropolitan Washington Council of Governments (serving on several committees), Maryland Association of Counties (MACo) Executive Board, MACo Legislative Committee and as Land Use Subcommittee Chairperson, President of the Women of MACo, and National Association of Counties (NACo) Committee on Energy, Environment and Land Use.

*Jerry Donald, County Council Member*, is a native of the County and retired from public school teaching after 35 years in the classroom. He is a graduate of Middletown High School and Western Maryland College (now McDaniel College). Mr. Donald is married, has three daughters, and resides in Braddock Heights, Maryland. Besides teaching, he has been involved in sales, coaching and officiating high school sports, and served as President of the Braddock Heights Community Association.

*Renee Knapp, County Council Member*, was elected to the Frederick County Council as an At-Large representative in 2022. In her first two years on the Council, Ms. Knapp sponsored legislation to establish a Day Care Providers property tax credit for home-based care providers in Frederick County. Additionally, she co-chaired the Data Centers Workgroup that was convened by County Executive Jessica Fitzwater in 2023 and sponsored updated data center regulations for Frederick County based on the group's recommendations. Ms. Knapp grew up in Frederick County and currently lives in Adamstown with her husband and son. She is a graduate of Mount Saint Mary's University and holds a bachelor's degree in criminal justice.

*Steve McKay, County Council Member*, has lived in the County with his family in Monrovia since 1999. Mr. McKay was first elected to the County Council in 2018 and is serving his second term. Mr. McKay's prior experience in community service began as the President of Residents Against Landsdale Expansion (RALE), where he served as President from mid-2013 until his resignation to pursue this County Council seat. He has been a strong advocate for responsible growth in the community, most notably in RALE's fight against the Monrovia Town Center. Mr. McKay also worked tirelessly to strengthen the County's public ethical standards and frequently provided public comment on any number of issues. During this period, he was also the Treasurer for his son's Cub Scout Pack at Green Valley Elementary School for three years. Mr. McKay has spent the last 39 years as a professional in the National Security arena, providing analysis and program management support to his government clientele. He received his master's degree in public management from the University of Maryland in 1987, and his Bachelor of Arts in Political Science from Boston University in 1985.

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

*Leslie Barnes-Keating, MBA, Deputy Chief Administrative Officer*, was appointed to her position in June 2023. As Deputy Chief Administrative Officer, Ms. Barnes-Keating is responsible for the County's direct public service divisions including the Health Department, Family Services, Housing, Aging & Independence, Parks & Recreation, Transit, and Animal Control. Ms. Barnes-Keating's career with Frederick County government began in 1995. Since that time, she has held a variety of progressively responsible positions in government including Administrative Support Supervisor within the Division of Citizens Services (now Family Services), Director of the Office for Children and Families/Local Management Board Director, and Deputy Director of the Division of Citizens Services (now Family Services). Throughout her career, she has led and participated in countless grant programs, projects, and committees charged with creating strategies to meet the needs of vulnerable seniors, children, youth, and families in Frederick County. She currently serves on the Metropolitan Washington Council of Governments Human Services Policy Committee as well as many other local committees. During her tenure, Ms. Barnes-Keating led the County's emergency shelter response during emergency situations and was responsible for budget and grant administration for County divisions and a variety of funding sources that included state, local, and federal funding. Born and raised in Frederick, Mrs. Barnes-Keating holds a Master of Business Administration degree from Mount Saint Mary's University and a Bachelor of Science degree in Business Management from the University of Maryland University College (now known as the University of Maryland Global Campus).

*Daniel J. Lewis, CPFO, Chief Financial Officer*, was appointed to his position in May 2023. As Chief Financial Officer (CFO), Mr. Lewis is responsible for the divisions of Finance and Economic Opportunity, the offices of Budget, Risk Management, and Procurement & Contracting, as well as three of the County's enterprise funds, the Division of Solid Waste & Recycling, the Division of Water & Sewer Utilities, and the Comprehensive Care Facilities. Mr. Lewis started his career with Frederick County as a high school intern for the County's Accounting Department in June 2001. Since he arrived in 2001, Mr. Lewis has held progressively higher positions within the Finance Division, including Accountant (2006-2011), Treasury Manager (2011-2021), and Deputy Finance Director (2021-2023). Prior to his appointment as CFO, Mr. Lewis served as the primary lead on Frederick County's American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) efforts. Mr. Lewis earned his Bachelor of Science degree in Management from the University of Maryland University College (now known as the University of Maryland Global Campus) and his Associate of Science degree in Business Management from Frederick Community College. He is a Certified Public Finance Officer (2019), and a member of the Government Finance Officers Association (GFOA). He is also a member of the Maryland Government Finance Officers Association (MDGFOA) and serves as the co-chair for the state-wide MDGFOA Tax Affinity Group. Mr. Lewis is also actively involved in various Frederick County committees including the Employees Retirement Plans, the Other Post-Employment Benefits (OPEB) Trust Fund, the Deferred Compensation Plan, and the Government Alliance on Race & Equity (GARE).

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

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

*Kelly M. Weaver, CPA, Director, Budget Office*, was appointed to her position in July 2019 after serving as assistant budget director since August 2007. Prior to her position as assistant budget director, she worked as an accountant at both the County and the City Hospital (now part of WVU Medicine). She currently serves as treasurer for two non-profits. Ms. Weaver received her bachelor's degree in accounting from Salisbury University and her master's degree in business administration with a concentration in accounting from Mount St. Mary's University.

*Heather Gramm, CECd., Director, Division of Economic Opportunity*, has 23 years of experience in municipal, county and state economic development in a variety of roles including business development, community development and downtown revitalization. She currently serves as the Director of the Division of Economic Opportunity for the County. In this role she oversees the Office of Economic Development and Frederick County Workforce Services. Prior to this role, she was the Vice President of Strategy for PPR Strategies, a place-based economic and community development consulting firm focused on strategy development and implementation, as well as strategic marketing and communications. Heather also served as Assistant Secretary of Business & Industry Sector Development with the Maryland Department of Commerce. In this role, she oversaw all aspects of the state's business development efforts including domestic and international business attraction and in-state business retention and expansion efforts; strategic industry sector development; economic development finance programs; and the agency's advocacy and support for military and federal assets in the state. Ms. Gramm's career included other roles at Maryland Department of Commerce as Senior Director of Strategic Industries and Entrepreneurship and Director of Regional Growth and Retention, as well as Assistant Director for the Frederick County Office of Economic Development, and the City of Frederick Department of Economic Development. She has received numerous awards and recognitions throughout her career, including the Daily Record Leading Women Award, the Development Counsellors International (DCI) 40 Under 40 awards, and the Maryland Economic Development Association Rising Star award. Ms. Gramm earned a B.A. in Business Administration from

from Hood College and the Certified Economic Developer (CEcD) certification through the International Economic Development Council. She is a 2011 graduate of Leadership Frederick County and a 2017 graduate of Leadership Maryland.

*Shannon Moore, Director, Division of Energy & Environment*, was appointed to her position in February 2023. She was tasked with the creation of the new Division and its Departments of Stormwater and Climate & Energy and its award-winning programs. Previously, she served as Director of the Office of Sustainability and Environmental Resources within the Office of the County Executive, Manager of the Stormwater Section, and Project Manager IV in Frederick County Government. Ms. Moore has 24 years of progressively responsible local government administration, climate, energy, and regulatory stormwater experience. She previously worked in the financial sector and for the federal government. Ms. Moore received her Bachelor of Arts in English from Saint Mary's College of Maryland in 1995 and Master of Environmental Science and Management from the Bren School at the University of California, Santa Barbara, California, in 1998.

*Deborah Carpenter, AICP, Director, Division of Planning & Permitting*, was appointed to her position in August 2023. She has over 30 years of experience in planning and permitting agencies, including over a decade in director positions. Prior to her appointment in the County, Ms. Carpenter served approximately four years as the Director of Planning & Growth Management for Charles County and five years as the Director of Planning & Land Management in Garrett County. Ms. Carpenter was also instrumental in the establishment of the first Resilience Authority in Maryland and served as the Chair of the Board of Directors for that non-profit organization for over two years. She served on the Maryland Sustainable Growth Commission and is active in the American Planning Association and the Maryland Chapter of the American Planning Association, as well as the Maryland Association of Counties Planners Affiliate. Ms. Carpenter holds a Master of Arts in Geography, and a Bachelor of Science in Environmental Analysis & Planning and is a nationally certified planner through the American Institute of Certified Planners. She is also a 2017 graduate of the Leadership Maryland program and a 2022 graduate of the National Association of Counties Professional Development Academy.

*Jason M. Stitt, P.E., Director, Division of Public Works*, was appointed to his position in August 2022 after serving as Department Head for the Department of Engineering and Construction Management. Mr. Stitt's employment with the County began in 2003 when he was hired as an engineer in the Office of Transportation Engineering. Prior to his career at the County, he spent six years as a bridge engineer for the Maryland State Highway Administration. Mr. Stitt has over 28 years of experience in transportation and public works. He earned a Bachelor of Arts in Mathematics with a minor in physics from St. Vincent College and a Bachelor of Science in Civil Engineering from Penn State University in 1998. Mr. Stitt is a licensed professional engineer, has served on the Board of Directors for the County Engineer's Association of Maryland, and is an active member of the American Society of Civil Engineers.

*Lee Zimmerman, Director, Division of Solid Waste & Recycling*, was appointed to his position in September 2024. Previously, he held the position of Acting Director of the Division of Solid Waste & Recycling from June 2024 until his appointment in September 2024. Prior to this appointment, he was the Deputy Director of the Division of Solid Waste & Recycling from June 2022 until June 2024. Mr. Zimmerman has more than 30 years of experience in the solid waste industry both in the private sector and public sector, having managed landfill and waste hauling companies in Pennsylvania, West Virginia, South Carolina, and Maryland. Mr. Zimmerman received his bachelor's degree in business administration from Shippensburg University. He is also a certified compost manager with the State of Maryland. Mr. Zimmerman is also a licensed aircraft mechanic with the Federal Aviation Administration (FAA).

*Mark A. Schweitzer, Director, Division of Water & Sewer Utilities*, was appointed to his position in September 2020. Mr. Schweitzer's employment with the County began in 1991 when he was hired as a senior laboratory technician in the Division of Public Works, Bureau of Water and Sewer Operations. He was promoted to Laboratory Supervisor in 1993 and oversaw an expansion of laboratory capabilities and obtained State of Maryland laboratory certification for drinking water analysis. In 2006, he was promoted to department head of the newly created Department of Regulatory Compliance in the Division of Utilities and Solid Waste Management. In 2016, he was promoted to Deputy Director of the division. Mr. Schweitzer has nearly 35 years of experience in the water and wastewater fields focusing on operations, laboratory analysis, permitting, and compliance. He earned a Bachelor of Science in Biology from the Virginia Polytechnic Institute and State University in 1988.

## Remuneration of Certain County Officials

The following table presents the annual remuneration for certain County officials as of March 31, 2026:

<u>Official Title</u>	<u>Salary</u>
Chief Administrative Officer.....	\$ 233,312
County Attorney.....	\$ 225,981
Chief Financial Officer.....	\$ 224,400
Director of Division of Water & Sewer Utilities....	\$ 222,232
Director of Finance.....	\$ 219,545
Director of Public Works.....	\$ 208,395
Director of Economic Development.....	\$ 205,000
Director of Budget.....	\$ 192,374
Director of Planning and Permitting.....	\$ 192,321
Director of Solid Waste & Recycling.....	\$ 168,300

Source: Frederick County Finance Division.

## Investment of County Funds

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

## Retirement and Pension Programs

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

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

The Frederick County Employees' Retirement Plan (the "County Plan") was established on July 1, 1993, under authority created by State legislation and Section 2-2-2 of the Code of Public Local Laws of Frederick County (1979), as amended (the "County Code"). Benefit provisions of the plan were adopted by ordinance after a public hearing.

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

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

The DROP provides an incentive to encourage employees to work twelve to thirty-six months after they are eligible for normal retirement. During this DROP period, the retirement benefit payments the employee would have received as of the date they elect to join DROP are accumulated in a separate self-directed investment account with investment options similar to the County’s Deferred Compensation Plan (457b), while they continue to work. Effective July 1, 2024, the participants of the Career Firefighters Association of Frederick County, MD, Inc., Local #3666, increased their DROP contributions for new enrollees into the DROP program to include the participant’s 5% payroll withholding retirement contribution. At the end of the DROP period, the employee retires, and the DROP funds are made available to them. Should a DROP participant cease working during their DROP period, all funds are returned to the Uniformed Retirement Plan.

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

**Single-Employer Pension Plans**

*Frederick County Employees’ Retirement Plan (Non-Uniformed Employees)*

The type and number of covered employees as of June 30, 2025, were as follows:

Retirees and beneficiaries currently receiving benefits	1,065
Active employees	1,687
Terminated employees entitled to benefits – vested	183
Terminated employees entitled to benefits – non-vested	<u>537</u>
Total	3,472

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

*Frederick County Uniformed Employees’ Retirement Plan*

The type and number of covered employees as of June 30, 2025, were as follows:

Retirees and beneficiaries currently receiving benefits	360
DROP participants	8
Active employees	904
Terminated employees entitled to benefits – vested	44
Terminated employees entitled to benefits – non-vested	<u>88</u>
Total	1,404

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

*Funding Policy and Net Pension Liability*

Funding for the plan provides for periodic contributions based upon actuarial valuations. In September of 2018, the County adopted a funding policy for the County Plans. This policy establishes a formal methodology for financing the pension obligations of the County Plans, with a goal of maintaining a funding ratio between 95% - 105%. The objective of the policy is to reflect a reasonable and fiscally conservative approach to fund the obligations over a time frame that ensures benefit security while balancing the additional and sometimes competing goals of intergenerational equity and a stable contribution rate. It is intended to provide flexibility to smooth the volatility of the investment marketplace and the actual economic and demographic experiences that differ from assumed experience. The Funding Policy was updated as of July 1, 2021, to accommodate the inclusion of both the Employees Retirement Plan and the Uniformed Employees Retirement Plan. The policy considers the actuarially determined contribution (ADC) and a minimum contribution equal to two times the employee contribution rate, as of the most recent actuarial valuation. Required contributions under the plan that are not funded by employee contributions are funded entirely by the County. Costs of administering the plan are financed on a current funding basis.

As of July 1, 2024, uniformed employees contribute nine percent of their base pay under the plan and non-uniformed employees contribute six percent. The fiscal year 2025 actuarial report included a calculated actuarially determined contribution of 15.1% for the Employee’s Plan and a contribution of 31.7% for the Uniformed Plan. Below are the actuarially determined contribution rates for each plan:

	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2026</u>	<u>Fiscal Year 2027</u>
Employee’s Retirement Plan	15.1%	13.5%	12.4%
Uniformed Employee’s Retirement Plan	31.7%	29.8%	28.1%

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

The components of the net pension liability of the County at June 30, 2025, were as follows:

	<u>Employee’s Plan</u>	<u>Uniformed Employee’s Plan</u>
Total pension liability	\$ 664,893,875	\$ 562,495,200
Plan fiduciary net position	<u>(640,183,361)</u>	<u>(523,000,264)</u>
County’s net pension liability	<u>\$ 24,710,514</u>	<u>\$ 39,494,946</u>
Plan fiduciary net position as a percentage of the total pension liability	96.28%	92.98%

The total pension liability above was determined by an actuarial valuation as of July 1, 2023, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Date of experience study	9/10/2019
Inflation	2.5%
Salary Increases	Rates vary by participant years of service
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Mortality rates	Employees (Uniformed): 70% of PUB-2010 Safety Employees Amount-Weighted Mortality Table projected generationally from the 2010 base year using Scale MP-2018.
	Employees (Non-Uniformed): 70% of PUB-2010 General Employees Amount-Weighted Mortality Table projected generationally from the 2010 base year using Scale MP-2018.
	Retiree: PUB-2010 General Retiree Amount-Weighted Mortality Table projected generationally from the 2010 base year using Scale MP-2018.

Beneficiary: PUB-2010 General Retiree Amount-Weighted Mortality Table projected generationally from the 2010 base year using Scale MP-2018.

Disabled Retiree: PUB-2010 General Disabled Retiree Amount-Weighted Mortality Table projected generationally from the 2010 base year using Scale MP-2018.

The above is a summary of key actuarial assumptions. Full descriptions of the actuarial assumptions are available in the December 1, 2023, actuarial valuation report.

The County's contributions to the Employee's Retirement Plan for fiscal year 2025 were \$18.8 million and equaled the actuarially determined contribution, as provided in the actuarial valuation as of July 1, 2023. The County's contributions to the Uniformed Employees Plan for fiscal year 2025 were \$25.4 million. This amount equaled the actuarially determined contribution, as provided in the actuarial valuation as of July 1, 2023. The actuarially determined contributions for each of the plans in fiscal year 2025 and 2026 are listed below:

	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2026</u>
Employee's Retirement Plan	\$18.8 million	\$16.7 million
Uniformed Employee's Plan	\$25.4 million	\$24.3 million

### **Length of Service Awards Program**

#### *Plan Description*

In 1985, the County created the Length of Service Awards Program (LOSAP), a defined benefit plan for eligible volunteers of Frederick County fire, rescue and emergency medical services. In fiscal year 2019, the County Executive elected to create a Length of Service Award Program Trust, which is funded entirely by the general fund. This trust provides benefits to volunteers who have completed certain eligibility and years of service requirements.

An active member, upon reaching 62 years of age, who has completed 25 years of creditable service and otherwise meets the requirements of the program will be entitled to receive an award of \$240 per month, distributed quarterly, until death. An additional award of \$20 per month will be made to the member for each additional five years of completed creditable service up to a maximum total award of \$340 per month.

The LOSAP program also provides a death benefit to eligible volunteers. In the event a member who is receiving LOSAP benefits dies before receiving at least \$15,000 in total payments, their designated beneficiary will receive a partial benefit equal to the difference between payments received and \$15,000. A maximum benefit of \$15,000 will be paid to the designated beneficiaries of a member, age 62 or older, who has died after completing five years of active service but less than 25 years. The benefit will be pro-rated based on years served after five years. A member who has served a minimum of five years and is under 62 years of age will be covered under a \$15,000 LOSAP insurance policy.

The type and number of participants consisted of the following at January 1, 2024, the date of the October 24, 2024, actuarial valuation:

Active volunteers	767
Terminated vested	17
Service retirements continuing to earn benefits	137
Service retirements not continuing to earn benefits	<u>196</u>
Total	1,117

*Net LOSAP Pension Liability of the County*

The components of the net LOSAP pension liability of the County at June 30, 2025, were as follows:

Total LOSAP liability	\$ 15,662,677
Plan fiduciary net position	<u>(5,462,230)</u>
County's net LOSAP liability	<u>\$ 10,200,447</u>
Plan fiduciary net position as a percentage of the total LOSAP liability	34.87%

During the fiscal year ending June 30, 2025, contributions were \$1.48 million and were equal to the actuarially determined contribution requirements determined through an actuarial valuation as of July 1, 2023. For the fiscal year ended June 30, 2025, the County recognized LOSAP expense of \$711,517.

**Other Post-Employment Benefits**

*Plan Description*

The Frederick County Retiree Health Benefit Plan was established on July 1, 2008, as a single employer defined benefit healthcare plan administered by the County in a separate trust fund. The Plan provides healthcare benefits to eligible retirees of both the County and Frederick County Public Library and, in certain instances, their eligible survivors and dependents. As of January 1, 2023, the County moved their health benefits to a self-insurance model. This change had no impact on participant contributions and was estimated to provide cost savings in future years. Effective January 1, 2025, the County updated its Post Retirement Health Benefits policy to allow only one Medicare plan option for the Medicare-eligible population (retirees/spouses). This change moved all Medicare-eligible retirees/spouses from their existing plans, active employee Cigna plan(s), United Healthcare Medicare supplement plan(s) and the Cigna True Choice Medicare Advantage plan, to the new CareFirst Medicare Advantage plan. This change lowered the majority of Medicare-eligible retiree's monthly contributions and is expected to have significant cost savings to the County.

Membership of the Plan consisted of the following at September 1, 2023, per the actuarial valuation report dated October 27, 2023:

Retirees and beneficiaries currently receiving benefits	722
Terminated plan members entitled to but not yet receiving benefits	N/A
Active plan members	<u>2,080</u>
Total	2,802

*Funding Policy and OPEB Liability*

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

The chart below shows detailed benefit information:

<u>Original Service Date</u>	<u>Years of Service</u>	<u>Retiree Share</u>	<u>County Share</u>
Prior to July 1, 1992	N/A	15%	85%
On or after July 1, 1992 and before August 1, 2008	Less than 25 years of service	50%	50%
On or after July 1, 1992 and before August 1, 2008	With 25 or more years of service	45%	55%
On or after August 1, 2008	10 years or greater and less than 15 years of service	75%	25%
On or after August 1, 2008	15 years or greater and less than 20 years of service	65%	35%
On or after August 1, 2008	20 years or greater and less than 25 years of service*	55%	45%
On or after August 1, 2008	25 or more years of service	45%	55%
Employees aged 65 years or greater regardless of service date	5 years or greater and less than 10 years and retire after July 1, 2021	80%	20%

\* Exception for sworn, regular nonexempt uniformed employees at or below the rank of Captain with the Division of Fire and Rescue Services, or full-time Deputy Sheriffs or Correctional Officers at or below the rank of Sergeant with the Sheriff's Office, the benefit contribution is split 50/50 between the Retiree and the County.

Full-time Deputy Sheriffs or Correctional Officers at the rank of Sergeant and below are eligible for line of duty health care coverage, regardless of years of service, provided the employee retires under a line of duty disability on or after July 1, 2019. All sworn, regular, non-exempt uniformed employees at or below the rank of captain within the Frederick County Division of Fire and Rescue Services are eligible for line of duty health care coverage, regardless of years of service, provided the employee retires under a line of duty disability on or after July 1, 2020, at a rate of 50% of the premium.

For fiscal year 2025, the County contributed \$1.4 million to the Plan. Plan members receiving benefits contributed \$2.5 million, approximately 18.9% of the total premiums and benefit claims. Administrative costs are financed through investment earnings.

*Funding Status and Progress*

The components of the net OPEB I asset of the County at June 30, 2025, were as follows:

Total OPEB liability	\$ 155,264,766
Plan fiduciary net position	<u>(268,977,607)</u>
County's net OPEB liability (asset)	\$ <u>(113,712,841)</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	173.24%

The total OPEB asset as of June 30, 2025, was determined by an actuarial valuation as of September 1, 2023, and rolled forward to June 30, 2025, using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation rate = 2.6%
- Healthcare cost trend rate – The trend for 2025 is 7.00% for pre-Medicare benefits and 0.00% for Medicare benefits. The ultimate trend is 4.04% for pre-Medicare benefits and 3.92% for Medicare benefits.
- Investment rate of return = 7.0%, net of OPEB plan investment expenses including inflation
- Mortality Rates:
  - Pre-retirement mortality is 70% of SOA Pub-2010 Safety Employees Headcount-Weighted Mortality Table projected on a fully generational basis using mortality improvement scale MP-2018 for Uniformed employees, and 70% of SOA Pub 2010 General Employees Headcount-Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2018 for non-uniformed employees.
  - Post-retirement mortality for healthy participants and beneficiaries is SOA Pub 2010 General Retirees Headcount-Weighted Mortality table on a fully generational basis using mortality improvement scale MP-2018.
  - Post-retirement mortality for disabled participant is SOA Pub-2010 General Disabled Retirees Headcount-Weighted Mortality table with fully generational basis using scale MP-2018.

## *Contributions Required and Made*

For fiscal year 2025, the County contributed \$1.4 million to the plan, which was \$43,000 over the actuarially determined contribution of \$1.3 million. For fiscal year 2024, the County contributed \$12.2 million, exceeding the actuarially determined contribution of \$10.1 million by \$2.1 million. The ADC decreased from \$1.3 million for fiscal year 2025 to \$0 for fiscal year 2026. This decrease was primarily due to lower than expected per capita costs for Medicare participants due to the County moving Medicare retirees into the CareFirst Medicare Advantage Prescription Drug (MAPD) plan.

## **Labor Relations**

The County has extensive personnel rules and Human Resources policies, including a formal appeal and grievance process. The County has not experienced a work stoppage due to labor disputes and considers its relationship with its employees and their unions to be positive. As of March 25, 2026, the County employed approximately 3,750 total employees, including full and part-time employees.

Effective July 1, 2005, Maryland state law allowed the County to enact an ordinance allowing voluntary collective bargaining concerning wages and benefits between the County and a duly certified organization representing certain employees of the County's Division of Fire & Rescue Services. The County enacted such an ordinance in March 2006, and, thereafter, labor negotiations between the County and Career Fire Fighters Association of Frederick County, MD Inc. Local #3666 addressed wages and benefits. The County Council passed legislation on February 18, 2020, allowing bargaining between these parties regarding working conditions (in addition to wages and benefits), as well as binding arbitration when the parties have reached an impasse.

The current Memorandum of Understanding between the County and IAFF Local #3666 has effective dates of July 1, 2025, through June 30, 2028. The current Memorandum of Understanding covers wages, benefits, and other terms and conditions of employment, and it was achieved without the need for binding arbitration. The parties engaged in negotiations for this agreement between October 1, 2024, and January 31, 2025.

State law also authorized the certified representatives of certain full-time deputy sheriffs and corrections officers in the Frederick County Sheriff's Office to collectively bargain with the Sheriff concerning wages and benefits. The Sheriff has engaged in collective bargaining with the certified representatives for both groups, Fraternal Order of Police Lodge No. 102 (Deputies) and 102A (Corrections Officers), since 2009. The current labor agreements between the Sheriff of Frederick County and the Fraternal Order of Police Lodges No. 102 and 102A are effective from July 1, 2025, through June 30, 2026. The County approves funding for these labor agreements. The Sheriff is currently engaged in negotiations for successor contracts, with County involvement regarding funding.

Strikes are not permitted by the covered employees of the Division of Fire & Rescue Services, or by the covered deputy sheriffs and corrections officers in the Frederick County Sheriff's Office.

Recently enacted State law also authorized certain full and part-time employees of the Frederick County Public Libraries to collectively bargain with the Libraries concerning wages, benefits, and other terms and conditions of employment. Frederick County Public Libraries is a component unit of County Government, and their employees are not considered County employees. Certain employees of the Libraries have recently organized and are represented by AFSCME Maryland Council 3, American Federation of State, County and Municipal Employees, AFL-CIO. Certification was effective November 19, 2025. The new employee bargaining unit includes the following full-time and part-time job titles: bookmobile coordinator, circulation clerk, clerk driver, communications specialist, integrated library systems specialist, inter library loan assistant, librarian I (non-supervisory), library associate, library collections assistant, library specialist, library technician, materials manager, processing technician, senior circulation clerk, shelver, and youth services coordinator. Libraries management is currently engaged in negotiations for an initial labor agreement. The County approves funding for the Libraries but is not a party to the bargaining relationship, will not be party to the labor agreement, and is not directly involved in negotiations.

Some County employees may be members of other unions, such as the Maryland Classified Employees Association or the American Federation of State, County and Municipal Employees, but there are no other bargaining relationships between the County and other unions. The Frederick County Teachers Association represents the certificated employees (teachers) employed by the Board of Education. The Frederick County Teachers Association negotiates employment agreements that include rates of compensation from the Board of Education. Such negotiated agreements are not binding on the County. The County approves funding for the Board of Education.

## **Insurance**

The County has a \$100,000 self-insured retention for general liability, law enforcement, employment practices, public officials, automobile liability, and property losses, as approved by the State of Maryland. Additionally, it maintains commercial liability coverage for mobile equipment, cyber, crime, fiduciary, medical professional, drone, flood and environmental risks with varying deductibles. The County is mandated to provide unemployment insurance for its employees. The County has been self-insured for workers' compensation since July 1, 2022. To ensure protection against large or catastrophic events that exceed our retention or deductibles, the County maintains excess insurance policies.

Before software or technology consultants start working with the County, the Office of Risk Management reviews the scope of work to determine if the consultants need to have cyber, crime, and/or technology errors and omissions insurance. The Office then assesses the adequacy of the consultants' insurance before finalizing contracts. The Office of Risk Management also oversees the County's Record Retention Compliance Program, which ensures that the County and its vendors are properly maintaining, retaining, and disposing both physical and electronic County records in a secure manner and in compliance with federal, state, and local regulations.

## **Independent Agencies**

Nine independent agencies submit annual funding requests to the County, and these requests must go through the County's budget process, requiring approval by the County Executive and adoption by the County Council. These independent agencies include the Board of Elections, Cooperative Extension Services, Interagency Internal Audit Division, Liquor Commission, Frederick Soil Conservation District, Department of Social Services, Maryland State Department of Assessments and Taxation, Non-County Agencies, and the Community Partnership Grant. These agencies are funded as a whole or in part by the County's General Fund.

The Board of Education, Frederick Community College, and Frederick County Public Libraries are accounted for as component units. Effective August 2025, Scott Key Center, Inc. is no longer reported as a component unit because the County assumed responsibility for billing the State directly for these services. Board members of the Board of Education and Frederick Community College are elected or appointed by the Governor of Maryland, while members of the remaining agencies' boards are either appointed by the County Council, designated from other County agencies, or represent State agencies or political subdivisions of the State.

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## CERTAIN SERVICES AND RESPONSIBILITIES

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

### Education

#### *Frederick County Public Schools*

The Board of Education is comprised of seven elected members each serving four-year terms and a student member who is a high school student selected by the Frederick County Association of Student Councils serving a one-year term. The Board is responsible for the overall operation and policy decisions of the County’s 69 schools serving 47,884 students in fiscal year 2026. There are 38 elementary schools (pre-kindergarten-grade 5), 13 middle schools (grades 6-8), 10 high schools (grades 9-12), four specialized schools, and four public charter schools. In August of 2026, Linganore Creek Elementary is expected to be added, increasing the total number of schools to 70 and the total number of elementary schools to 39.

During the 2024-2025 school year, the teacher/student ratio was approximately 1 to 14. In 2025, 3,572 students received high school diplomas.

The County’s largest General Fund appropriation in its adopted fiscal year 2026 budget is \$457,418,995 for operating expenditures for public education. County appropriations for operating expenditures constituted a 4.64% increase over approved operating expenditures by the County for public education in fiscal year 2025. County funds for educational purposes are requested and appropriated in accordance with categorical classifications delineated by the Education Article of the Maryland Code. Net County appropriations for capital expenditures for public education are \$146,960,713, with an additional \$25,941,155 in State funding (comprised of capital improvement funds), in fiscal year 2026. The County expects to receive State and federal aid of \$457,817,645 and \$30,364,142 for operating expenditures, respectively, for public education during fiscal year 2026.

#### *Frederick Community College (FCC)*

Frederick Community College (the “College”) is a two-year community college offering three separate curricula: a credit curriculum for those who wish to obtain a bachelor’s degree and transfer to another college or university; a credit occupational curriculum for those who seek entry-level employment; and a continuing education program for those who wish to upgrade basic skills or occupational skills in the Continuing Education and Workforce Development (CEWD). Fiscal year 2025 covers the timeframe between July 1, 2024, and June 30, 2025, and included sessions occurring in the following semesters: Summer II 2024, Fall 2024, Spring 2025, and Summer I 2025. For fiscal year 2025, the College served 15,676 total unduplicated students, of which 10,226 were credit-only students, 5,803 were CEWD only students, and 353 were students who took a combination of credit and CEWD courses.

The Summer II 2024 semester included two sessions with census dates that occurred in fiscal year 2025, on July 10 and July 12, 2024. There was a total of 547 unduplicated students. In Fall 2024, the total unduplicated headcount was 7,293. In Spring 2025, the total headcount was 7,155. Summer I 2025 included four sessions with census dates occurring in fiscal year 2025, and there were 2,049 unduplicated students.

Full-time equivalent (FTE) is a measure derived from the credit loads of students and is used to secure funding for FCC from the State through the CADE Formula. For fiscal year 2025, the total FTE was 4,513.93 with total credit FTE at 3,966.86 and non-credit at 547.07. The Fall 2024 credit FTE was 1,820.93, the Spring 2025 credit FTE was 1,803.20, and the combined summer session (Summer II 2024 and Summer I 2025) credit FTE totaled 345.13. Following COMAR 13B.07.03.04B(1), 2.40 FTE were removed for students funded under federal, state, or local contracts or grants.

Fiscal year 2026 operating budget for the College without the use of \$2,300,000 in strategic reserves is \$76,476,318. Of this amount, approximately 34.1% was appropriated from the County’s General Fund and an additional 0.9% for in-kind expenses. The balance of the College’s funding is derived from a combination of State aid in the amount of \$25,676,415, student tuition and fees, and other miscellaneous sources. Additionally, the County funds certain capital improvements and renovations annually. New construction funding is usually shared by the County and State. The County’s funding of the College’s fiscal year 2026 capital budget is \$10,318,550.

Summer (Summer II - Summer I 2025)	\$ 345.13
Fall 2024	1,820.93
Spring 2025	1,803.20
FTE Reduced per COMAR	(2.40)
<b>CREDIT TOTAL FY2025 FTE</b>	<u><u>\$3,966.86</u></u>
Non-Credit FTE in FY2025	\$ 547.07
Credit FTE in FY2025	3,966.86
<b>TOTAL FTE/FY2025</b>	<u><u>\$4,513.93</u></u>

**Sheriff’s Office**

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

The Sheriff’s Office is comprised of two bureaus: the Law Enforcement Bureau and the Corrections Bureau. The Law Enforcement Bureau is composed of the Administrative Services Division and the Operations Division and is staffed by 192 sworn and 69 civilian personnel. The Corrections Bureau is comprised of Administrative Services, Community Services, Inmate Services and Security Operations, and is staffed with 142 uniformed and 29 non-uniformed personnel. The Sheriff’s Office is an accredited agency through the Commission on Accreditation for Law Enforcement Agencies, the National Commission on Correctional Health Care, and Maryland Commission on Correctional Standards.

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

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

The Sheriff's Office Drone Program has brought numerous benefits that enhance safety, efficiency, and effectiveness in various operations. The drone program has proven to be an asset by contributing to increased operational efficiency and public safety throughout Frederick County. Drones can quickly cover large areas that would be time-consuming and resource intensive. The drones are particularly useful in search and rescue missions, monitoring large public events, or surveying disaster-stricken areas.

The Corrections Bureau operates the Frederick County Adult Detention Center and Frederick County Work Release Center offers not only traditional incarceration, but all available alternatives to incarceration including pretrial release (supervised release), home detention (electronic monitoring), alternative sentencing (community service hours), and work release. The Corrections Bureau also staffs a full-service central booking facility, which processes all offenders arrested within the County so that police officers can return to their patrol duties faster. At any given time, the Corrections Bureau supervises over 600 offenders a day.

In the wake of incidents across the country of misconduct and criminal acts involving police officers, particularly those that resulted in serious injury or death of a citizen, the Maryland General Assembly enacted substantial legislation focused on police reform. The Maryland Police Accountability Act of 2021 – Police Discipline and Law Enforcement Programs and Procedures requires that each county governing body establish a Police Accountability Board. After a robust public process, the County adopted its Police Accountability Board and Administrative Charging Committee in April of 2022. To the maximum extent practicable, the membership of the board reflects the racial, gender, and cultural diversity of the county as well as representation from communities that experience a higher frequency of interactions with law enforcement.

## **Fire & Rescue**

The Frederick County Fire & Rescue Services Division (DFRS) provides fire, rescue and emergency medical services in conjunction with 24 volunteer fire/rescue companies operating from 29 stations. DFRS is comprised of 626 uniformed personnel responding with approximately 600 volunteers. Emergency response vehicles include 45 pumpers, nine aerials, 15 tankers/engine tankers, 11 squads, 21 brush trucks, 48 ambulances, and 13 medic units.

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

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

## **Emergency Management**

The Division of Emergency Management is responsible for operating the County's 9-1-1 Center. It is comprised of a Division Office with two operational departments: Emergency Communications and Emergency Preparedness. The Division Director provides overall leadership and strategic direction for emergency management functions and is duly appointed by the County Executive and by the Governor of Maryland. The Division Office provides administrative and financial support for the development, maintenance, and operation of the public safety radio system, 9-1-1 telephone system, computer aided dispatch system, and public warning systems. It serves as the primary contact for mutual aid agreements, administers several public safety grants, and works closely with state, regional, and federal partners to ensure County priorities are represented. The Division Director is supported by a Deputy Director, Department Head of Administrative Operations, two Special Project Managers, Fiscal Administrator, Grants Manager, Administrative Support Supervisor, and three administrative support staff.

The Department of Emergency Communications (DEC) operates the County's Public Safety Answering Point (PSAP), commonly known as the 9-1-1 Center. DEC staff answer all 9-1-1 calls within the County and dispatch for all fire, rescue, and ambulance services, as well as the Frederick County Sheriff's Office, Brunswick City Police, Thurmont Police Department, and the Frederick County Animal Control. Additionally, DEC answers 911 calls for and collaborates with the Frederick Police Department, Fort Detrick Police Department, Maryland State Police Barrack B, and the Maryland State Highway Administration's District 7 Traffic Operations Center by sharing facilities and integrating with public safety systems to ensure seamless response. The Department of Emergency Communications is guided by a Director and supported by an Assistant

Director, four Administrators, and five Assistant Administrators who provide strategic oversight of the 9-1-1 Center to ensure the integration of advanced technologies and operational protocols. DEC has over 100 telecommunicator positions and one Public Safety Behavioral Health Coordinator.

The Department of Emergency Preparedness (DEP) leads the County efforts in emergency preparedness, planning, mitigation, and recovery. DEP continuously updates Frederick County's emergency planning documents to reflect local conditions and ensure compliance with evolving State and Federal regulations. These partners include county divisions, municipalities, community organizations, businesses, neighboring counties, the State of Maryland, and federal installations with interests in Frederick County. DEP is guided by a Department Head and includes an Alert & Warning Coordinator and several emergency management specialists, who lead countywide resilience initiatives, emergency and response operations, hazard mitigation planning, and disaster recovery coordination.

## **Planning and Permitting**

The organizational structure for the Division of Planning and Permitting (DPP) includes Administration, the Livable Frederick Planning and Design Office, the Development Review and Planning Department and the Permits and Inspections Department.

DPP has approximately 80 staff positions and is primarily responsible for defining and implementing a unified approach to the comprehensive planning, development review, permitting, and inspections functions of County government. The division serves as a central clearinghouse for the general public, private sector interests, and governmental agencies involved in the County's land development processes, ranging from land use planning and zoning matters, to building permits, inspection services, and certificates of occupancy.

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

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

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

With regard to monitoring development, its costs, and its impact on local facilities, the County adopted an Adequate Public Facilities Ordinance (APFO) in 1991 to better coordinate the timing of development with the adequacy of public facilities, such as schools, roads, and water and sewer utilities. The APFO has been updated a number of times since.

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

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

### Administration

The administration function of these programs is performed by of seven staff members, including the Director, Deputy Director, Executive Assistant, Grants Manager, Communications Manager, Planning & Permitting Ombudsman, and Small Business Navigator.

### Livable Frederick Planning and Design Office

The Livable Frederick Planning and Design Office is comprised of eleven full-time staff positions. The office is primarily responsible for the comprehensive, long-range planning function of county government. The latest iteration of the County's master planning effort, entitled the Livable Frederick Master Plan (LFMP), was adopted in 2019. The LFMP reflects a vision developed through an extensive community engagement process and goals and initiatives focused on the themes of our community, our health, our economy, and our environment. To implement the plan, staff engaged in the development of the South Frederick Corridors Plan as well as the Investing in Workers and Workplaces Plan and the Green Infrastructure Plan. The office is also responsible for the development of functional planning documents, including the Annual Planning Report, the Water and Sewer Master Plan, and the Land Preservation, Parks and Recreation Plan.

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

### Department of Development Review and Planning

The Department of Development Review and Planning is primarily responsible for the development plan review function of County government and ensuring compliance with zoning and subdivision regulations. The department is comprised of 18 full-time employees, covering several functional areas, including the following core services:

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

### Department of Permits and Inspections

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

The clearing house function performed by the department, including the processing, review, and approval of all permits related to the building trades and other compliance efforts listed above resulted in the initiation of over 39,000 inspections per year. To continue to meet an increasing demand for the timely and professional services offered, the department implemented a new land management program in 2019. Improving the online experience for customers was a great step forward, making it easier for people to access services and information.

## Division of Energy and Environment

Empowering Frederick County with resilient, equitable solutions to environmental challenges, the Division of Energy and Environment partners with the community to mitigate climate risks, enhance watershed quality, modernize energy systems, and ensure that sustainability is for everyone. In fiscal year 2025, the team at the Division of Energy and Environment (DEE) came together for a strategic planning effort to guide our work in the coming years. DEE focused on three key areas- Climate & Energy, Stormwater, and Sustainability & Equity to shape a plan that is both ambitious and practical. This multi-year Strategic Plan was built from the ground up, with input from multiple staff sessions that refined DEE's mission and mapped out how we'll put it into action.

Our planning ensures that:

- Our award-winning initiatives support the County Executive's Transition Plan goals and align with the Livable Frederick Master Plan.
- DEE is on track to meet the requirements of the Federal National Pollutant Discharge Elimination System and maintain 100% compliance with Maryland's Municipal Separate Storm Sewer System Permit. By fiscal year 2028 our programs will contribute 1,027 new acres of watershed restoration.
- County facilities maintain 100% compliance with Maryland's Building Energy Performance Standards (BEPS), which will save millions and prevent significant annual fines when State enforcement begins in 2030. BEPS compliance projects by fiscal year 2027 will save the County over \$1.3 million.
- Our efforts contribute to a 50% reduction of greenhouse gas emissions by 2030, in support of the County Council's Climate Emergency Resolution. Frederick County community-wide net greenhouse gas (GHG) emissions decreased by 47% between 2005 and 2023, despite a 29% growth in population. Our Resilience planning efforts address flooding and heating issues in the community.
- Financial planning includes solid assessments of Operating, Capital, and Grant funding needs, as well as personnel and consulting resources. We focus on the most cost-effective practices for stormwater retrofits and conduct Net Present Value comparisons of project alternatives in-line with recommendations of the Metropolitan Washington Council of Governments' Climate Budget Cohort.
- Our public programs and services align with the methods and goals outlined in our Diversity, Equity, Inclusion, Belonging, and Justice (DEIBJ) Strategic Plan and Communications Strategic Plan. We work with community partners to engage overburdened and underserved communities.

DEE is strategically located under the Chief Administrative Officer in order to facilitate collaboration with County Divisions and implement change management. We are tasked with the implementation of County Executive Strategic Priorities. We provide our partner Divisions with project management, technical assistance, and leveraged funding to turn shared goals into reality. Each year, we evaluate and publish our progress. We hold ourselves accountable.

### *Department of Stormwater*

The Department of Stormwater's purpose is to provide clean, well-managed waterways and flood-safe communities. It protects, monitors, enhances, and restores Frederick County's portion of the Chesapeake Bay watershed. This work is structured by the requirements of the National Pollution Discharge Elimination System (NPDES) Clean Water Act program for municipal discharges and Maryland's Municipal Separate Storm Sewer System (MS4) Permit; as well as eleven sites covered under the General Permit for Discharges from Stormwater Associated with Industrial Activities (20-SW). The following key programs help meet the stormwater requirements:

- Permit Administration
- Watershed Restoration includes stream restoration, reforestation, stormwater facility retrofits, and other projects to reduce untreated urban impervious areas
- Hazard Mitigation and Resilience Planning
- Pollution Reduction
- Water Quality Assessments and Monitoring
- Community Engagement and Outreach

### *Stormwater Permits*

The Department of Stormwater manages compliance with the NPDES MS4 permit, which are administered by the Maryland Department of the Environment (MDE). These permits require the County to identify water quality problems from storm sewer

system discharges in the County and to correct these water quality problems through best management practices and watershed restoration projects. The County completed its last NPDES MS4 permit in full compliance, to include the restoration of 1,981 acres of land with inadequate stormwater controls. The County was awarded its new NPDES MS4 permit on December 30, 2022. The County received a glowing review by MDE on July 2, 2024, for its first yearly submittal under the new permit for the period of July 1, 2022, through June 30, 2023. The County has five years to complete an additional 1,027 acres of restoration, which MDE has determined to be the Maximum Extent Practicable (MEP). By the beginning of fiscal year 2026, the County had completed 371 acres of watershed restoration towards its goal of 1,027 acres for the five-year permit. In fiscal year 2026, the County plans to have 654 acres completed. Restoration acres are programmed into the Capital Improvement Program for funding six years in advance. Restoration projects are developed from watershed and feasibility studies. MDE renewed the County's General Permit for Industrial Stormwater Discharges (20-SW) on February 1, 2023. In the beginning of fiscal year 2024, the County applied for coverage for its eleven facilities under the new permit while MDE's final determination for the 20-SW was challenged in the Circuit Court for Baltimore County. As a result, MDE agreed to a limited remand of the permit to receive comments. Those comments have been reviewed and MDE is addressing them via a new final determination and modified permit. The modified permit, now the 20-SW-A, has been issued effective Friday, February 7, 2025.

### **Creating Resilience to Flooding Risks**

The Department of Stormwater has worked extensively across agencies to address flood risks. It has incorporated stormwater flooding into its \$18 million per year compliance program. In fiscal year 2024, the Department of Stormwater received congressionally directed funding for the Point of Rocks community to decommission a significant high hazard dam in 2025 above a commuter train station and parking lot. It also worked collaboratively with other divisions and the State to coordinate on flood hazard reductions. It partnered with Division of Public Works (DPW) beginning in 2018 on its Drainage Assessment and Response Team (DART) and ensuing stormwater retrofit projects. It helped the Division of Emergency Management in 2022 to create the first Hazard Mitigation and Climate Adaptation Plan in the State, used as a model by the Maryland Department of Emergency Management (MDEM) and Maryland Department of the Environment (MDE). It is collaborating with the team to update this study by 2027. In 2022, staff participated in a statewide "A-StoRM" regulatory process (Senate Bill 227) with MDE to update its rainfall projections to more recent data using National Oceanic and Atmospheric Administration (NOAA) Atlas 14 model, increase stormwater retention standards for new development, and to examine watershed areas of localized flooding for more stringent standards. The Department is also collaborating with Livable Frederick under the Department of the Planning and Permitting Division to update the Water Resources Element of the County's comprehensive plan to include stormwater flooding. The Department is finalizing its update to its Lower Monocacy Watershed Study to include climate resilience, environmental justice, and flood resilience into project identification and prioritization to be considered as part of meeting the MS4 restoration requirements. Additionally, in 2026, the Department plans to update its Upper Monocacy Watershed Study to align with the approach used in the Lower Monocacy Watershed Study update. The Department is also conducting a small feasibility study to identify and prioritize stream restoration opportunities across four of its parks. All of the highest cost-effective restoration projects identified will be incorporated into the County's upcoming Capital Improvement Program forecasting for future years.

### **Department of Climate and Energy**

The Department of Climate and Energy works in support of the County Executive and County Council's agenda to address climate change and to reduce greenhouse gas (GHG) emissions in accordance with local, state, and federal targets. This work also increases Frederick County's energy independence, provides economic opportunity and technological advancement, improves the resiliency of County operations, and attracts federal and state funding. The County's climate resilience and operational preparedness are a factor in the County's bond ratings. To achieve its goals, DEE structures Climate and Energy efforts around the following initiatives:

- Climate and Energy Action Plans (CEAP)
- Clean Fleet and Electric Vehicle Infrastructure
- Building Energy and Resiliency
- Clean Energy Procurement
- Sustainability and Equity

#### *Climate Risks in Frederick County are Increasing*

- The number of extreme heat days where temperatures hit 95°F or above are expected to increase from a historically observed 2-3 days per year to a future estimated 19-26 days per year by 2050 and 27-62 days by 2090. Higher temperatures will impact the County in many ways, including but not limited to greater energy needs for cooling and threats to human health.

- The amount of precipitation is not predicted to greatly change, but rain events will be less frequent and more intense which can lead to greater flooding than what the County currently experiences.
- The risk of droughts, as well as winter storms, is projected to increase in the future due to climate change.
- The amount to which humans reduce greenhouse gas emissions globally influences the degree to which climate change will impact the County.

#### *Climate and Energy Action Plans (CEAP)*

In 2020, the Frederick County Council adopted a Climate Emergency Resolution that resolved to cut GHG emissions to half of 2010 levels no later than 2030, reduce levels 100% by 2050, equitably address impacts from climate change, and draw down carbon from the atmosphere. To guide the work, the Council established an independent volunteer-based Climate Emergency Mobilization Work Group (CEMWG), now known as Mobilize Frederick. The workgroup’s Climate Response and Resilience Report (CRRR) offers recommendations based on the work of over 70 volunteers, who together invested 18,500 hours over the course of a year. County Council goals are consistent with the State and Metropolitan Washington Region targets. Phase one, the Climate and Energy Action Plan for Internal Government Operations, was completed in partnership with the Metropolitan Washington Council of Governments (MWCOG) in March 2023. Phase two produced an equity-focused community-wide CEAP in collaboration with MWCOG and the City of Frederick, published in October 2025. The community CEAP includes greenhouse gas emissions inventory baselines and business-as-usual projections, a plan to mitigate these emissions, a Climate Risk and Vulnerability Assessment, and a Resilience Plan.

#### *Clean Fleet and Electric Vehicle (EV) Infrastructure Program*

This program evaluates the County-owned fleet for electric vehicle (EV) and clean fuel conversion opportunities, as well as community-wide needs for EV infrastructure. The transportation sector produces approximately 41% of the greenhouse gas emissions from Frederick County Government operations, and 49% of GHG emissions county-wide. To reduce emissions from County operations, the Frederick County Alternative Fuel Vehicle Fleet Transition Plan (AFVP) was completed in November 2023. This plan includes substantial collaboration with six County divisions. It “right sizes” the County’s fleet and proposes electrification of specific vehicles. It also looks at biodiesel as a transitional step for vehicles not currently recommended for electrification. The analysis of vehicles for electrification considered the total cost of ownership along with the status of existing vehicle technology and the kinds of tasks County vehicles must be prepared to do. By fiscal year 2026, coordination was well underway with DPW Fleet and Professional Services as well as the Division of Fire and Rescue Services (DFRS) on fleet conversion to electric vehicles, installation of EV infrastructure, and biofuels. The County received grants to replace nine fleet sedans with EVs, and to support the fiscal year 2025 proposal by DFRS for an electric fire truck. The County has also applied for additional grant funding to install EV infrastructure on multiple County-owned properties, having lost \$2.8 million in previously awarded Federal grant funding for charging infrastructure due to federal fiscal freezes by the Trump Administration, include three DC fast chargers. A companion plan, the Frederick County Community-wide Electric Vehicle Readiness Plan (EVRP), was completed in partnership with the Metropolitan Washington Council of Governments in December 2023 to address the 49% of all GHG emissions from the transportation sector in the County at large. This establishes a strategic, coordinated action plan for EV charging infrastructure to support EV drivers and the County’s GHG emission reduction goals. This plan includes an assessment of charging infrastructure, a policy overview and recommendations, funding options, implementation strategies, review of charging needs in the south Frederick corridor, equity considerations, and recommendations of a stakeholder advisory group.

#### *Building Energy Performance Program*

This program focuses on reducing the energy consumption of County-owned and community-wide buildings. In fiscal year 2026, DEE worked with DPW Facilities Maintenance on regulatory compliance with Maryland’s nascent Building Energy Performance Standards (BEPS) for buildings over 35,000 square feet. The State’s BEPs program regulates the energy usage of ten County-owned buildings. Currently no fines are associated with the performance standards of this program. The performance standards begin in 2030 and escalate to 2040, where there is a goal for no direct fossil fuel consumption. The County is benchmarking its buildings and engaging in actions to reduce direct fossil fuel consumption as well as overall energy consumption. Climate and Energy completed required benchmarking under the program in fiscal year 2026. The Building Energy Performance program also includes Tier II building energy audits, installation of Building Automation Systems to track and manage energy performance, building energy baseline tracking in the Environmental Protection Agency’s (EPA’s) Portfolio Manager database, automation of Utility Bill Management (UBM), implementation of energy efficiency projects, and cost share of more than \$200,000 in Maryland Energy Administration (MEA) grants and utility rebates. Projects completed in fiscal year 2025 will collectively save Frederick County Government more than 365,238kW hours of electricity annually. This decreases costs and reduces demand on the grid. In fiscal year 2025, 126 low-income Asset Limited Income Constrained Employed

(A.L.I.C.E.) households also received energy-saving power saver retrofits; this innovative program received a grant for \$614,315 from the MEA. Climate and Energy applied for and received \$2,137,642 from MEA's Local Government Energy Modernization (L-GEM) grant program, including \$340,649 for energy efficiency improvements to County facilities.

### *Clean Energy Procurement Program*

This program ensures that the County's electricity portfolio meets the Climate and Energy Action Plan (CEAP) goals for procurement and production of 100% renewable energy that could generate 62% of projected FCG emission reductions in 2030. The program sells Solar Renewable Energy Credits (SRECs) from the County's solar facilities on Reichs Ford Road and on the Bourne Building to the Frederick Area Cooperative Team (FACT) electricity COOP. FACT includes Frederick County Government, Frederick County Public Schools, and Frederick Community College. FACT meets the clean energy requirements for its utility subaccount through procurement of SRECS and Tier I RECs to comply with state Renewable Performance Standards in state law, which require that a specific share of FCG's energy use come from renewable sources. In fiscal year 2025, in addition to the energy generated from the County's solar facilities, Climate and Energy offset the remainder of the County's Building Electricity portfolio with low-cost national Green-e certified wind RECs to meet a 100% clean energy goal. Climate and Energy continued work on the microgrid at the Prospect Center; the microgrid will protect critical County functions including the 911 call center and Emergency Operations Center during grid outages, while providing a resilience hub for community members to charge medical equipment. Climate and Energy also developed a Solar Blueprint Study to identify preferred locations for solar development throughout the County, assess the level of solar that would be needed to meet Frederick County's statewide targets, and identify potential incentives that could be pursued to support solar development as well as agricultural preservation. DEE also participated in a feasibility study for an additional microgrid project at the County's Citizens Care and Rehabilitation Center and Montevue Assisted Living Facility. In fiscal year 2026, Climate and Energy worked with other divisions to identify potential solar projects on County facilities and employed the Maryland Clean Energy Center to help conduct an RFP for a solar developer to implement solar projects on Frederick County buildings and facilities, whether through full ownership or through a Power Purchase Agreement (PPA). While the upcoming loss of the Federal Investment Tax Credit (ITC) for solar has impacted the strategy for this program, Climate and Energy successfully applied for and received \$2,137,642 from MEA's Local Government Energy Modernization (L-GEM) grant program, including \$1,796,993 for renewable energy projects on County facilities.

### *Sustainability and Equity*

This program ensures that the County's programs serve everyone in the community. The Division of Energy and Environment completed and began implementation of a Diversity, Equity, Inclusion, Belonging, and Justice (DEIBJ) Strategic Plan in fiscal year 2025 and developed and co-facilitated a County Government-wide community of practice around equitable community engagement. Climate and Energy also continued the EJ Air Monitoring Project, installing two additional air monitors in fiscal year 2026 in addition to the 11 already installed across the County; facilitated the Building Community Together workgroup to provide referrals and partner support to Community Based Organizations (CBOs) that serve Low Income and A.L.I.C.E households with cost-saving energy retrofits; and continued formal partnerships with Centro Hispano and the Asian American Center of Frederick to provide program referrals and application support to populations with limited English proficiency. The County also expanded its Green Homes Program to include the "Green Compass" to navigate households to needed resources, forge Green Partnerships with additional CBOs like Mobilize Frederick, implement an appliance rebate program, and expand home energy retrofits. The Green Homes Program received a Climate and Energy Leadership Award from MWCOG in fiscal year 2026.

### **Economic Development**

The County consists of highly diverse business sectors which support and stabilize its commercial tax base. The County boasts a supportive and business friendly climate as well as a strategic location, a highly skilled and well-educated workforce, an award-winning educational system and an array of business associations and agencies to assist and foster the growth and success of businesses. The Frederick County Division of Economic Opportunity (DEO) leads Frederick County's vibrant economy by facilitating jobs and investment for the county. This is done by serving as collaborative partners to streamline processes, access resources, support employers and employees and facilitate economic progress. DEO consists of the Office of Economic Development and Workforce Services. The Frederick County Office of Economic Development (FCOED) administered by a staff of ten full-time employees has a mission to sustain, diversify and grow the County's economy by providing leadership and resources for businesses to start, locate and expand. FCOED continues to execute an aggressive work plan and expand its outreach. Frederick County Workforce Services (FCWS) is co-located inside the Frederick American Job Center. With 28 full-time county staff and nine state staff, FCWS's mission is to be the leader in workforce development for the County and contribute to the economic prosperity of the community. In 2025, they served over 4,977 unique individuals. Since 2020, FCWS has added nine additional workforce programs including a Childcare Initiative in collaboration with the Division of Family Services.

At the close of third quarter 2025, the County had 7,531 firms and saw employment at 107,177. The average wage per worker is \$1,320, a 3% increase over the same period in 2024. While overall employment peaked in mid-2024 then began a gradual softening through 2025, these declines are consistent with broader patterns across the region and the U.S., not just Frederick County. Despite this cooling, several industries, particularly Health Care and Hospitality, demonstrated resilience and growth, helping stabilize overall economic conditions. Hospitality and tourism are significant economic drivers for Frederick County. In 2025 construction began for a Downtown Frederick Hotel and Conference Center, a \$104 million Marriott project that forecasts generating over \$60 million in annual economic impact when completed in 2027.

Now located in a custom renovated 32,000 square foot facility that doubled capacity, Frederick Innovative Technology Center, Inc. (FITCI) is a business incubator and accelerator designed to cultivate entrepreneurs and innovation in the County. Since its founding in 2004, FITCI has had an unprecedented 93% success rate, and has 107 client companies. These companies received startup and accelerator services through mentorship or educational programs, creating over 1,700 jobs. These FITCI companies are in industries such as technology, life sciences, and agricultural technology, and they generate over \$455 million dollars in annual revenue. There are 58 volunteer CEOs that serve as company advisors as part of FITCI's Strategic Growth and Advisory Board. A business resource portal keeps all graduate companies connected. FITCI participates in the State of Maryland's Global Gateway initiative, soft-landing program that has attracted several international firms to establish operations at FITCI, including Opus One Technology which selected Frederick County as its first U.S. location.

Businesses from the life sciences industry continue to locate and expand in the county. The growth is due in part to the County's access to the federal labs and other private and public research and development assets in the region. The location of Fort Detrick in Frederick is also a major contributor to the growth of the life sciences industry in the County. Fort Detrick is home to the National Cancer Institute and the U.S. Army Medical Research Institute of Infectious Diseases, which is the lead medical research laboratory for the nation's biological defense program and is home to the National Interagency Biodefense Campus. An outstanding example of Fort Detrick driving innovation and commercialization is Theradaptive, whose focus is on developing protein engineering technology. The technology was created at Fort Detrick and licensed to Theradaptive, which launched at FITCI. The company, which has leased a 22,000 square foot facility, continues to grow and is currently constructing more manufacturing capacity within its new location.

Several existing employers across various industry sectors committed to ongoing investment and growth in the County. In November 2024, Astra Zeneca, one of the County's top employers announced a major expansion of its Frederick flagship biologics manufacturing facility. The planned expansion will nearly double commercial manufacturing capacity, add 200 highly skilled jobs, and for the first time enable production across the Company's rare disease portfolio. X-energy LLC, a leading developer of advanced small modular nuclear reactors and fuel technology for clean energy generation, is redeveloping an 89,000 square foot building that will house its non-nuclear test and training facility. Additionally, other announced locations and expansions include R3, AboveAir Technologies, Hercules Custom Iron, and Bakery de France.

The continued development of the data center campus Quantum Frederick on 2,100 acres has contributed significant investment directly from Aligned Data Centers and Rowan Digital, as well as firms locating or expanding in Frederick County to support the project. Catellus Development Corporation assumed the role of lead developer in 2024. 2.4GW of power is currently under development. Rowan Digital intends to construct 11 data center buildings and auxiliary buildings for water and security, approximating 2.1 million square feet, 600 MW in a three-phase process for a total investment of \$1.3 billion. Four buildings totaling 780,000 square feet are constructed with tenant fit outs actively underway, and occupancy expected between second and fourth quarters of 2026. Four buildings in phase two are nearing completion, and fit outs are expected to commence in the second quarter of 2026. Site work for the final phase has commenced with building construction in 2026. Aligned Data Centers occupies 75 acres and intends to construct four data center buildings approximating 1.6 million square feet. Two buildings, each over 400,000 square feet, are actively under construction and site work has begun for the other two.

Frederick County continues to solidify its position as a thriving hub for business innovation and economic growth. With a diverse and expanding range of industries, including life sciences, technology, and manufacturing, the County is supported by a robust infrastructure, skilled workforce, and a business-friendly climate. The initiatives led by the Division of Economic Opportunity, alongside vital partnerships with organizations like FITCI, ensure that Frederick County remains competitive in attracting investment and fostering job creation. Going forward, the County is well-positioned to build on its successes, driving sustained economic progress and opportunities for businesses and residents alike.

## **Roads and Highways**

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

The County-owns and maintains a road system of approximately 1,309 miles, supplements approximately 39 miles of State maintained and federally aided interstate highways and approximately 301 miles of additional State maintained primary and secondary roadways serving the County. The County budget includes capital and operating expenditures of \$19,490,100 and \$24,959,487, respectively, for the County's road system in fiscal year 2026. State Highway User Revenues to the County for highway maintenance through State shared taxes is budgeted in the amount of \$4,000,000 in fiscal year 2026.

## **Health**

The County delivers a comprehensive range of public health services through its Health Services Division (HSD), which has maintained national accreditation since first being recognized by the Public Health Accreditation Board in 2014. At that time, fewer than two percent of health departments nationwide had achieved this distinction. The HSD was reaccredited in 2021 and is actively preparing for its third reaccreditation cycle, demonstrating its ongoing commitment to excellence, accountability, and continuous quality improvement. As the local arm of the Maryland Department of Health and the Maryland Department of the Environment, the HSD enforces state and local public health and sanitation laws and serves as the County's chief health strategist.

The HSD's programs touch the daily lives of all Frederick County residents, as can be seen in what our programs accomplished in fiscal year 2025. Core environmental health services include 1,804 food service facility inspections, 921 percolation tests, and oversight of wells, septic systems, and rabies prevention efforts. Communicable disease teams investigated 4,287 disease reports and 166 outbreaks, ensuring rapid response and community education on threats such as influenza, measles, norovirus, and COVID-19. Public health preparedness and harm-reduction initiatives expanded access to naloxone through community-based distribution boxes and weekly training sessions.

Across the lifespan, HSD provides essential clinical and supportive services. Maternal and child health programs delivered Women, Infants and Children (WIC) services to 6,502 women, infants, and children, supported 1,012 infants and toddlers with developmental needs, and expanded doula training to improve birth outcomes. School Health Services managed nearly 300,000 health room visits and now supports 10 community schools with enhanced wraparound services. Chronic disease prevention programs offered free cancer screenings and culturally tailored blood pressure self-monitoring classes, while behavioral health and mental health services continued to support youth and adults with treatment, prevention, and recovery resources. The department also assists residents with health insurance enrollment, chronic disease screening, and geriatric evaluations.

As the County's chief health strategist, HSD leads collaborative efforts to advance health equity, including major initiatives such as the Black Maternal Health Strategic Plan and participation in the ENOUGH Initiative to reduce child poverty along the Golden Mile. These efforts center community voices and strengthen partnerships across public, private, and nonprofit sectors.

Funding for the HSD is diversified across County appropriations, State and federal support, grants, and client fee collections. In fiscal year 2025, the department operated with an adopted budget of \$54.9 million, supported by both State and County employees working across foundational public health areas. Together, these programs ensure that all residents, regardless of age, background, or circumstance have access to services that prevent disease, promote wellness, and protect the health of the community.

## **Clinical Care**

Frederick Health (FH) is an independent not-for-profit healthcare delivery system serving the County and surrounding areas. FH consists of Frederick Health Hospital (including FH Hospice and Home Care), Frederick Health Medical Group (FHMG), Monocacy Insurance Limited, Frederick Health Services Corporation, and Frederick Integrated Healthcare Network, employing over 3,300 employees.

Frederick Health Hospital is a 268 licensed bed acute care hospital with 24/7 medical and surgical coverage provided by medical staff comprised of over 850 contracted, employed, and independent physicians and advanced practice providers (nurse practitioners and physicians assistants).

Hospitalists, intensivists, surgical specialists, adult and pediatric emergency physicians, and many other specialists provide in-house and on-call coverage. Frederick Health Hospital's adult and pediatric emergency departments treat over 80,000 patients annually. The hospital has a Cardiac Catheterization and Electrophysiology Lab, and several full-service outpatient facilities located throughout the County to include laboratory, imaging, and rehabilitation services. Additionally, more than 2,400 families and newborns are served annually in the 27 bed Frederick Health Hospital Family Center and 15 bed Level III Neonatal Intensive Care unit.

FHMG is a separate not-for-profit corporation operated by FH consisting of over 170 employed physicians and advanced practice providers at over 30 locations throughout the County. The specialties consist of Behavioral Health, Breast Surgery, Thoracic Surgery, Comprehensive Care, Dental, Endocrine & Thyroid, Gastroenterology, General Surgery, Infectious Disease, Internal Medicine, Medical Oncology, Medical Weight Loss, Neurosurgery, Oncology Surgery, Orthopedics, Otolaryngology, Primary Care, Pulmonary, Radiology, Sleep, Urgent Care, Urology, and Wound Care & Hyperbaric.

### **Skilled Nursing and Assisted Living Facilities**

The County owns and operates a licensed 172-bed comprehensive and skilled nursing care facility, Citizens Care & Rehabilitation Center (CCRC) in the City of Frederick. The facility is managed by Aurora Health Management of Millersville, Maryland under a contract until August 2028. All personnel of the facility are employees of Aurora Health Management. The County has the right to terminate the contract if certain performance metrics are not met, including a metric of earnings before interest, taxes, depreciation, amortization and rent of at least \$2.1 million. Aurora is paid a management fee of 5.0% of gross revenues under the management agreement. The average occupancy rate of CCRC for fiscal year 2025 was 92%. Occupancy rates are estimated at 91% for fiscal year 2026.

### **Solid Waste and Recycling**

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

All the disposal cells within Site B are constructed with a double composite liner system. The construction of the subtitle D liner system for Cell 3 was completed in August 2006 and currently receives about 8,000 tons per year of waste and is dependent on operational needs. Otherwise, the majority of waste is transferred via contract to out of state landfills. An active gas extraction system was installed at Site B Cells 1 and 2 in 2010. Leachate collected from both Site A and B landfills is discharged and conveyed via the Bush Creek Sewer interceptor to the Ballenger-McKinney Wastewater Treatment Plant for final treatment. DSWR also operates a comprehensive groundwater and gas monitoring program for Sites A, B and the rubble fill. Other than through its curbside recycling collection, the County does not provide or fund waste collection services. Municipal or private waste haulers (by subscription) collect trash in Frederick County and use the County's Reich's Ford Road disposal facilities as their primary disposal facility for municipal solid waste generated in Frederick County.

The County's residential Recycling Program includes curbside recycling collection for all individual single family residential properties, one drop-off center location at the Reich's Ford Road landfill and two-yard waste drop-off sites with mulching/composting operations. In 2009, the County's curbside residential collection program was upgraded to a single stream operation and expanded from 54,000 to now over 89,000 residential properties within the County.

#### *Solid Waste Initiatives*

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

The County completed the construction of the transfer station in January 2009. The transfer station, located at the Reichs Ford Road landfill, is owned and operated by the County. It receives waste generated throughout Frederick County and through waste transportation and disposal contracts, procured through the Northeast Maryland Waste Disposal Authority (NMWDA), transfers a majority of the waste to landfills outside of the County. This contract expires on June 30, 2030, with five (5), optional 12-month renewal terms.

The transfer station also provides for the transfer of single stream recycling materials collected in the County. The County also receives, through agreements procured through NMWDA, transportation and Material Recovery Facility (MRF) services. Recyclable materials are processed at Recycle America’s MRF. The MRF services contract ends on June 30, 2030, with five (5), optional 12-month renewal terms.

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

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

Summarized below are the current tipping fees as of May 1, 2026:

<b>Material</b>	<b>Cash</b>	<b>Credit</b>
Municipal Solid Waste	\$ 783.14/ton	\$ 75.01/ton
Construction & Demolition (C&D)	\$ 92.14/ton	\$ 84.01/ton
Tires - Commercial	\$ 167.14/ton	\$ 167.14/ton

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

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

<b>Property Designation</b>	<b>FY2026</b>
Single Family Residential	\$ 88/yr
Multi Family Residential	49/yr
<b>(Per 2000 ft<sup>2</sup>)</b>	
Commercial Low	\$ 42
Commercial Medium Low	125
Commercial Medium	208
Commercial Medium High	301
Commercial High	372

The tipping fee revenues for fiscal year 2025 were \$18.1 million and System Benefit Charges were \$12 million for the same period. Tipping fees and System Benefit Charges are anticipated to gross \$19 million and \$12 million respectively, in fiscal year 2026.

In addition to these tipping fees and SBC increases, the former Board of County Commissioners also adopted fees for commercial Single Stream Recycling disposal and processing which became available with the opening of the transfer station in January 2009. They also adopted a fee schedule for the sale of mulch and compost products. Revenues from the sale of these products were \$153,000 for fiscal year 2025 and are anticipated to be \$160,000 for fiscal year 2026. In fiscal year 2026, the County began collecting fees for all yard waste. This revenue stream is anticipated to bring in \$425,000 for fiscal year 2026.

## **Water Supply and Wastewater Facilities**

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

The County owns and operates 13 water systems with ten water treatment plants (WTP). The County's largest WTP relies on surface water, while the other smaller treatment facilities rely on ground water. Approximately 92% of the County's water supply is provided from the Potomac River. The remaining 8% of the County's source water is provided from deep well sources associated with the County's smaller water systems or are interconnected with municipal supplies.

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

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

As of December 31, 2025, the County operated 11 wastewater collection systems and 13 water distribution systems having a permitted capacity of 16.043 MGD and 17.005 MGD, respectively. Permitted capacity is associated with NPDES discharge permits (wastewater) and Water Appropriation and Use Permits (water) issued by Maryland Department of the Environment (MDE). The wastewater systems serve a total of 39,233 accounts and the water systems serve a total of 28,939 accounts.

## **User Rates and Fees**

In January 2001, the County commissioned a comprehensive water and sewer cost of service study for the water and sewer enterprise. The study included the development of a financial model to assist DWSU in monitoring its revenue requirements and determining necessary rate increases. Updates were made to the water and sewer rate model in May 2008 and again in December 2012, which resulted in an increase in the water and sewer rates that were effective in fiscal year 2014 through fiscal year 2018. While there was no increase in fiscal year 2019, an update of the cost-of-service study was completed, and the resulting rates were approved by the County Council in July 2019 and became effective September 1, 2019. The approved rate schedule included sewer rate increases that were effective fiscal year 2020 through fiscal year 2024 with no adjustment to the water rates. As part of this rate increase, annual CPI increases to both water and sewer rates began in fiscal year 2025.

The water and sewer rate model are updated and reviewed annually with a comprehensive cost of service study planned every five years. The last cost of service study was completed in May 2024, which did not recommend any additional rate increases. Since that time, only annual CPI increases have been implemented.

## ECONOMIC AND DEMOGRAPHIC FACTORS

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

### Population of Frederick County and Incorporated Municipalities

Over the last three decades (1990-2000, 2000-2010 and 2010-2020), the U.S. Census Bureau tabulated population of the County increased by approximately 30%, 20%, and 15% respectively. The County has provided population estimate for the last ten years based on the U.S. Census Bureau’s American Community Survey.

<u>Year</u>	<u>Population of Frederick County</u>
2025*	302,883
2024	299,317
2023	293,391
2022	287,079
2021	279,835
2020	271,717
2019	259,547
2018	255,648
2017	249,277
2016	246,972

Source: U.S. Census Bureau – American Community Survey – 1 Year Estimates Data Profiles.  
 \*U.S. Census Bureau – Quick Facts - Population Estimates, July 1, 2025.

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

<u>Municipalities</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
Brunswick .....	4,572	5,117	4,894	5,870	7,762
Burkittsville .....	202	194	171	151	142
Emmitsburg .....	1,552	1,870	2,290	2,814	2,770
Frederick .....	28,086	40,186	52,767	65,239	79,588
Middletown .....	1,748	1,834	2,668	4,136	4,943
Mount Airy <sup>(1)</sup> .....	540	1,497	2,967	3,785	9,654
Myersville .....	432	464	1,382	1,626	1,748
New Market .....	306	374	427	656	1,525
Rosemont .....	305	256	273	294	272
Thurmont .....	2,934	3,398	5,588	6,170	6,213
Walkersville .....	2,212	4,145	5,192	5,800	6,156
Woodsboro .....	506	513	846	1,141	1,092

<sup>(1)</sup>Mount Airy is located partly within Carroll County and partly within Frederick County and the data set forth above includes the entire Town.  
 Source: U.S. Census Bureau’s P.L. 94-171 data. Released August 12, 2021; Frederick County Division of Planning.-171 data.  
 Released August 12, 2021; Frederick County Division of Planning.

**Income**

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

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

<u>Calendar Year</u>	<u>Frederick County</u>	<u>Percent Change from Previous Year</u>	<u>Maryland</u>	<u>Percent Change from Previous Year</u>	<u>U.S.</u>	<u>Percent Change from Previous Year</u>
2024 .....	\$78,929	4.9%	\$79,259	5.0%	\$73,204	4.6%
2023 .....	75,211	5.6	75,476	6.6	70,002	5.6
2022 .....	71,200	1.8	70,781	2.2	66,298	2.5
2021 .....	69,918	7.8	69,231	6.7	64,692	9.3
2020 .....	64,822	4.8	64,868	5.1	59,151	6.4

Source: Regional Economic Information system. U.S. Bureau of Economic Analysis, Table CAINC1 and SAINC1 February 5, 2026 – new statistics for 2024; revised statistics for 2020 – 2023.

**Frederick County and State of Maryland  
Total Personal Income**

<u>Calendar Year</u>	<u>Personal Income (\$00's)*</u>		<u>Percent Change from Previous Year</u>	
	<u>Frederick County</u>	<u>State of Maryland</u>	<u>Frederick County</u>	<u>State of Maryland</u>
2024 .....	\$23,624,721	\$496,413,907	6.8%	5.8%
2023 .....	22,123,563	469,239,606	7.7	7.1
2022 .....	20,528,227	438,306,389	4.6	2.5
2021 .....	19,623,707	427,803,175	10.9	6.8
2020 .....	17,682,538	400,749,976	6.8	5.3

Source: Regional Economic Information system. U.S. Bureau of Economic Analysis, Tables CAINC4 – February 5, 2026 and SAINC4 – new statistics for 2024; revised statistics for 2020 – 2023.

\*Note: Total personal income values are in thousands of dollars, not adjusted for inflation.

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Personal income levels for the County residents from 2020 to 2024 show a significant increase as measured by the number of income tax returns with adjusted gross income levels over \$50,000 filed with the Maryland Comptroller of the Treasury. Listed below is a four-year comparison of the experience for the subdivisions constituting the Maryland portion of the Washington MSA and the State.

**Adjusted Gross Income in Excess of \$50,000**

	<b>2024</b>	<b>2020</b>	<b>Percent</b>
	<b>Number of Returns</b>	<b>Number of Returns</b>	<b>Increase</b>
Calvert County.....	26,836	23,360	14.9%
Charles County .....	47,868	39,724	20.5
<b>Frederick County .....</b>	<b>84,008</b>	<b>66,384</b>	<b>26.5</b>
Montgomery County .....	305,439	262,608	16.3
Prince George’s County ...	224,313	187,032	19.9
State of Maryland .....	1,618,920	1,351,707	19.7

Source: Comptroller of the Treasury, Income Tax Summary Report, Tax Years 2020 and 2024.

**Education**

Survey results of the number of high school students in the Maryland portion of the Washington MSA and the State as a whole who graduated in 2025, as a percentage of their ninth-grade enrollment four grades earlier, are presented below:

Calvert County .....	94.4 %
Charles County.....	90.3
<b>Frederick County .....</b>	<b>94.0</b>
Montgomery County .....	88.7
Prince George’s County .....	78.9
State of Maryland.....	86.4

Source: Maryland Report Card 2025 – 4 Year Adjusted Cohort - Performance Report State and School Systems- Maryland State Department of Education.

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

	<b>Calvert</b>	<b>Charles</b>	<b>Frederick</b>	<b>Montgomery</b>	<b>Prince George’s</b>	<b>State</b>
Elementary (grades K-8) .....	3.0%	2.2%	<b>3.2%</b>	4.8%	8.5%	4.1%
High School						
1–3 years .....	3.0	2.7	<b>3.5</b>	3.5	5.9	4.5
4 years .....	29.6	26.8	<b>20.2</b>	13.6	24.2	23.1
College						
No degree .....	21.9	23.2	<b>17.6</b>	12.0	17.3	17.0
Associate degree.....	6.6	7.7	<b>8.8</b>	4.8	6.6	6.6
Bachelor’s degree.....	22.6	19.2	<b>27.0</b>	27.4	20.1	23.2
Graduate/Professional degree..	16.0	18.2	<b>19.9</b>	34.0	17.5	21.5

Source: Table S1501 - Educational Attainment. U.S. Bureau of the Census, 2024 1-year estimate - American Community Survey, American Fact Finder.

**Business, Employment and Labor**

In the following table, statistics are provided relating to the distribution of employment in the County by employer classification for the 2025 calendar year annual average. These figures exclude railroad, domestic service, self-employed, agricultural and unpaid family workers:

**Business and Employment Composition**

<b>Classification</b>	<b>Average Number of Reporting Units</b>	<b>Percent of Total*</b>	<b>Annual Average Employment</b>	<b>Percent of Total*</b>
Natural Resources and Mining .....	70	0.9 %	594	0.6 %
Construction.....	840	11.3	9,851	9.2
Manufacturing .....	242	3.3	5,763	5.4
Trade/Transportation/Utilities .....	1,146	15.4	19,523	18.3
Information .....	208	2.8	1,124	1.1
Financial Activities.....	636	8.6	4,668	4.4
Professional and Business Services	1,859	24.9	15,120	14.1
Education and Health Services .....	962	12.9	15,685	14.7
Leisure and Hospitality.....	644	8.6	12,113	11.3
Other Services.....	648	8.7	4,276	4.0
<b>Total – Private Sector .....</b>	<b>7,257</b>	<b>97.5</b>	<b>88,716</b>	<b>82.9</b>
Local Government .....	92	1.2	12,658	11.8
State Government .....	12	0.1	1,051	0.9
Federal Government .....	78	1.1	4,579	4.3
<b>Total .....</b>	<b>7,439</b>	<b>100.00 %</b>	<b>107,003</b>	<b>100.00 %</b>

\*Totals may not add due to rounding.

Source: Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information, “Employment and Payrolls, Annual Average, 2025”.

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Listed below are the 10 largest employers as of January 2026, located in the County:

### Ten Largest Employers in Frederick County

Employer	Principal Products or Activities	Employees
Fort Detrick Campus	Army, NCI, and other tenants	10,827*
Frederick County Public Schools	Public Education	7,433
Frederick Health	Comprehensive Healthcare	3,360
Frederick County Government	Local Government	2,810
Leidos Biomed/Frederick National Lab	Medical Research	2,440
Frederick Community College	Local Government	1,369
City of Frederick Government	Municipal Government	977
ThermoFisher Scientific	Life Sciences Research	815
AstraZeneca	Biotech Manufacturing	799
Costco Wholesale	Wholesale Distribution Center and E-Commerce Center	725

\*Includes military personnel, contractors and an offsite annex.

Source: Frederick County Office of Economic Development.

The following table indicates the County’s annual average unemployment rate as compared with the other counties of the Maryland portion of the Washington MSA, the State and the United States for the calendar years 2021-2025.

### Annual Average Unemployment Rate

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Calvert County.....	3.5%	2.8%	2.0%	2.8%	4.2%
Charles County .....	4.2	3.3	2.3	3.0	5.1
<b>Frederick County.....</b>	<b>3.5</b>	<b>2.7</b>	<b>1.9</b>	<b>2.5</b>	<b>4.0</b>
Montgomery County.....	3.7	2.8	1.9	2.6	4.8
Prince George’s County.....	4.4	3.4	2.4	3.3	6.6
State of Maryland .....	4.0	3.2	2.2	3.0	5.2
United States <sup>(1)</sup> .....	4.3	4.1	3.6	3.6	5.3

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 number of persons living in the County who were available for work and composed the work force 153,616 in April 2026 and the total employment for this force was 147,548 resulting in an unemployment rate of 4.0% for this period. Certain comparative unemployment rates are given below for April 2026.

Calvert County .....	3.8%
Charles County .....	4.7
<b>Frederick County .....</b>	<b>4.0</b>
Montgomery County .....	4.1
Prince George’s County .....	4.9
State of Maryland .....	4.4
United States <sup>(1)</sup> .....	4.3

Source: “State of Maryland. Civilian Labor Force, Employment, and Unemployment by Place of Residence, Issued April 2026.” Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information.

<sup>(1)</sup>U.S. Department of Labor, Bureau of Labor Statistics.

## Commuting Patterns

The Census Bureau 2024 American Community Survey determined the work commuting patterns for workers 16 years and older for the labor forces of each of Maryland’s counties with populations of 65,000 or more and the City of Baltimore. Comparative figures for workers commuting outside the county of residence for the subdivisions in the Maryland portion of the Washington Metropolitan Statistical Area (“MSA”) are presented below:

Calvert County .....	38.6%
Charles County.....	25.9
<b>Frederick County .....</b>	<b>28.8</b>
Montgomery County .....	11.3
Prince George’s County .....	18.6

Source: U.S. Census Bureau, 2020-2024 American Community Survey, Table S0801.

## Agriculture

Agriculture is one of the largest industries in the County, with nearly 55% of the total land acreage dedicated to farmland. According to the most recent U.S. Census of Agriculture (2022), there are 1,367 farms located in the County with an average size of 138 acres each. Grain, soybeans, and other crop production are the most valuable commodities in terms of sales value. Dairy continues to be a major piece of the agricultural industry, and the County is the second largest producer of dairy products in the State. The County is a leader in the State in the number of farms raising cattle, hogs, sheep, goats, alpacas, and horses. The County also leads the State with the youngest producers and new and beginning producers and farms selling directly to consumers.

Dedicated to farmland preservation, the County is a participant in the Maryland Agricultural Land Preservation Program. This program provides for the purchase of development rights easements. As of December 31, 2025, Maryland Agricultural Land Preservation Foundation easements have been purchased on 28,265 acres with an additional 2,934 acres under the temporary district status. The County has purchased easements in the Installment Purchase Program to protect a total of 23,725 acres. In combination with County and State land preservation programs, there are permanent protective easements on 77,445 acres as of December 31, 2025.

## Transportation

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

In addition, MDOT MTA provides commuter bus services to the Washington, D.C. area, including to Washington Metropolitan Area Transit Authority’s (“WMATA”) Shady Grove station via the 515 Commuter Bus from various points within the City of Frederick, the 505 from Hagerstown, and the 204 Commuter Bus to College Park via the Inter County Connector from various points in the County. Each of these buses makes a stop in Urbana. Intercity bus service is provided by Greyhound to a variety of locations outside the County, as well as by the Bayrunner Shuttle which serves Western Maryland, initiating in Grantsville and serving stops in route to the City of Frederick, terminating in Baltimore and the reverse.

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

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

## Utilities

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

## Recreation and Leisure

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

The County also offers more than 10 golf courses, the Frederick Keys (a Major League Baseball (MLB) High-A affiliate of the Baltimore Orioles), the Frederick Flying Cows (part of the former United States Basketball (“USBL”) League, numerous Civil War sites, six national parks, four state parks and several local parks. The Appalachian Trail which runs from Georgia to Maine roughly follows the western boundary of the County and skirts the Gathland State Park which contains the first monument to war correspondents. The County is the leader in the State of Maryland in craft beverages. Now home to 39 wineries, breweries and distilleries. This industry generates jobs in agriculture and manufacturing, strengthens Frederick’s tourism industry and attracts young talent to the community.

## Parks and Recreation

The Parks and Recreation Division provides for acquisition and development of a County-wide park system including community, district, regional and special use parks. The system includes 23 developed parks comprised of 2,444 acres of which 1,549 acres are developed to some degree. The largest site is 254 acres. Additionally, the division develops and manages community recreational programs and maintains County-owned grounds.

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

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

## Construction Activity and Value

Construction activity includes the number of building permits issued for new dwellings and commercial/industrial permits. The estimated construction value is reflected below. Constructions values are supplied by the applicants and exclude land values. The table below reflects building activity in the County including the incorporated municipalities for each of the calendar years displayed:

	2026 (1)		2025		2024		2023		2022	
	Issued	Value (000's)	Issued	Value (000's)	Issued	Value (000's)	Issued	Value (000's)	Issued	Value (000's)
Residential	437	\$ 122,598	1,172	\$ 454,247	1,629	\$ 560,992	1,662	\$ 460,388	2,597	\$ 711,222
Commercial/Industrial / Other	167	149,924	585	1,697,984	658	391,358	1,199	260,629	12,768	296,358
Total	604	\$ 272,522	1,757	\$ 2,152,231	2,287	\$ 952,350	2,861	\$ 721,017	15,365	\$ 1,007,580

(1) 2026 values are as of April 30, 2026.

Source: Frederick County Planning & Permitting Division.

## Housing Permit Activity

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

<b>Dwelling Type</b>	<b>2026</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>No. of Units / % of Total (1)</b>	<b>No. of Units / % of Total</b>	<b>No. of Units / % of Total</b>	<b>No. of Units / % of Total</b>	<b>No. of Units / % of Total</b>	<b>No. of Units / % of Total</b>
Single Family Detached	200 / 46%	498 / 42%	577 / 35%	544 / 33%	798 / 31%	1108 / 40%
Townhouse	111 / 25%	311 / 27%	652 / 40%	529 / 32%	723 / 28%	1075 / 39%
Multi-Family	126 / 29%	362 / 31%	400 / 25%	589 / 35%	1068 / 41%	586 / 21%
<b>Total</b>	<b>437</b>	<b>1,171</b>	<b>1,629</b>	<b>1,662</b>	<b>2,589</b>	<b>2,769</b>

(1) Calendar year 2026 data is through April 30, 2026.  
Source: Frederick County Planning & Permitting Division.

## Land Use

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

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

Source: Frederick County Planning & Permitting Division.

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## **BUDGET AND ACCOUNTING**

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

### **General Fund Budget**

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

### **Operating and Capital Budgets and Capital Improvement Program**

No department or agency of the County government may, during any fiscal year, expend or contract to expend any money or incur any liability or enter into any contract which by its terms involves the expenditure of money in excess of the amounts appropriated in the budget for such fiscal year. No payment may be made, or any liability incurred, which has not been provided for in the Operating or Capital Budget. Funds resulting from the issuance of bonds, certificates of indebtedness, notes or other obligations of the County may be expended only for authorized purchases of capital assets. Transfer of appropriations among the items set forth therein may be authorized in accordance with the County Charter Section 509 and further delegated in Budget Adoption Ordinance No. 26-02-002.

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

### **Accounting System**

The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate fiscal and accounting entity. The financial position and operations of each fund are accounted for with a self-balancing set of accounts recording revenue, other financing sources / uses and expenditures/expenses, together with all related assets, liabilities, deferred inflows /outflows and residual net position or fund balances. These accounts, and the changes therein, are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special purposes, restrictions, or limitations.

### **Fund Structure**

The County reports its financial activity on Government-wide and Fund Financial Statements in conformity with generally accepted accounting principles (GAAP) accepted in the United States of America. Both statements are included in the County’s Annual Comprehensive Financial Report (ACFR) located on the County’s website ([www.frederickcountymd.gov](http://www.frederickcountymd.gov)).

The Government-wide financial statements, which include the Statement of Net Position and the Statement of Activities, report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The Statement of Net Position displays the financial position of the County as of the fiscal year end. Activities are reported on a consolidated basis using the full accrual, economic resources measurement focus, which recognizes all long-term assets, including infrastructure, as well as long-term debt and obligations.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers who use, purchase, or directly benefit from goods, services or privileges provided by a given function or segment, and grants that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

The Fund Financial Statements include the following fund types: Governmental Funds, which include the General Fund, the Debt Service Fund, the Special Revenue Funds, and the Capital Project Fund; Proprietary Funds, which include the Enterprise Funds and Internal Service Funds; and Fiduciary Funds, which include Employees' Retirement Plan, Uniformed Employees' Retirement Plan, Length of Service Award Program and Other Post-Employment Benefits Trust Funds as well as custodial funds. Details of the County's fund structure are set forth in the Notes to the Financial Statements. The revenues and expenditures/expenses of the County are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

### **Basis of Accounting**

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

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

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

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (the "GFOA") has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Annual Comprehensive Financial Report ("ACFR") for fiscal year 2025. This was the 44rd year (39<sup>th</sup> consecutive year) that the County has received this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. The County intends to continue to conform its ACFR to the Certificate of Achievement program requirements.

### **Distinguished Budget Presentation Award**

The Budget Office received the GFOA's Distinguished Budget Presentation Award for the past nine fiscal years' (2018 – 2026) budgets. GFOA established this budget awards program in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal. Documents submitted to the program are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in public-sector budgeting.

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

## CERTAIN REVENUES, EXPENDITURES AND FUND BALANCE TRENDS

### General Fund

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

The table on the following page indicates the County’s General Fund revenues and expenditures for each of the five most recent fiscal years for which audited results are available, and projected results for fiscal year 2026 and budgeted values for fiscal year 2027:

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

	<u>FY27*</u>	<u>FY26**</u>	<u>FY25</u>	<u>FY24</u>	<u>FY23</u>	<u>FY22</u>
<b>Revenues</b>						
Local property taxes	\$ 555,502,809	\$ 523,198,365	\$ 481,434,710	\$ 425,781,883	\$ 396,487,423	\$ 367,366,537
Local income taxes	439,454,001	427,730,898	404,355,909	353,880,862	346,027,995	314,419,691
Other local taxes	11,000,200	9,940,313	14,092,247	6,969,076	2,991,911	1,695,977
Recordation	23,452,994	32,500,000	41,246,131	23,523,853	27,032,401	38,541,413
Grants from federal government	219,051	255,661	385,634	425,699	317,613	377,491
Highway user	4,000,000	4,000,000	4,602,016	3,936,954	3,486,324	3,515,152
Other state grants	2,015,000	2,395,630	2,514,862	2,364,745	2,251,487	1,759,156
Investment earnings	4,000,011	18,000,000	19,694,267	19,460,354	11,166,061	101,416
Charges for services	13,494,863	11,997,069	11,670,854	11,600,803	10,072,640	8,380,965
Licenses and permits	5,725,700	7,702,142	6,834,056	6,235,845	5,590,690	7,212,432
Fines and forfeitures	55,700	66,631	76,329	47,508	49,513	44,453
Miscellaneous revenues	2,911,770	3,368,193	6,698,061	5,824,498	5,193,960	4,473,295
Total revenues	<u>1,061,832,099</u>	<u>1,041,154,902</u>	<u>993,605,076</u>	<u>860,052,080</u>	<u>810,668,018</u>	<u>747,887,978</u>
<b>Expenditures</b>						
<b>Current</b>						
General government	101,137,017	92,413,863	81,559,409	73,516,519	65,541,235	55,076,915
Public safety	226,058,864	207,300,213	198,477,456	186,169,134	156,573,665	146,832,389
Public works	33,281,181	30,768,247	28,248,807	26,355,834	23,583,795	22,159,878
Health	11,864,411	11,514,228	10,367,786	10,456,037	8,625,314	7,701,302
Social services	13,379,889	12,003,904	9,799,745	9,165,602	7,888,028	6,810,363
<b>Education</b>						
Board of education	493,935,804	457,445,684	435,916,542	417,969,854	364,705,067	330,557,080
Community college	28,866,798	26,999,083	26,242,681	24,675,478	22,618,303	21,798,561
Parks, recreation and culture	35,289,034	32,311,597	30,014,774	28,673,467	24,695,270	22,120,571
Conservation of natural resources	6,795,819	6,521,582	6,988,262	7,174,030	6,699,165	5,250,005
Community development and public housing	1,876,746	1,458,323	1,117,533	1,046,555	934,351	751,298
Economic development and opportunity	6,501,185	7,779,766	4,848,844	4,396,601	4,367,069	4,506,303
<b>Non-departmental</b>						
Tax rebate to municipalities	7,326,716	6,111,429	5,570,099	5,243,255	5,246,806	5,092,756
State Department of Assessments and Taxation	2,222,743	2,092,253	1,404,958	1,000,124	900,618	878,756
Other employee benefits	2,069,458	2,004,258	920,019	869,729	566,960	442,079
Property and liability insurance	2,546,217	2,634,561	2,151,504	2,109,006	1,811,305	1,705,357
Indirect cost recovery	(4,009,322)	(4,009,322)	(3,834,534)	(3,419,178)	(3,283,398)	(3,142,871)
Other non-departmental & contingencies	2,299,659	1,768,721	4,762,936	3,877,117	9,222,688	10,416,881
Total expenditures	<u>971,442,219</u>	<u>897,118,390</u>	<u>844,556,821</u>	<u>799,279,164</u>	<u>700,696,241</u>	<u>638,957,623</u>
<b>Other financing sources (uses)</b>						
<b>Transfers from</b>						
Special revenue funds	-	20,000	465,000	175,772	-	12,011
Enterprise funds	282,000	282,000	282,000	-	-	-
<b>Transfers to</b>						
Capital projects funds	(90,378,789)	(52,997,569)	(50,929,890)	(20,927,647)	(22,894,842)	(80,035,647)
Special revenue funds	(12,436,720)	(11,184,994)	(11,055,221)	(10,035,683)	(10,862,524)	(12,833,110)
Internal service funds	(1,963,945)	(3,165,281)	(2,587,844)	(2,018,024)	(3,101,354)	(6,097,798)
Enterprise funds	-	-	-	-	-	(20,587)
Debt service fund	(65,444,117)	(60,944,117)	(54,944,117)	(52,327,730)	(49,599,362)	(47,099,362)
Gain/Loss Asset Disposition	-	44,377	1,595	108,984	-	-
Insurance Proceeds	-	37,316	32,576	72,657	-	-
Leases	-	-	-	295,275	4,596,530	-
SBITAs	-	-	4,027,752	1,049,976	1,522,947	-
Unusual or infrequent	-	-	1,370,056	-	-	-
Total other financing sources (uses)	<u>(169,941,571)</u>	<u>(127,908,268)</u>	<u>(113,338,093)</u>	<u>(83,606,420)</u>	<u>(80,338,605)</u>	<u>(146,074,493)</u>
Total expenditures and other financing uses	<u>1,141,383,790</u>	<u>1,025,026,658</u>	<u>957,894,914</u>	<u>882,885,584</u>	<u>781,034,846</u>	<u>785,032,116</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(79,551,691)	16,128,244	35,710,162	(22,833,504)	29,633,172	(37,144,138)

\*FY2027 is budgeted.

\*\*FY2026 is projected.

Source: Frederick County Finance Division.

The fiscal year 2026 assessed property values increased 10.6% compared to fiscal year 2025, resulting in a projected additional \$41.8 million in revenue. Income tax revenue increased \$50.5 million in fiscal year 2025 over the prior fiscal year or 14.3%. Fiscal year 2026 is projected to be \$23.7 million more than fiscal year 2025 or 5.78%. The fiscal year 2027 budget reflects an anticipated increase in income tax revenue of 3.9% due primarily to continued growth in the income of Frederick County residents.

**Taxes**

Ad valorem property taxes remain the County’s most important source of revenues, estimated at 50.3% of total General Fund revenues and 52.7% of total local General Fund tax revenues in fiscal year 2026. By comparison, in fiscal year 2025, these percentages were 48.5% and 51.2%, respectively.

The following table represents the County’s actual principal tax revenues by source for each of the four fiscal years 2022-2025 and estimated results for fiscal year 2026:

<u>Fiscal Year</u>	<u>General Property Taxes (1)</u>	<u>Income Taxes</u>	<u>Other Local Taxes</u>	<u>Total Local Taxes</u>
2026*	\$523,198,365	\$427,730,898	\$42,440,313	\$993,369,576
2025	481,434,710	404,355,909	55,338,378	941,128,997
2024	425,781,883	353,880,862	30,492,929	810,155,674
2023	396,487,423	346,027,995	30,024,312	772,539,730
2022	367,366,537	314,419,691	40,239,390	722,025,618

\*Fiscal year 2026 amounts are estimated.

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

Source: Frederick County Finance Division.

**Property Taxes**

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

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

The State also provides a tax credit based on the ability of homeowners to pay property taxes. The credit is calculated by use of a scale, which indicates a maximum tax liability for various income levels. This credit can be supplemented at the local level. In 2006, the County chose to supplement this credit, however subsequently the State expanded its credit eligibility, thereby substantially lessening the effect of the County’s action. On January 3, 2012, the former Board of County Commissioners approved an additional supplement as a Senior Tax Credit effective for fiscal year 2013. The annual fiscal impact for both County supplements is estimated as \$1,754,881 for fiscal year 2026. Other budgeted tax credits not reimbursed by the State for fiscal year 2026 include credits for historic districts (\$103,379), for rehabilitated vacant commercial structures (\$125,225), for agriculture land and buildings (\$1,841,707), and for commercial and industrial structures (\$1,342,517).

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

The following table sets forth the assessment of all taxable property in the County for fiscal years 2022-2026 and the County and State tax rates applicable in each of those years. The fiscal year 2026 assessment of tax-exempt property owned by federal, State and County governments, churches, schools, fraternal organizations, cemeteries, disabled and the blind aggregated \$4,798,784,793. Under applicable law, there are no limits on the rates of property taxes.

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

	<u>FY 2026</u>	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>
Assessments					
Real Property	\$ 48,227,413,997	\$ 44,167,748,614	\$ 40,937,240,323	\$ 38,213,700,556	\$ 35,899,939,037
Public Utilities	681,083,300	482,847,340	456,298,770	456,750,380	447,332,470
Total Base	<u>\$ 48,908,497,297</u>	<u>\$ 44,650,595,954</u>	<u>\$ 41,393,539,093</u>	<u>\$ 38,670,450,936</u>	<u>\$ 36,347,271,507</u>
County Tax Rate					
(Per \$100 of Assessment)	<u>\$1.110</u>	<u>\$1.110</u>	<u>\$1.060</u>	<u>\$1.060</u>	<u>\$1.060</u>
State Tax Rate					
(Per \$100 of Assessment)	<u>\$0.112</u>	<u>\$0.112</u>	<u>\$0.112</u>	<u>\$0.112</u>	<u>\$0.112</u>

Source: Frederick County Finance Division.

There are residents who live in municipalities within the County and therefore pay property taxes to both the County and municipality for services that are only provided by the municipality. Prior to fiscal year 2013, all municipalities received a tax rebate or direct payment for the cost of services provided by the municipality but taxed by the County. Maryland code governs the procedure for setting a differential rate in the municipalities, and in fiscal year 2014, the City of Frederick and Myersville decided to take advantage of the differential rate rather than receive a tax rebate. The tax rates for fiscal years 2025 through 2027 are shown below. All tax calculations are based on \$100 of assessed value:

	<u>FY 2027</u>	<u>FY 2026</u>	<u>FY 2025</u>
State of Maryland	0.1120	0.1120	0.1120
Frederick County	1.1100	1.1100	1.1100
City of Frederick Differential	1.0125	1.0079	1.0077
Town of Myersville Differential	0.9666	0.9967	1.0198

Source: Frederick County Treasurer's Office.

*[The remainder of this page has been intentionally left blank]*

The following table lists the 20 largest taxpayers in the County and the assessment of their property for fiscal year 2026:

<b>Name of Taxpayer</b>	<b>Assessment</b>	<b>Percentage of Total County Taxable Assessments</b>
ROWAN FREDERICK LLC	\$507,377,134	1.04
POTOMAC EDISON CO	255,605,390	0.52
BALTIMORE GAS AND ELECTRIC COMPANY	183,226,340	0.37
ASTRAZENECA PHARMACEUTICALS	133,659,500	0.27
KITE PHARMA INC	133,172,967	0.27
RIV 402 LLC	108,418,700	0.22
THE KROGER CO	96,812,767	0.20
COSTCO WHOLESALE CORPORATION	96,394,833	0.20
B R LAKE LINGANORE DST	88,521,567	0.18
APARTMENTS AT URBAN GREEN LLC	84,785,700	0.17
WASHINGTON GAS LIGHT COMPANY	77,321,890	0.16
HOMWOOD AT FREDERICK MD INC	65,875,833	0.13
YBC INVESTORS LLC	60,235,900	0.12
100 ALESSANDRA LLC	60,154,100	0.12
CENTENNIAL CLEARBROOK LLC	59,995,067	0.12
QUANTUM MARYLAND LLC	58,793,867	0.12
RACHUBA PROSPECT HALL LLC	55,616,500	0.11
EASTERN GAS TRANSMISSION & STORAGE	55,137,050	0.11
CANTERBURY STATION LLC	53,377,867	0.11
PR FINANCING LIMITED PARTNERSHIP	51,696,800	0.11
	<u>\$2,286,179,772</u>	<u>4.67</u>

Source: Frederick County Treasurer's Office.

### **Tax Levies and Collections**

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

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

The following table sets forth certain information with respect to the County’s tax levies and tax collections for each of the four most recent fiscal years for which audited results are available and estimated results for fiscal year 2026.

Total Tax Levy (Adjusted Levy)	Current Year's Taxes Collected in Year of Levy		Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage		Amount	Percentage of Adjusted Levy
* \$ 507,630,583	\$ 505,780,005	99.64%	-	\$ 505,780,005	99.64%
465,386,259	465,509,478	100.03%	(495,178)	465,014,300	99.92%
411,614,967	411,919,680	100.07%	(269,533)	411,650,147	100.01%
383,022,943	383,170,397	100.04%	(152,068)	383,018,329	100.00%
361,099,982	361,276,230	100.05%	(171,415)	361,104,815	100.00%

\*Fiscal year 2026 amounts are estimated.  
Source: Frederick County Treasurer’s Office.

### Income Tax

The State imposes an income tax on the adjusted income of individuals as determined for federal income tax purposes, subject to certain adjustments. For tax year 2025, Maryland's personal tax rates begin at 2% on the first \$1,000 of taxable net income and increases up to a maximum of 6.5% on incomes exceeding \$1,000,000 (or \$1,200,000 for taxpayers filing jointly, heads of household, or qualifying widows/widowers). In addition, a 2% capital gains surtax applies to individuals with a federal adjusted gross income exceeding \$350,000. Nonresidents are subject to a special tax rate of 1.75%, in addition to the state income tax rate.

Each county and Baltimore City must levy a local income tax at the rate of at least 2.4% of Maryland taxable income, but not more than 3.20%, which increased to 3.3% for tax year 2026 and 3.7% for tax year 2027. Effective January 1, 2024 with passage of Ordinance 23-05-005 the County’s income tax rates for single filers, married individuals filing separately, and dependent filers, are 2.25% for taxpayers with Maryland taxable income between \$1 and \$25,000 (inclusive); 2.75% for taxpayers with Maryland taxable income between \$25,001 and \$50,000 (inclusive); 2.96% for taxpayers with Maryland taxable income between \$50,001 and \$150,000 (inclusive); and 3.20% for taxpayers with Maryland taxable income of \$150,001 or more. For joint filers, heads of household, and qualified surviving spouses, the County’s income tax rates are 2.25% for taxpayers with Maryland taxable income between \$1 and \$25,000 (inclusive); 2.75% for taxpayers with Maryland taxable income between \$25,001 and \$100,000 (inclusive); 2.96% for taxpayers with Maryland taxable income between \$100,001 and \$250,000 (inclusive); and 3.20% for taxpayers with Maryland taxable income of \$250,001 or more. Local income tax is budgeted at \$439,454,001 for fiscal year 2027.

### Other Local Taxes

In addition to property taxes and income taxes, the County levies and collects miscellaneous taxes, the largest of which is the recordation tax on instruments conveying title to property and securing debt. Revenues from this tax in fiscal year 2025 were \$86,180,800 (including General Fund revenues of \$41,246,132). The projected recordation tax revenue for fiscal year 2026 is \$67,906,396 (including General Fund revenues of \$32,500,000). The adopted budget for fiscal year 2027 is \$51,140,414 (including General Fund revenues of \$23,452,994).

Effective in fiscal year 2027, County Council approved reallocating 2% of the recordation tax collections from the General Fund to a Transit Fund to facilitate, among other Transit initiatives, free fare for Transit riders. This results in recordation tax allocations to: 45.86% General Fund; 25% Agricultural Preservation; 14.29% School Construction; 10.71% Parks Acquisition & Development; 2.14% Housing Initiatives; and 2% Transit Fund. Since fiscal year 2020, the recordation tax rate has remained at \$7.00 per \$500 of consideration. The table below highlights the last five changes to the County’s recordation tax allocations.

## Recordation Tax Allocations

	<u>FY2027*</u>	<u>FY2023</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2019</u>
General Fund	45.860%	47.860%	48.290%	48.710%	58.333%
School Construction Fund	14.290%	14.290%	14.290%	14.290%	16.667%
Agricultural Preservation Fund	25.000%	25.000%	25.000%	25.000%	12.500%
Parks Acquisition & Development Fund	10.710%	10.710%	10.710%	10.710%	12.500%
Housing Initiative Fund	2.140%	2.140%	1.710%	1.290%	0.000%
Transit	2.000%	0.000%	0.000%	0.000%	0.000%

\*Council Bill #26-03 allocated 2% of General Fund's allocated share of recordation taxes to Transit.  
Source: Frederick County Finance Division.

## State and Federal Financial Assistance

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

## Fund Balance Trend

### General Fund

	<u>FY 2026*</u>	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>
<b>Nonspendable</b>	\$ 3,774,355	\$ 3,774,355	\$ 3,622,334	\$ 3,466,889	\$ 1,780,898	\$ 1,992,197
<b>Restricted</b>						
Other	1,473,406	1,306,793	1,299,629	1,147,701	1,073,801	1,022,443
<b>Committed</b>						
County Set-aside **	76,614,305	71,960,075	68,128,552	60,023,648	54,884,559	43,574,733
Bond Rating Enhancement	100,000	100,000	100,000	100,000	100,000	100,000
Appropriation of current year's fund balance	927,943	-	-	9,076,061	1,282,190	7,831,610
Year 1 Budget	79,269,261	34,933,617	53,368,579	48,211,611	27,804,400	33,297,977
Year 2 Budget	60,536,295	88,031,169	34,933,617	53,368,580	48,211,611	75,407,718
Severe Weather	-	-	-	1,200,000	-	-
Commission for Women	-	33,993	33,993	31,790	27,614	-
Permanent Public Improvement	837,509	79,074	79,074	79,074	199,074	199,074
Board of Education	-	-	-	5,000,000	-	-
Forest resource ordinance fee-in-lieu	734,561	708,997	649,549	-	-	-
Health Insurance Fund	-	1,370,056	-	-	-	-
<b>Assigned</b>						
Revenue Stabilization	11,215,605	10,788,924	9,362,243	5,788,924	12,788,924	14,788,924
Downtown Hotel	-	-	-	-	-	2,520,000
Purchase Property (Denn)	-	-	-	-	-	288,500
Encumbrances	8,000,000	6,377,063	6,142,619	6,812,901	7,775,220	4,999,597
Other	1,720,542	1,611,425	1,267,007	1,258,763	1,637,880	1,195,043
<b>Unassigned</b>						
Other	300,000	300,000	300,000	300,000	300,000	300,000
	<u>\$ 245,503,782</u>	<u>\$ 221,375,541</u>	<u>\$ 179,287,196</u>	<u>\$ 195,865,942</u>	<u>\$ 157,866,171</u>	<u>\$ 187,517,816</u>

\*Fiscal year 2026 amounts are estimated.

\*\* 7% set aside required for fiscal year 2021, 8% for fiscal years 2022-2026.

Section 2-7-1(a)(2) of the County Code provides for the County to maintain a committed General Fund balance equal to eight percent of General Fund expenditures and transfers to the Debt Service Fund, Board of Education and Frederick Community College on a budgetary basis. This commitment has gradually increased to 8.0% as of fiscal year 2022, from 6.5% in fiscal year 2018. As of June 30, 2025, the required balance is \$71,960,075. This is classified as "committed" fund balance in accordance with the promulgations of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Due to the restricting nature of the set-aside, it is reported as restricted net position in the governmental activities column of the government-wide Statement of Net Position.

## Special Revenue Funds

The following table sets forth certain information with respect to available fund balances for debt service for each of the four most recent fiscal years for which audited results are available, as well as estimates for fiscal year 2026:

	<u>FY2026*</u>	<u>FY2025</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>
<b>Recordation Taxes</b>					
<b>School Construction</b>					
Fund Balance	\$ 20,883,000	\$ 18,030,032	\$ 10,246,156	\$ 19,956,348	\$ 17,554,179
Next Year's Debt Service	4,920,999	4,916,244	4,499,690	4,502,258	4,311,421
<b>Debt Service Coverage</b>	<b>4.24</b>	<b>3.67</b>	<b>2.28</b>	<b>4.43</b>	<b>4.07</b>
<b>Parks Acquisition &amp; Development</b>					
Fund Balance	16,786,900	14,308,320	6,023,860	4,935,829	9,824,488
Next Year's Debt Service	1,693,116	1,691,513	1,436,361	1,435,085	425,000
<b>Debt Service Coverage</b>	<b>9.91</b>	<b>8.46</b>	<b>4.19</b>	<b>3.44</b>	<b>23.12</b>
<b>Impact Fees</b>					
Fund Balance	105,957,000	134,322,492	113,415,619	98,026,089	98,197,684
Next Year's Debt Service	2,119,434	2,122,037	2,101,322	2,108,061	2,049,554
<b>Debt Service Coverage</b>	<b>49.99</b>	<b>63.30</b>	<b>53.97</b>	<b>46.50</b>	<b>47.91</b>
<b>Totals</b>					
Fund Balance	<u>143,626,900</u>	<u>166,660,844</u>	<u>129,685,635</u>	<u>122,918,266</u>	<u>125,576,351</u>
Next Year's Debt Service	<u>\$ 8,733,549</u>	<u>\$ 8,729,794</u>	<u>\$ 8,037,373</u>	<u>\$ 8,045,404</u>	<u>\$ 6,785,975</u>
<b>Debt Service Coverage</b>	<b>16.45</b>	<b>19.09</b>	<b>16.14</b>	<b>15.28</b>	<b>18.51</b>

\*Fiscal year 2026 amounts are estimated.  
Source: Frederick County Finance Division.

## Water and Sewer Proprietary Fund

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

For fiscal year 2025, the Water and Sewer Enterprise Fund reported \$8,988,560 in connection fees and \$11,067,057 in developer/municipal contributions for a total capital contribution of \$20,055,617. Overall, for fiscal year 2025, net position increased \$32,161,279 consisting of \$10,563,069 net increase, \$1,542,593 transfers to/from other funds and \$20,055,617 in capital contributions.

The Water and Sewer Enterprise Fund reported total Net Position of \$774,187,951 for fiscal year 2025. Of this amount, \$509,886,998 was net investment in capital assets and \$264,300,953 was unrestricted.

*[The remainder of this page has been intentionally left blank]*

The following table summarizes the revenues and expenses of the Water and Sewer Proprietary Fund for each of the four most recent fiscal years for which audited results are available and budgeted figures for fiscal year 2026 and 2027:

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

	<u>2027*</u>	<u>2026*</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Operating revenues</b>						
Water and sewer charges	\$ 58,183,482	\$ 55,272,931	\$ 53,373,221	\$ 52,614,571	\$ 47,333,123	\$ 45,414,731
Delinquent Fees	95,000	95,000	115,316	112,005	101,948	77,024
Other sources	2,734,000	2,216,298	3,486,360	2,721,445	4,590,392	2,883,837
Total operating revenues	<u>61,012,482</u>	<u>57,584,229</u>	<u>56,974,897</u>	<u>55,448,021</u>	<u>52,025,463</u>	<u>48,375,592</u>
<b>Operating expenses</b>						
Personnel services	18,474,377	16,911,118	14,348,946	14,080,403	12,003,680	10,084,031
Operating expenses	20,218,020	19,038,140	13,947,907	11,029,913	8,748,515	11,666,362
Insurance	1,192,994	1,189,705	972,901	942,012	686,349	539,423
Supplies	6,029,315	5,189,932	3,885,905	3,870,115	3,371,411	3,108,090
Repairs and maintenance	5,504,492	5,244,468	3,171,246	3,944,731	4,472,000	7,160,065
Depreciation expense	13,297,217	16,137,714	16,656,367	16,868,713	17,150,212	17,123,659
Total operating expenses	<u>64,716,415</u>	<u>63,711,077</u>	<u>52,983,272</u>	<u>50,735,887</u>	<u>46,432,167</u>	<u>49,681,630</u>
Operating income (loss)	<u>(3,703,933)</u>	<u>(6,126,848)</u>	<u>3,991,625</u>	<u>4,712,134</u>	<u>5,593,296</u>	<u>(1,306,038)</u>
<b>Nonoperating revenues (expenses)</b>						
Investment income	10,050,000	10,050,000	10,846,433	11,122,253	6,668,899	264,302
Miscellaneous Income (expense)			(564,907)	(639,263)	(213,459)	(2,407,328)
Interest expense	(2,400,544)	(2,123,217)	(2,573,039)	(2,229,128)	(2,730,429)	(2,964,302)
Gain (Loss) on disposition of capital assets	-	-	(1,137,043)	(66,347)	(83,278)	(161,875)
Total nonoperating revenues (expenses)	<u>7,649,456</u>	<u>7,926,783</u>	<u>6,571,444</u>	<u>8,187,515</u>	<u>3,641,733</u>	<u>(5,269,203)</u>
Net Income (Loss) Before Capital Contributions and Transfers	<u>3,945,523</u>	<u>1,799,935</u>	<u>10,563,069</u>	<u>12,899,649</u>	<u>9,235,029</u>	<u>(6,575,241)</u>
Capital Contributions	15,000,000	15,194,391	20,055,617	12,546,727	12,484,830	29,047,876
Transfers in	80,000	-	1,627,777	38,615	48,717	152,688
Transfers out	-	(354,070)	(85,184)	(1,145,856)	(3,859)	(70,377)
Total contributions and transfers	<u>15,080,000</u>	<u>14,840,321</u>	<u>21,598,210</u>	<u>11,439,486</u>	<u>12,529,688</u>	<u>29,130,187</u>
Change in Net Position	<u>\$ 19,025,523</u>	<u>\$ 16,640,256</u>	<u>\$ 32,161,279</u>	<u>\$ 24,339,135</u>	<u>\$ 21,764,717</u>	<u>\$ 22,554,946</u>

\*FY2027 and FY2026 are budgeted.

Source: Frederick County Finance Division

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## Solid Waste Management Proprietary Fund

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

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

Fiscal year 2026 is budgeted with a 5% increase in operating revenues, as well as an 11% increase in operating costs. Recycling revenue is anticipated to be lower than fiscal year 2025 with an increase in recycling expenses.

The following table summarizes the revenues and expenses of the Solid Waste Management Proprietary Fund for each of the four most recent fiscal years for which audited results are available and budgeted figures for fiscal year 2026 and 2027:

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

	<u>FY 2027*</u>	<u>FY 2026*</u>	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>
<b>Operating revenues</b>						
Service charges	\$ 32,103,000	\$ 31,001,500	\$ 30,730,957	\$ 29,323,077	\$ 28,909,831	\$ 31,757,665
Delinquent fees	56,000	50,000	56,530	47,876	48,757	42,837
Miscellaneous operating revenues	1,955,300	1,848,080	2,038,206	1,803,571	1,882,294	363,471
Total operating revenues	<u>34,114,300</u>	<u>32,899,580</u>	<u>32,825,693</u>	<u>31,174,524</u>	<u>30,840,882</u>	<u>32,163,973</u>
<b>Operating expenses</b>						
Personnel services	4,451,905	3,963,911	4,850,514	3,689,217	3,072,180	2,825,696
Operating expenses	32,499,431	31,841,926	25,817,362	26,892,471	25,914,519	23,816,041
Insurance	85,576	88,183	89,194	90,270	71,919	59,380
Supplies	167,351	139,200	104,095	55,987	64,370	63,845
Repairs and maintenance	1,407,400	1,099,450	1,016,781	360,794	331,143	577,558
Depreciation expense	1,519,649	1,519,649	1,651,863	1,424,539	1,422,931	1,351,124
Total operating expenses	<u>40,131,312</u>	<u>38,652,319</u>	<u>33,529,809</u>	<u>32,513,278</u>	<u>30,877,062</u>	<u>28,693,644</u>
Operating income (loss)	<u>(6,017,012)</u>	<u>(5,752,739)</u>	<u>(704,116)</u>	<u>(1,338,754)</u>	<u>(36,180)</u>	<u>3,470,329</u>
<b>Nonoperating revenues (expenses)</b>						
Investment earnings	3,000,000	2,000,000	3,070,088	3,323,537	2,006,962	138,253
Miscellaneous income (expense)	-	-	(58,680)	39,100	128,000	(179,050)
Interest expense	(18,369)	(61,976)	(55,856)	(68,665)	(183,542)	(196,429)
Gain (loss) on disposition of capital assets	-	-	57,050	80,000	188,100	3,350
	<u>2,981,631</u>	<u>1,938,024</u>	<u>3,012,602</u>	<u>3,373,972</u>	<u>2,139,520</u>	<u>(233,876)</u>
<b>Income (Loss) before capital contributions and transfers</b>	<u>(3,035,381)</u>	<u>(3,814,715)</u>	<u>2,308,486</u>	<u>2,035,218</u>	<u>2,103,340</u>	<u>3,236,453</u>
Transfers out	-	-	-	(93,385)	-	-
Total contributions and transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,385)</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>\$ (3,035,381)</u>	<u>\$ (3,814,715)</u>	<u>\$ 2,308,486</u>	<u>\$ 1,941,833</u>	<u>\$ 2,103,340</u>	<u>\$ 3,236,453</u>

\*FY2027 and FY2026 are budgeted.

Source: Frederick County Finance Division

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## Comprehensive Care Facility Fund

The budgeted operating revenue of Citizens Care & Rehabilitation Center (CCRC) for fiscal year 2026 is \$27,599,886. This increase in revenue is largely due to an increase in rates including Medicare and private insurance. The fiscal year 2026 budget includes a three percent decrease to the Medicaid system rates as well as a five percent increase to the private pay rates. Budgeted operating expenses for fiscal year 2026 are \$25,832,280. The increase for fiscal year 2026 reflects a stable employee count and an average increase for salaries at three percent.

The following table summarizes the revenues and expenses of the Comprehensive Care Facility Fund for each of the four most recent fiscal years for which audited results are available and budgeted figures for fiscal year 2026 and 2027:

<b>Comprehensive Care Fund</b>						
<b>Schedule of Revenues and Expenses &amp; Change in Net Position</b>						
<b>For the Fiscal Years ending June 30</b>						
	<b>2027*</b>	<b>2026*</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Operating revenues</b>						
Charges for Services	\$ 28,467,566	\$ 27,548,561	\$ 26,482,625	\$ 27,515,239	\$ 29,005,951	\$ 28,569,536
Other sources	30,000	51,325	73,452	28,865	675,235	437,347
Total operating revenues	<u>28,497,566</u>	<u>27,599,886</u>	<u>26,556,077</u>	<u>27,544,104</u>	<u>29,681,186</u>	<u>29,006,883</u>
<b>Operating expenses</b>						
Personnel services						
Operating expenses	26,541,403	25,785,716	25,449,912	27,491,042	29,231,669	28,207,768
Insurance		-	95,025	106,027	79,288	69,762
Depreciation expense	51,100	46,564	49,747	48,060	59,786	916,962
Total operating expenses	<u>26,592,503</u>	<u>25,832,280</u>	<u>25,594,684</u>	<u>27,645,129</u>	<u>29,370,743</u>	<u>29,194,492</u>
Operating income (loss)	<u>1,905,063</u>	<u>1,767,606</u>	<u>961,393</u>	<u>(101,025)</u>	<u>310,443</u>	<u>(187,609)</u>
<b>Nonoperating revenues (expenses)</b>						
Investment income	250,000	400,000	278,153	261,987	146,119	7,622
Miscellaneous Income (expense)		-	-	(12,818)	-	-
Interest expense	(1,920)	(2,574)	(3,212)	(198)	(443)	(688,183)
Gain (Loss) on disposition of capital assets	-	-	4,000	-	33,915	186,912
Total nonoperating revenues (expenses)	<u>248,080</u>	<u>397,426</u>	<u>278,941</u>	<u>248,971</u>	<u>179,591</u>	<u>(493,649)</u>
Net Income (Loss) Before Capital						
Contributions and Transfers	<u>2,153,143</u>	<u>2,165,032</u>	<u>1,240,334</u>	<u>147,946</u>	<u>490,034</u>	<u>(681,258)</u>
Transfers in	-	-	-	-	2,500,000	2,520,587
Transfers out	(282,000)	(282,000)	(282,000)	-	-	-
Total contributions and transfers	<u>(282,000)</u>	<u>(282,000)</u>	<u>(282,000)</u>	<u>-</u>	<u>2,500,000</u>	<u>2,520,587</u>
Change in Net Position	<u>\$ 1,871,143</u>	<u>\$ 1,883,032</u>	<u>\$ 958,334</u>	<u>\$ 147,946</u>	<u>\$ 2,990,034</u>	<u>\$ 1,839,329</u>

\*FY2027 and FY2026 are budgeted.

Source: Frederick County Finance Division

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## CERTAIN DEBT INFORMATION

### **Bonded Indebtedness of the County; Debt Limitations**

The County has the power to incur debt without specific enabling legislation from the Maryland General Assembly. Incurrence of debt is authorized by legislation enacted by the County Council and approved by the County Executive in accordance with the provisions of the Charter. All such legislation may be referred to the voters of the County for referendum if a petition signed by at least seven percent of the registered voters of the County is filed with the Board of Elections for the County no later than fifty-nine days following the date the legislation is enacted.

Pursuant to Section 508 of the Charter, the aggregate amount of County general obligation debt is limited to an amount equal to three percent of the assessable basis of real property of the County and nine percent of the County's assessable basis of personal property and operating real property.

The following categories of debt are not computed or applied in establishing the debt limitation: tax anticipation notes or other evidences of indebtedness having a maturity not in excess of 12 months; debt payable primarily or exclusively from taxes levied in or on, or other revenues of, special taxing areas or community development authorities; and debt issued for self-liquidating and other projects payable primarily or exclusively from the proceeds of assessments or charges for special benefits or services. As of July 1, 2025, the borrowing limit is estimated at approximately \$1.37 billion, of which \$473.10 million is available.

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

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

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## Schedule of Long-Term Loans and Bonded Indebtedness

The table below sets forth the amount of the County's long-term general obligation bonded indebtedness issued and outstanding as of June 30, 2026.

	<u>Date of Debt Issue</u>	<u>Date of Debt Maturity</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding 6/30/2026</u>
<b>General Government Debt</b>				
Public Facilities Refunding Bonds of 2014, Series C	11/25/2014	6/1/2028	\$ 12,431,564	\$ 7,604,710
Public Facilities Bonds of 2016, Series A	6/29/2016	8/1/2036	77,186,341	46,272,942
Public Facilities Refunding Bonds of 2016, Series B	6/29/2016	8/1/2036	34,820,000	21,270,000
Public Facilities Ref Bonds of 2017A (2020 Crossover)	4/11/2017	2/1/2030	56,901,147	26,056,743
Public Facilities Ref Bonds of 2017B	12/20/2017	8/1/2031	35,860,543	20,977,709
Public Facilities Bonds of 2018A	3/7/2018	8/1/2037	84,465,639	59,003,570
Public Facilities Bonds of 2019A	9/24/2019	8/1/2039	98,509,493	77,248,985
Public Facilities Bonds of 2019B Refunding	9/24/2019	8/1/2034	26,747,886	23,536,719
Public Facilities Bonds of 2020A Refunding	3/26/2020	6/1/2027	7,952,496	3,724,405
Public Facilities Refunding Bonds of 2021, Series A	9/28/2021	10/1/2051	149,610,000	128,458,631
Public Facilities Refunding Bonds of 2021, Series B	9/28/2021	10/1/2032	8,873,683	8,292,380
Public Facilities Refunding Bonds of 2023, Series A	5/31/2023	4/1/2053	96,315,000	86,457,108
Public Facilities Refunding Bonds of 2025, Series A	2/13/2025	4/1/2055	181,325,000	176,766,327
FY2017 Capital Lease	5/19/2017	4/1/2027	3,704,232	114,708
Installment Purchase Agreements	VARIOUS	VARIOUS	40,749,310	39,238,688
Total General Government Debt			\$ 915,452,334	\$ 725,023,625
Less: Installment Purchase Agreements			(40,749,310)	(39,238,688)
Less: Capital Leases			(3,704,232)	(114,708)
Total Serial Bond General Government Debt			\$ 870,998,792	\$ 685,670,229
<b>Proprietary Fund Debt</b>				
Maryland Department of the Environment Loans	VARIOUS	VARIOUS	\$ 73,665,546	\$ 29,822,618
Public Facilities Refunding Bonds of 2014, Series C	11/25/2014	6/1/2028	4,283,436	2,620,290
Public Facilities Refunding Bonds of 2016, Series A	6/29/2016	8/1/2036	8,218,659	4,107,058
Public Facilities Ref Bonds of 2017A (2020 Crossover)	4/11/2017	2/1/2030	16,963,853	6,013,257
Public Facilities Ref Bonds of 2017B	12/20/2017	8/1/2031	824,457	482,291
Public Facilities Bonds of 2018A	3/7/2018	8/1/2037	15,269,361	9,241,430
Public Facilities Bonds of 2019A	9/24/2019	8/1/2039	7,735,507	5,391,015
Public Facilities Bonds of 2019B Refunding	9/24/2019	8/1/2034	3,267,114	2,713,281
Public Facilities Bonds of 2020A Refunding	3/26/2020	6/1/2027	5,862,504	2,745,595
Public Facilities Refunding Bonds of 2021, Series A	9/28/2021	10/1/2051	4,885,000	4,481,369
Public Facilities Refunding Bonds of 2021, Series B	9/28/2021	10/1/2032	21,976,317	21,757,620
Public Facilities Refunding Bonds of 2023, Series A	5/31/2023	4/1/2053	2,970,000	2,812,892
Public Facilities Refunding Bonds of 2025, Series A	2/13/2025	4/1/2055	21,330,000	21,048,673
Total Proprietary Debt			\$ 187,251,754	\$ 113,237,389
Less: MDE Loans			(73,665,546)	(29,822,618)
Total Serial Bond Proprietary Debt			113,586,208	83,414,771
Total Serial Bond Long-Term Indebtedness			\$ 984,585,000	\$ 769,085,000

Source: Frederick County Finance Division.

## **Maryland Department of the Environment Loans**

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

The County has been a participant in the MDE’s loan program since fiscal year 1992. As of June 30, 2026, the County has no authorized and approved borrowings left to draw. As of June 30, 2026, the County’s solid waste loan was paid in full, leaving the remaining two water and sewer loans with a combined principal balance of \$29,822,618. These loans have interest rates of 0.80% and 1.00%.

## **Other Loans and Bonds**

### *Community Development Authority (Special Tax) Financing*

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

On November 1, 2020, the County refunded all of the outstanding Series 2010A and 2010B bonds for debt service savings and simultaneously issued \$25.5 million of subordinate special obligation bonds to finance various public improvements related to the expanded portion of the Urbana Community Development Authority.

### *Tax Increment Financing*

The County has issued tax increment financing revenue bonds (“TIF Bonds”) to finance a portion of the new infrastructure in the Jefferson Technology Park and Oakdale-Lake Linganore Development Districts. The County pledges its tax revenues on the incremental increase in property taxes within the districts to pay the debt service on these bonds. All funds are held in a trust for the payment of debt service for and related expenses of the TIF Bonds. These are limited obligation bonds and as such, do not pledge the full faith and credit of the County. More recent series of the TIF Bonds are also served by special tax assessments within the districts, as needed.

On July 19, 2012, the former Board of County Commissioners enacted ordinances and adopted resolutions creating the Jefferson Technology Park Development District (the “Development District”), authorizing the issuance of special obligation bonds to finance infrastructure costs within the Development District, pledging certain incremental tax revenues to the payment of debt service on such bonds, and authorizing the levy of special taxes within the Development District to pay debt service on such bonds. These bonds were issued on August 6, 2013. The bonds were restructured to take advantage of market conditions and ease the debt service burden, and were issued on September 17, 2020, in the amount of \$44,370,000. Series 2020A Bonds were issued in the amount of \$7,040,000 and are supported by Community Development Authority (“CDA”) taxes. The Series 2020B Bonds were issued in the amount of \$37,330,000 and are supported by incremental taxes with support of CDA taxes, should the incremental taxes not provide sufficient revenues to pay debt service. No additional bonds will be issued for new infrastructure costs within the Development District.

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

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

<b>Conduit Borrower</b>	<b>TIF/CDA</b>	<b>Amount of Original Issue</b>	<b>Date of Debt Issue</b>	<b>Date of Debt Maturity</b>	<b>Interest Rate</b>	<b>Amount Outstanding 6/30/2025</b>
Lake Linganore - Series 2001A	CDA-Term	\$ 4,285,000	01/18/01	07/01/29	5.700%	\$ 1,512,000
Lake Linganore - Series 2007A	CDA-Loan	3,114,000	09/20/07	07/01/29	0.000%	831,219
Lake Linganore - Series 2007B	CDA-Loan	3,232,142	09/20/07	03/01/28	0.000%	574,142
Oakdale-Lake Linganore - Series 2019	TIF/CDA-Serial	3,665,000	12/19/19	07/01/29	3.250%	3,665,000
Oakdale-Lake Linganore - Series 2019	TIF/CDA-Serial	12,085,000	12/19/19	07/01/39	3.750%	12,085,000
Urbana CDA - Series 2020A	CDA-Term	65,355,000	11/01/20	07/01/40	4.00-5.00%	52,960,000
Urbana CDA - Series 2020B	CDA-Term	1,410,000	11/01/20	07/01/40	4.000%	1,110,000
Urbana CDA - Series 2020C	CDA-Term	25,505,000	11/01/20	07/01/50	4.000%	25,015,000
Jefferson Technology Park - Series 2020A	CDA-Serial	7,040,000	09/17/20	07/01/43	5.000%	6,345,000
Jefferson Technology Park - Series 2020B	TIF/CDA-Serial	37,330,000	09/17/20	07/01/43	4.625%	33,485,000
		<u>\$ 163,021,142</u>				<u>\$ 137,582,361</u>

Source: Frederick County Finance Division.

*Maryland Department of Housing and Community Development Loan*

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

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## Summary of Debt Service Requirements

The following tables illustrate the County's schedules of projected debt service requirements for outstanding long-term obligations as of June 30, 2026.

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

Fiscal Year	General Government Debt		Proprietary Debt		Total Long-Term Indebtedness		Total Indebtedness
	Principal	Interest	Principal	Interest	Principal	Interest	
2027	\$ 51,573,054	\$ 26,962,961	\$ 6,809,412	\$ 3,015,592	\$ 58,382,466	\$ 29,978,553	\$ 88,361,019
2028	51,446,144	24,710,660	6,433,555	2,879,269	57,879,699	27,589,929	85,469,628
2029	49,214,964	22,430,080	6,808,111	2,654,251	56,023,075	25,084,331	81,107,406
2030	49,002,249	20,165,009	6,938,080	2,420,893	55,940,329	22,585,902	78,526,231
2031	45,710,230	18,003,440	7,143,880	2,159,925	52,854,110	20,163,365	73,017,475
2032	43,673,090	15,983,412	7,247,849	1,994,686	50,920,939	17,978,098	68,899,037
2033	42,513,377	14,374,797	7,327,329	1,838,791	49,840,706	16,213,588	66,054,294
2034	43,087,824	12,949,379	6,109,722	1,693,340	49,197,546	14,642,719	63,840,265
2035	43,808,928	11,530,598	6,249,846	1,554,722	50,058,774	13,085,320	63,144,094
2036	47,053,894	10,189,245	6,201,017	1,410,031	53,254,911	11,599,276	64,854,187
2037	45,154,528	8,510,396	6,347,737	1,259,123	51,502,265	9,769,519	61,271,784
2038	39,710,672	7,093,479	5,913,199	1,111,067	45,623,871	8,204,546	53,828,417
2039	34,456,010	5,887,987	4,949,966	990,626	39,405,976	6,878,613	46,284,589
2040	33,010,769	4,686,925	5,054,883	882,929	38,065,652	5,569,854	43,635,506
2041	28,529,222	3,680,390	2,838,828	800,362	31,368,050	4,480,752	35,848,802
2042	29,462,590	2,681,739	2,894,175	744,900	32,356,765	3,426,639	35,783,404
2043	20,278,667	1,798,426	2,949,609	688,914	23,228,276	2,487,340	25,715,616
2044	13,067,492	980,517	1,098,180	547,113	14,165,672	1,527,630	15,693,302
2045	14,269,921	608,795	1,132,011	514,818	15,401,932	1,123,613	16,525,545
2046	-	-	1,175,000	473,438	1,175,000	473,438	1,648,438
2047	-	-	1,215,000	431,350	1,215,000	431,350	1,646,350
2048	-	-	1,260,000	387,800	1,260,000	387,800	1,647,800
2049	-	-	1,305,000	342,594	1,305,000	342,594	1,647,594
2050	-	-	1,355,000	295,731	1,355,000	295,731	1,650,731
2051	-	-	1,395,000	247,069	1,395,000	247,069	1,642,069
2052	-	-	1,450,000	196,800	1,450,000	196,800	1,646,800
2053	-	-	1,280,000	145,400	1,280,000	145,400	1,425,400
2054	-	-	1,155,000	94,200	1,155,000	94,200	1,249,200
2055	-	-	1,200,000	48,000	1,200,000	48,000	1,248,000
Totals	<u>\$ 725,023,625</u>	<u>\$ 213,228,235</u>	<u>\$ 113,237,389</u>	<u>\$ 31,823,734</u>	<u>\$ 838,261,014</u>	<u>\$ 245,051,969</u>	<u>\$ 1,083,312,983</u>

Source: Frederick County Finance Division.

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

Fiscal Year as of June 30	General Obligation Public Facilities Project Bonds, Series 2026A*			Adjusted Total Debt Service (1)
	Total Debt Service(1)	Principal	Interest (2)	
2027	\$88,361,019	\$0	\$2,063,657	\$90,424,676
2028	85,469,628	2,560,000	4,331,956	92,361,584
2029	81,107,406	2,690,000	4,200,706	87,998,112
2030	78,526,231	2,830,000	4,062,706	85,418,937
2031	73,017,475	2,970,000	3,917,706	79,905,181
2032	68,899,037	3,125,000	3,765,331	75,789,368
2033	66,054,294	3,290,000	3,604,956	72,949,250
2034	63,840,265	3,455,000	3,436,331	70,731,596
2035	63,144,094	3,635,000	3,259,081	70,038,175
2036	64,854,187	3,820,000	3,072,706	71,746,893
2037	61,271,784	4,015,000	2,876,831	68,163,615
2038	53,828,417	4,220,000	2,670,956	60,719,373
2039	46,284,589	4,435,000	2,454,581	53,174,170
2040	43,635,506	4,665,000	2,227,081	50,527,587
2041	35,848,802	4,905,000	1,987,831	42,741,633
2042	35,783,404	5,155,000	1,736,331	42,674,735
2043	25,715,616	5,390,000	1,499,656	32,605,272
2044	15,693,302	5,610,000	1,279,656	22,582,958
2045	16,525,545	5,840,000	1,050,656	23,416,201
2046	1,648,438	6,080,000	812,256	8,540,694
2047	1,646,350	6,330,000	564,056	8,540,406
2048	1,647,800	865,000	420,156	2,932,956
2049	1,647,594	905,000	384,756	2,937,350
2050	1,650,731	940,000	347,269	2,938,000
2051	1,642,069	980,000	307,669	2,929,738
2052	1,646,800	1,020,000	266,419	2,933,219
2053	1,425,400	1,065,000	223,416	2,713,816
2054	1,249,200	1,110,000	177,863	2,537,063
2055	1,248,000	1,160,000	129,625	2,537,625
2056	0	1,210,000	79,263	1,289,263
2057	0	1,260,000	26,775	1,286,775
<b>Total</b>	<b><u>\$1,083,312,983</u></b>	<b><u>\$95,535,000</u></b>	<b><u>\$57,238,242</u></b>	<b><u>\$1,236,086,225</u></b>

\*Preliminary, subject to change.

(1) Totals may not add due to rounding.

(2) Interest rates estimated from 4.000 to 5.000%.

Source: Frederick County Finance Division and Davenport & Company LLC.

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

<b>Fiscal Year</b>	<b>General Government Debt</b>	<b>Property Tax Assessment</b>	<b>Debt to Assessment</b>	<b>Estimated Population</b>	<b>Debt Per Capita</b>
2025	\$ 631,594,607	\$ 44,650,679,244	1.41%	299,317	\$ 2,110
2024	631,594,607	41,393,539,093	1.53%	293,391	2,153
2023	675,116,199	38,670,438,856	1.75%	287,079	2,352
2022	606,930,803	36,347,207,697	1.67%	279,835	2,169
2021	477,219,500	34,234,284,580	1.39%	271,717	1,756

(1) U.S. Census population estimates as of July 1, 2025.  
Source: Frederick County Finance Division.

The following table sets forth the County’s General Fund debt service as a percentage of General Fund revenues for each of the five most recent fiscal years for which audited results are available:

<b>Fiscal Year</b>	<b>General Fund Revenues</b>	<b>Debt Service Expenditures</b>	<b>Percentage</b>
2025	\$ 993,605,076	\$ 54,040,257	5.44%
2024	860,052,080	53,995,332	6.28%
2023	810,668,018	60,001,529	7.40%
2022	747,887,978	47,819,023	6.39%
2021	705,105,747	45,634,971	6.47%

The debt service expenditures above are recorded in the debt service funds and only include those not paid with other resources.  
Source: Frederick County Finance Division.

<b>Number of Years</b>	<b>Principal Retired</b>	<b>Percent of Debt Retired</b>
5	\$282,550,524	31.79%
10	535,422,599	60.23%
15	760,692,503	85.58%
20	876,101,266	98.56%
25	882,411,266	99.27%
30	888,891,266	100.00%

Source: Frederick County Finance Division.

*[The remainder of this page has been intentionally left blank]*

The following table sets forth the computation of direct and overlapping governmental activities debt of the municipalities within the County as of June 30, 2025.

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Percentage Applicable</u>	<u>and Overlapping Debt</u>
Direct:			
Frederick County	\$ 814,654,435	100%	\$ 814,654,435
Overlapping Debt:			
Component Units:			
Frederick County Public Schools	36,325,012	100%	36,325,012
Frederick Community College	4,887,596	100%	4,887,596
Towns, Cities and Villages:			
Brunswick	2,839,162	100%	2,839,162
Burkittsville	85,555	100%	85,555
Frederick City	58,650,000	100%	58,650,000
Middletown	4,333,455	100%	4,333,455
Myersville	2,713,154	100%	2,713,154
Mt. Airy	4,294,111	100%	4,294,111
Subtotal Overlapping:	<u>114,128,045</u>		<u>114,128,045</u>
Totals	<u>\$ 928,782,480</u>		<u>\$ 928,782,480</u>

(1) Debt repaid by general government activities.

Source: Frederick County Finance Division.

*[The remainder of this page has been intentionally left blank]*

## Capital Budget

The following table sets forth the different classes of capital projects and the amounts included in the Capital Budget for fiscal year 2027 and the amounts included in the Capital Improvement Program for the next five fiscal years indicated:

	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>FY 2032</u>
<b><u>Project Categories</u></b>						
General Government	\$ 117,809,071	\$ 74,713,259	\$ 55,378,812	\$ 77,753,168	\$ 78,586,306	\$ 69,443,515
Parks and Recreation	14,853,835	10,300,235	19,065,335	8,123,735	8,139,335	15,853,935
Watershed Restoration & Retrofit	9,503,000	8,368,600	8,600,000	8,757,000	8,692,100	8,500,000
Roads	8,510,300	8,006,000	11,134,200	10,274,700	8,354,700	7,304,800
Bridges	2,772,600	568,400	9,439,300	1,522,300	1,592,400	3,681,600
Highways	11,525,000	19,107,100	17,909,100	18,980,600	19,350,400	19,693,900
Water & Sewer	94,034,307	52,387,183	33,945,459	34,362,951	28,846,878	27,192,959
Solid Waste	11,784,640	2,594,880	-	-	-	-
Community College	12,923,901	3,120,015	29,651,869	33,842,161	7,421,470	4,570,470
Board of Education	54,550,061	81,202,834	84,600,296	97,128,655	93,774,654	38,977,237
Municipalities	400,000	150,000	250,000	200,000	100,000	100,000
Total - Projects	<u>\$ 338,666,715</u>	<u>\$ 260,518,506</u>	<u>\$ 269,974,371</u>	<u>\$ 290,945,270</u>	<u>\$ 254,858,243</u>	<u>\$ 195,318,416</u>
<b><u>Sources of Funds</u></b>						
General Fund	\$ 70,609,146	\$ 33,168,713	\$ 27,552,505	\$ 36,513,108	\$ 33,137,591	\$ 30,249,625
General Fund Bond/Leases	89,161,816	90,080,878	93,218,395	104,659,649	90,880,965	86,567,577
Recordation Tax/Bonds	12,758,571	5,955,579	18,140,138	9,238,700	6,404,700	13,676,000
Impact Fees/Bonds	(6,181,820)	5,218,000	7,359,873	18,963,483	17,990,000	1,026,000
School Mitigation Fee	-	-	-	3,000,000	4,000,000	-
Enterprise Fees/Bonds	71,066,429	29,991,133	8,954,529	7,398,989	3,855,948	2,202,029
Grants	19,694,486	17,369,369	42,540,627	36,418,662	22,429,564	18,395,948
Other	81,558,087	78,734,834	72,208,304	74,752,679	76,159,475	43,201,237
Total - Source of Funds	<u>\$ 338,666,715</u>	<u>\$ 260,518,506</u>	<u>\$ 269,974,371</u>	<u>\$ 290,945,270</u>	<u>\$ 254,858,243</u>	<u>\$ 195,318,416</u>

Source: Frederick County Budget Office.

*[The remainder of this page has been intentionally left blank]*

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

<b>Fiscal Year</b>	<b>General Fund ("Pay-As-You-Go") Fund</b>
2027*	\$ 70.6 million
2026	\$ 40.8 million
2025	\$ 52.9 million
2024	\$ 20.9 million
2023	\$ 22.9 million
2022	\$ 80.0 million

Source: Frederick County Budget Office

\*Fiscal Year 2027 budgeted amount.

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

### **Future General Obligation Issues**

The County’s Capital Improvement Program is an ongoing process, which requires periodic issuance of the County’s general obligation bonds to fund any portion of such program appropriated from general obligation funds. The County typically issues general obligation bonds on an 18-month cycle. The next bond issue would likely take place in the Spring of 2028 to finance projects from the Capital Improvement program.

### **FEDERAL POLICY ACTIONS**

Federal policies involving taxation, appropriations, borrowing, trade, immigration, education, environmental matters and other topics can shift, sometimes dramatically, from one presidential administration or Congress to another. From time to time, such shifts may be followed by material increases or decreases in the levels of federal funding directly affecting federal agencies and authorities and indirectly affecting state and local recipients of such funding. The current presidential administration has proposed policy shifts that involve, among other things, proposed delays and reductions in grants and appropriations, reductions in the federal workforce, and elimination or downsizing of certain federal agencies and departments. Federal government employee reductions, any terminations of federal contractors and ongoing federal government shutdowns may impact the County and its residents. The County may have some exposure to potential federal funding freezes or cuts, which could reduce operating revenue. The exact exposure to the County and its finances cannot be determined at this time. The County is monitoring various federal grant programs administered by the County which may be reduced or eliminated and the impact of the current federal government shutdown.

### **COUNTY LITIGATION**

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

### **INDEPENDENT AUDITOR**

The basic financial statements for fiscal year 2025 of the County have been audited by SB & Company, LLC, the County’s independent auditor. The fiscal year 2025 financial statements can be found on the County’s website ([www.frederickcountymd.gov/reports](http://www.frederickcountymd.gov/reports)). The independent auditor has not been engaged to perform, and has not performed, since the date of its report, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this Official Statement. Such report speaks only as of its indicated date.

## **FINANCIAL ADVISOR**

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

## **SALE AT COMPETITIVE BIDDING**

The Bonds will be offered by the County at a competitive bidding on July 29, 2026, in accordance with the Official Notice of Sale (the form of which is attached as Appendix D).

## **CERTIFICATE OF COUNTY OFFICIALS**

The County will furnish a certificate to the effect that, to the best of its knowledge and belief, this Official Statement (and any amendment or supplement thereto), as of the date of sale and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in this Official Statement (and any amendment or supplement thereto).

## **CONTINUING DISCLOSURE UNDERTAKING**

In order to enable the participating underwriter, as defined in Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”) to comply with the requirements of paragraph (b)(5) of Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement (the “Continuing Disclosure Agreement”) on or before the date of issuance and delivery of the Bonds, the form of which is attached to this Official Statement as Appendix C. Potential purchasers of the Bonds should note that the definition of Listed Events in Appendix C is intended to completely restate the events specified in Rule 15c2-12. It is noted that certain Listed Events are expected to have no applicability to the Bonds, such as the possibility of unscheduled draws on debt service reserves and matters affecting collateral for the Bonds.

During the last five years, the County has not failed to comply in any material respect with the terms and provisions of previous continuing disclosure agreements entered into in order to comply with the requirements of Rule 15c2-12. However, in accordance with its prior continuing disclosure undertakings, the County was required to file a notice of incurrence of financial obligation with respect to the issuance of its \$21,565,000 General Obligation Public Facilities Project and Refunding Bond, Series 2022A on May 3, 2022, with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board within ten (10) business days of the issuance. The County did not file notice until June 8, 2022, which date was thirty-six (36) days after the incurrence of the financial obligation.

## **MISCELLANEOUS**

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

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

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

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

BY: \_\_\_\_\_  
County Executive

BY: \_\_\_\_\_  
Director, Finance Division

The County's Fiscal Year 2025 Annual Comprehensive Financial Report can be viewed at  
[www.frederickcountymd.gov/reports](http://www.frederickcountymd.gov/reports)

The County's Fiscal Year 2027 Budget Documents can be viewed at  
<https://www.frederickcountymd.gov/66/Budget-Office>

## FORM OF BOND COUNSEL'S OPINION

[Closing Date]

Frederick County, Maryland  
Frederick, Maryland

\$ \_\_\_\_\_  
Frederick County, Maryland

General Obligation Public Facilities Project Bonds, Series 2026A

Ladies and Gentlemen:

We have acted as bond counsel to Frederick County, Maryland (the "County"), in connection with the issuance by the County of its \$ \_\_\_\_\_ General Obligation Public Facilities Project Bonds, Series 2026A (the "Bonds").

In connection with this opinion, we have examined (i) the Constitution of the State of Maryland (the "State"), (ii) the applicable laws of (A) the State and the County, including, without limitation, the Charter of Frederick County, Maryland (the "Charter"), Section 10-203 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Bond Act"), Section 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Consolidated Bonds Act"), Sections 2-13-1 through 2-13-35, inclusive, of the Code of Public Local Laws of Frederick County (1979), as amended (the "Water and Sewer Act"), Sections 5-601 through 5-604, inclusive, of the Education Article of the Annotated Code of Maryland, as amended (the "School Bond Act" and, collectively with the Bond Act, the Consolidated Bonds Act, and the Water and Sewer Act, the "Acts"), Bill No. 24-16 enacted by the County Council of Frederick County (the "County Council") on October 15, 2024 (the "2024 Bond Bill"), Bill No. 26-04 enacted by the County Council on April 7, 2026 (the "2026 Bond Bill" and, together with the 2024 Bond Bill, the "Bond Bills"), Resolution No. 26-14 adopted by the County Council on June 16, 2026 (the "Authorizing Resolution") and Executive Order No. \_\_\_\_-2026 of the County Executive of the County executed and delivered on \_\_\_\_\_, 2026 (the "Executive Order") and (B) the United States of America, including, without limitation, the Internal Revenue Code of 1986, as amended (the "Code"), and (iii) copies of proceedings and other documents relating to the Bonds as we deem necessary to render this opinion.

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

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

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

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

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

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

3. The Bonds are valid and legally binding general obligations of the County to which the County's full faith and credit and unlimited taxing power are pledged, payable as to both principal and interest from ad valorem taxes, which the County is empowered to levy on all legally assessable property within the corporate limits of the County.

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

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

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

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

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

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

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

This opinion is delivered solely for your benefit in connection with the issuance of the Bonds and may not be relied upon by any other person or for any other purpose without our prior written consent in each instance. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of \_\_\_\_\_ (the “Disclosure Agreement”), is executed and delivered by **FREDERICK COUNTY, MARYLAND** (the “Issuer”) in connection with the issuance of its \$ \_\_\_\_\_ General Obligation Public Facilities Project Bonds, Series 2026A (the “Bonds”). The Issuer covenants and agrees as follows:

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

**SECTION 2. Definitions.** The following capitalized terms shall have the following meanings for purposes of this Disclosure Agreement:

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to or as may be specified by the Securities and Exchange Commission from time to time.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. If the definition of “financial obligation” in the Rule is amended, the same amendment shall be deemed to be made to the definition of Financial Obligation in this Disclosure Agreement, without further action by the Issuer.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board, and its successors.

“Official Statement” shall mean the Official Statement dated \_\_\_\_\_, 2026 relating to the Bonds.

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

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

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

(a) The Issuer shall provide to the MSRB in an electronic format as prescribed by the MSRB, directly or through an intermediary, annual financial information and operating data generally consistent with the information contained under the headings “Certain Revenues, Expenditures and Fund Balance Trends” and “Certain Debt Information” in the Official Statement, such information to be made available within 270 days after the end of the Issuer’s fiscal year, commencing with the fiscal year ending June 30, 2027.

(b) The Issuer shall provide to the MSRB in an electronic format as prescribed by the MSRB, directly or through an intermediary, audited annual financial statements, such information to be made available within 270 days after the end of the Issuer’s fiscal year, commencing with the fiscal year ending June 30, 2027 unless the audited financial statements of the Issuer 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 270 days after the end of the Issuer’s fiscal year (commencing with the fiscal year ending June 30, 2027), the Issuer will provide unaudited financial statements within such time period.

(c) The presentation of the financial information referred to in Section 3(a) and in Section 3(b) shall be made in accordance with the same generally accepted accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the Official Statement. The Issuer may make changes to the presentation of the financial information required in Section 3(a) and in Section 3(b) necessitated by changes in generally accepted accounting

principles. Any such changes in generally accepted accounting principles, where applicable to financial information to be provided by the Issuer, shall not require the Issuer to amend this Disclosure Agreement. The Issuer may otherwise modify the accounting principles utilized in the presentation of financial information by amending this Disclosure Agreement pursuant to the provisions of Section 7 hereof.

(d) If the Issuer is unable to provide the disclosure required pursuant to Section 3(a) or Section 3(b) within the applicable time periods specified therein, the Issuer shall send in a timely manner not in excess of ten (10) business days after the occurrence of the event a notice of such failure to MSRB in an electronic format as prescribed by the MSRB.

(e) Any information required to be included in the disclosure required pursuant to Section 3(a) or Section 3(b) may be included by specific reference to other documents previously provided to the MSRB, if any, or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB. Additionally, any disclosure required pursuant to Section 3(a) or Section 3(b) may be provided in one document or multiple documents and at one time or in part from time to time.

(f) Unless otherwise required by law, all notices, documents and information provided to the MSRB pursuant to this Disclosure Agreement shall be submitted to EMMA and shall be accompanied by identifying information as prescribed by the MSRB.

#### **SECTION 4. *Listed Events.***

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events (each, a “Listed Event”) with respect to the Bonds:

(i) principal and interest payment delinquencies,

(ii) non-payment related defaults, if material,

(iii) unscheduled draws on debt service reserves reflecting financial difficulties,

(iv) unscheduled draws on credit enhancements reflecting financial difficulties,

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

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

(vii) modifications to rights of Bond holders, if material,

(viii) bond calls, if material, and tender offers,

(ix) defeasances,

(x) release, substitution or sale of property securing repayment of the Bonds, if material,

(xi) rating changes,

(xii) bankruptcy, insolvency, receivership or similar event of the Issuer,

(xiii) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,

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

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

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

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

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall within ten (10) business days file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB.

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

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

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

**SECTION 7. Amendment; Waiver.**

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

(b) To the extent any amendment to this Disclosure Agreement results in a change in the type of financial information or operating data provided pursuant to this Disclosure Agreement, the first audited annual financial statement required by Section 3(b) provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

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

**SECTION 9. *Limitation of Remedies.*** The Issuer shall be given written notice at the address set forth below of any claimed failure by the Issuer to perform its obligations under this Disclosure Agreement, and the Issuer shall be given 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 Issuer shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the Issuer shall be given to the Director of Finance, Winchester Hall, 12 E. Church Street, Frederick, Maryland 21701, or at such alternate address as shall be specified by the Issuer with disclosures made pursuant to Section 3(a) or Section 3(b) hereof or a notice of occurrence of a Listed Event.

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

**SECTION 11. *Governing Law.*** This Disclosure Agreement, and any claim made with respect to the performance by the Issuer of its obligations hereunder, shall be governed by, subject to, and construed according to the laws of the State of Maryland; provided, however, that to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

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

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

**SECTION 14. *Severability.*** In case any section or provision of this Disclosure Agreement or any covenant, stipulation, obligation, agreement, or action, or any part thereof, made, assumed, entered into or taken under this Disclosure Agreement, or any application thereof, is for any reason held to be illegal or invalid or is at any time inoperable, such illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Disclosure Agreement, or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Disclosure Agreement, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein.

**SECTION 15. *Entire Agreement.*** This Disclosure Agreement contains the entire agreement of the Issuer with respect to the subject matter hereof and supersedes all prior arrangements and understandings with respect thereto; provided, however, that this Disclosure Agreement shall be interpreted and construed with reference to and in pari materia with the Rule.

**SECTION 16. *Captions.*** The captions or headings herein shall be solely for convenience of reference and shall in no way define, limit or describe the scope or intent of any provisions or sections hereof.

ATTEST:

FREDERICK COUNTY, MARYLAND

\_\_\_\_\_  
John K. Peterson  
Chief Administrative Officer

By: \_\_\_\_\_  
Jessica Fitzwater  
County Executive

## NOTICE OF SALE

## FREDERICK COUNTY, MARYLAND

## Relating to

**\$95,535,000\* General Obligation Public Facilities Project Bonds, Series 2026A**

Electronic bids via *PARITY*®

**will be received until 10:15 a.m. Local Frederick, Maryland time, on Wednesday, July 29, 2026**

## Time and Place

Electronic bids via *Parity*® will be received for the purchase of \$95,535,000\* aggregate principal amount of General Obligation Public Facilities Project Bonds, Series 2026A (the “Bonds”).

## Details of the Bonds

The Bonds will be dated the date of delivery (expected to be August 12, 2026) and bear interest payable semi-annually on each February 1 and August 1, beginning on February 1, 2027, until maturity or redemption. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will be issued pursuant to the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland, as amended (the “Bond Act”), Section 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended (the “Consolidated Bond Act”), Bill No. 24-16 (the “2024 Bond Bill”) enacted by the Frederick County Council on October 15, 2024, Bill No. 26-04 (the “2026 Bond Bill”) enacted by the Frederick County Council on April 7, 2026, Sections 2-13-1 through 2-13-35, inclusive, of the Code of Public Local Laws of Frederick County (1979), as amended (the “Water and Sewer Act”), Sections 5-601 through 5-604 of the Education Article of the Annotated Code of Maryland, as amended (the “School Bond Act” and, collectively with the Bond Act, the Consolidated Bond Act, the 2024 Bond Bill, the 2026 Bond Bill, and the Water and Sewer Act, the “Acts”), and in accordance with Resolution No. 26-14 adopted by the Frederick County Council on June 16, 2026 (the “Resolution”).

The proceeds of the Bonds will be used to (i) finance certain capital projects of the Capital Improvement Program of Frederick County, Maryland (the “County”), and (ii) to pay all or a portion of the costs of issuance related thereto.

## General Provisions for the Bonds

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

<u>Year of Maturity*</u>	<u>Amount*</u>	<u>Year of Maturity*</u>	<u>Amount *</u>
2027	\$2,560,000	2042	\$5,390,000
2028	2,690,000	2043	5,610,000
2029	2,830,000	2044	5,840,000
2030	2,970,000	2045	6,080,000
2031	3,125,000	2046	6,330,000
2032	3,290,000	2047	865,000
2033	3,455,000	2048	905,000
2034	3,635,000	2049	940,000
2035	3,820,000	2050	980,000
2036	4,015,000	2051	1,020,000
2037	4,220,000	2052	1,065,000
2038	4,435,000	2053	1,110,000
2039	4,665,000	2054	1,160,000
2040	4,905,000	2055	1,210,000
2041	5,155,000	2056	1,260,000

\*Preliminary, subject to adjustment.

### **Term Bond Option**

Bidders may designate in their bid two or more consecutive serial maturities beginning no earlier than August 1, 2037, and in any year thereafter as a term bond which matures on the maturity date of the last serial maturity of the sequence. The stated maturity date for any term bond so designated may not be earlier than August 1, 2038. More than one such sequence of serial maturities may be designated as a term bond. Any term bond so designated shall be subject to mandatory redemption in each year on the principal payment date and in the entire amount of each serial maturity designated for inclusion in such term bond.

### **Book Entry System**

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

When delivered, the Bonds shall be duly executed and authenticated and registered in the name of Cede & Co., as nominee of DTC, as registered owner of the Bonds.

### **Bond Registrar and Paying Agent**

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

### **Optional Redemption**

The Bonds maturing on or before August 1, 2036, are not subject to redemption prior to their respective maturities. The Bonds maturing on or after August 1, 2037, are subject to redemption at the option of the County, in whole or in part, on any date on or after August 1, 2036, at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

### **All or None Bids**

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

### **Electronic Bidding Procedures**

Electronic bids must be submitted for the purchase of the Bonds (all or none) via **Parity®** for purposes of the electronic bidding process, and the time as maintained by **Parity®** shall constitute the official time with respect to all bids submitted to **Parity®**. Bids will be communicated electronically to the County no later than 10:15 a.m., local Frederick, Maryland time, on July 29, 2026. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via **Parity®**, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via **Parity®**, to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on **Parity®** shall constitute the official time.

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

### **Disclaimer**

Each prospective electronic bidder shall be solely responsible to register to bid via **Parity®** as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access **Parity®** for the purposes of submitting its bid in a timely manner and in compliance with the requirements of the Notice of Sale. Neither the County nor **Parity®**, shall have any duty or obligation to provide or assure access to **Parity®** to any prospective bidder, and

neither the County nor **Parity®** shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **Parity®**. The County is using **Parity®** as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds.

The County is not bound by any advice and determination of **Parity®** to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via **Parity®** are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, they should telephone **Parity®** at Dalcomp (212) 849-5021 and notify the County's Financial Advisor, Jennifer Diercksen, at Davenport & Company LLC by telephone at (410) 296-9426.

### **Adjustments of Principal Amounts**

The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the County, both before and after the receipt of bids for their purchase. Changes to be made prior to the sale will be published on Parity/www.i-dealprospectus.com or TM3 News Service not later than 9:30 a.m. prevailing Eastern time on the date of sale and will be used to compare bids and select a winning bidder. Changes to be made after the sale and the maturity amounts for the Bonds will be communicated to the successful bidder by 3:00 p.m. prevailing Eastern time on the date of the sale, will not reduce or increase the aggregate principal amount of the Bonds by more than 15% of the bid by the successful bidder. Such changes may result in the elimination of one or more maturities of the Bonds.

In addition, the final aggregate principal amount and maturity schedule for the Bonds will be communicated to the successful bidder by 4:00 p.m. prevailing Eastern time on the date of the sale and will not reduce or increase the aggregate principal amount of the Bonds by more than 15% of the bid by the successful bidder. The dollar amount bid for principal by the successful bidder shall be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds to be issued. The coupon rates specified by the successful bidder for all maturities will not change. The successful bidder for the Bonds may not withdraw its bid as a result of any changes made within these limits.

### **Bid Specifications**

Bidders shall state in their proposals the rate or rates of interest to be paid on the Bonds in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%), and each proposal shall be based and submitted on the rate or rates stated therein. Bidders may specify more than one rate of interest to be borne by the Bonds but the difference between the lowest rate and the highest rate may not exceed 3.0%. The highest rate of interest permitted may not exceed 5.00% in any year. Bidders may not specify more than one rate of interest for the Bonds of any single maturity. A zero rate may not be named for any maturity. The Bonds will be awarded to the bidder naming the lowest true interest cost for all of the Bonds in any legally acceptable proposal and offering to pay not less than 100% of par. The lowest true interest cost will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery. Where the proposals of two or more bidders result in the same lowest true interest cost for the Bonds, the Bonds may be apportioned between such bidders, but if this shall not be acceptable, the County shall have the right to award all of the Bonds to one bidder. The County will reserve the right: (i) to reject any or all proposals without cause; (ii) to waive non-substantive irregularity or informality in any proposal or of matters relating to the receipt of bids and award of the Bonds; and (iii) reject any bid which the County determines to have failed to comply with the terms herein. The County's judgment shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Notice of Sale. No bid can be withdrawn or amended after the time set for receiving bids unless the meeting of the County scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Any award of the Bonds may be made as late as 4:00 p.m. on the sale date. All bids remain firm until an award is made.

### **Good Faith Deposit**

A good faith deposit is required in connection with the sale and bid for the Bonds. After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on **Parity®** must submit a good faith deposit of \$955,350 to the County by wire transfer as instructed by the County or its financial advisor to be submitted not later than 4:00 p.m. Eastern time. The award to the apparent successful bidder is contingent upon receipt of the good faith deposit, and the Bonds will not be awarded to such bidder until the County has confirmation of receipt of the good faith deposit. The Deposit of the successful bidder will be retained by the County to be applied in partial payment for the Bonds, and no interest will be allowed or paid upon the amount of any good faith deposit. In the event the successful bidder shall fail to comply with the terms of its bid, the good faith deposit may be retained as and for full liquidated damages.

## **Security and Purpose**

The Bonds herein described will be general obligations of the County to which the County will pledge its full faith and credit and unlimited taxing power. The proceeds will be used to (i) finance certain capital projects of the Capital Improvement Program of the County, and (ii) to pay all or a portion of the costs of issuance related thereto.

## **Continuing Disclosure**

The County has made certain covenants for the benefit of the holders from time to time of the Bonds to provide certain continuing disclosure, in order to assist bidders in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. The County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which it will undertake to provide certain information annually and notices of certain events. A form of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

## **CUSIP Numbers**

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

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

## **Preliminary Official Statement; Official Statement**

The County has deemed the Preliminary Official Statement dated July 9, 2026, to be final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain information permitted to be omitted by said Rule. The County agrees to deliver to the successful bidder not later than seven (7) business days after the date of sale of an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement. If so requested by the successful bidder for the Bonds at or before the close of business on the date of the sale, the County will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds of the successful bidder (“Reoffering Information”), if any, as may be specified and furnished in writing by such bidder. If no such information is specified and furnished by the applicable successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder. The successful bidder for the Bonds shall be responsible to the County and its officials for the Reoffering Information furnished by such bidder, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with an electronic copy and a reasonable number of hard copies (not to exceed 25) of the Official Statement (and any amendments or supplements thereto).

## **Settlement**

The Bonds will be delivered on or about August 12, 2026, or as soon as practicable thereafter, without expense, to the purchaser through DTC, in New York, New York. Delivery will be subject to receipt by the purchaser of the Bonds of an approving legal opinion of McGuireWoods LLP, Baltimore, Maryland, and the customary closing documents, including a no-litigation certificate. It shall be a condition to the obligation of said purchaser or purchasers to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, said purchaser or purchasers shall be furnished a certificate or certificates of the County Executive of Frederick County and the Director of Finance to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the Reoffering Information provided by the purchaser and information regarding DTC and DTC’s book-entry system provided by DTC, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement (and any amendment or supplement thereto). On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the County or its designee. Except as compliance with the terms of payment for the Bonds shall have been made impossible by action of the County, or its agents, the purchaser shall be liable to the County for any loss suffered by the County by reason of the purchaser’s non-compliance with said terms for payment.

## Undertakings of the Successful Bidder

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

The successful bidder of the Bonds (hereafter, the “Purchaser”) shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form either of the form of certificate attached hereto as Exhibit A-1 or of the form of certificate attached hereto as Exhibit A-2, whichever is applicable (and in either case subject to such modifications as may be appropriate or necessary, in the reasonable judgement of the County, the Purchaser and Bond Counsel). All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County’s Financial Advisor identified herein and any notice or report to be provided to the County may be provided to the County’s Financial Advisor

The County intends that the provisions of Treasury Regulation 1.148-1(f)(3)(i) (defining “competitive sale” for the purposes of establishing the issue price of municipal bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because (i) the County will disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters, (ii) all bidders will have an equal opportunity to bid, (iii) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds, and (iv) the County anticipates awarding the sale of the Bonds to the bidder that submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth herein.

In the event that the Competitive Sale Requirements are not satisfied, the County shall so advise the successful bidder. In that event, the County may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity and/or (ii) the Initial Offering Price (as defined below) to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “Hold the Offering Price Rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the County if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The County shall then promptly advise the successful bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% Test and which shall be subject to the Hold the Offering Price Rule. Bids will not be subject to cancellation in the event that the County determines to apply the Hold the Offering Price Rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold the Offering Price Rule in order to establish the issue price of the Bonds.

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold the Offering Price Rule applies to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following: (A) the close of the fifth (5th) business day after the sale date; or (B) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public. The successful bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

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

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

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale, (i) "public" means any person other than an underwriter or a related party, (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and (iv) "sale date" means the date that the Bonds are awarded by the County to the successful bidder.

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

### **Right to Modify Notice of Sale; Right to Postpone Sale**

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

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

In addition, the County reserves the right, on the date established for the receipt of bids, to reject all bids for the Bonds and thereafter to establish a subsequent date on which bids for the Bonds will again be received. If all bids for the Bonds are rejected and a subsequent date for receipt of bids for the Bonds established, notice of the subsequent Bid Date will be announced via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 News Service at least 24 hours prior to such subsequent bid date.

On any such alternative or subsequent bid date, any bidder may submit electronic bids for the purchase of the Bonds in conformity with the provisions of this Notice of Sale, except for the changes to this Notice of Sale, the change of the date of sale and the changes described in the next sentence. If the date fixed for receipt of bids is postponed, the expected date of delivery of the Bonds also may be postponed. Such changes, if any, will be announced by Parity®/www.i-dealprospectus.com or TM3 at the time the alternative or subsequent Bid Date and time are announced.

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

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

By order of FREDERICK COUNTY, MARYLAND

\$ \_\_\_\_\_  
**Frederick County, Maryland**  
**General Obligation**  
**Public Facilities Project Bonds, Series 2026A**

**ISSUE PRICE CERTIFICATE**  
**(Qualified Competitive Bid)**

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

1. ***Reasonably Expected Initial Offering Price.***

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

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

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

2. ***Defined Terms.***

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2026.

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

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the Federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for Federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other Federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as Purchaser

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2026

SCHEDULE A  
Expected Offering Prices of the Bonds

SCHEDULE B  
Copy of Bid

\$ \_\_\_\_\_  
**Frederick County, Maryland**  
**General Obligation**  
**Public Facilities Project Bonds, Series 2026A**

**ISSUE PRICE CERTIFICATE**  
**(Nonqualified Competitive Bid)**

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

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

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

(a) Each Underwriter offered the Undersold Maturities to the Public for purchase at the respective initial offering prices listed in Schedule B (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule C.

(b) As set forth in the Notice of Sale and bid award, each Underwriter has agreed in writing that, (i) for each Maturity of the Undersold Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so (the “hold-the-price rule”) and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-price rule. Pursuant to such agreement, no Underwriter has offered nor sold any Maturity of the Undersold Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Defined Terms.***

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

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

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

(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2026), or (ii) the date on which the Purchaser has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.

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

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2026.

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

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

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

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the Federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for Federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other Federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as Purchaser

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2026

SCHEDULE A  
Sale Prices of the 10% Maturities

SCHEDULE B  
Initial Offering Prices of the Undersold Maturities

SCHEDULE C  
Pricing Wire

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The County's Fiscal Year 2025 Annual Comprehensive Financial Report can be viewed at  
[www.frederickcountymd.gov/reports](http://www.frederickcountymd.gov/reports)

The County's Fiscal Year 2027 Budget Documents can be viewed at  
<https://www.frederickcountymd.gov/66/Budget-Office>

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## FORM OF BOND COUNSEL'S OPINION

[Closing Date]

Frederick County, Maryland  
Frederick, Maryland

\$ \_\_\_\_\_  
Frederick County, Maryland

General Obligation Public Facilities Project Bonds, Series 2026A

Ladies and Gentlemen:

We have acted as bond counsel to Frederick County, Maryland (the "County"), in connection with the issuance by the County of its \$ \_\_\_\_\_ General Obligation Public Facilities Project Bonds, Series 2026A (the "Bonds").

In connection with this opinion, we have examined (i) the Constitution of the State of Maryland (the "State"), (ii) the applicable laws of (A) the State and the County, including, without limitation, the Charter of Frederick County, Maryland (the "Charter"), Section 10-203 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Bond Act"), Section 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Consolidated Bonds Act"), Sections 2-13-1 through 2-13-35, inclusive, of the Code of Public Local Laws of Frederick County (1979), as amended (the "Water and Sewer Act"), Sections 5-601 through 5-604, inclusive, of the Education Article of the Annotated Code of Maryland, as amended (the "School Bond Act" and, collectively with the Bond Act, the Consolidated Bonds Act, and the Water and Sewer Act, the "Acts"), Bill No. 24-16 enacted by the County Council of Frederick County (the "County Council") on October 15, 2024 (the "2024 Bond Bill"), Bill No. 26-04 enacted by the County Council on April 7, 2026 (the "2026 Bond Bill" and, together with the 2024 Bond Bill, the "Bond Bills"), Resolution No. 26-14 adopted by the County Council on June 16, 2026 (the "Authorizing Resolution") and Executive Order No. \_\_\_\_-2026 of the County Executive of the County executed and delivered on \_\_\_\_\_, 2026 (the "Executive Order") and (B) the United States of America, including, without limitation, the Internal Revenue Code of 1986, as amended (the "Code"), and (iii) copies of proceedings and other documents relating to the Bonds as we deem necessary to render this opinion.

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

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

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

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

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

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

3. The Bonds are valid and legally binding general obligations of the County to which the County's full faith and credit and unlimited taxing power are pledged, payable as to both principal and interest from ad valorem taxes, which the County is empowered to levy on all legally assessable property within the corporate limits of the County.

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

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

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

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

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

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

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

This opinion is delivered solely for your benefit in connection with the issuance of the Bonds and may not be relied upon by any other person or for any other purpose without our prior written consent in each instance. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of \_\_\_\_\_ (the “Disclosure Agreement”), is executed and delivered by **FREDERICK COUNTY, MARYLAND** (the “Issuer”) in connection with the issuance of its \$ \_\_\_\_\_ General Obligation Public Facilities Project Bonds, Series 2026A (the “Bonds”). The Issuer covenants and agrees as follows:

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

**SECTION 2. Definitions.** The following capitalized terms shall have the following meanings for purposes of this Disclosure Agreement:

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to or as may be specified by the Securities and Exchange Commission from time to time.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. If the definition of “financial obligation” in the Rule is amended, the same amendment shall be deemed to be made to the definition of Financial Obligation in this Disclosure Agreement, without further action by the Issuer.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board, and its successors.

“Official Statement” shall mean the Official Statement dated \_\_\_\_\_, 2026 relating to the Bonds.

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

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

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

(a) The Issuer shall provide to the MSRB in an electronic format as prescribed by the MSRB, directly or through an intermediary, annual financial information and operating data generally consistent with the information contained under the headings “Certain Revenues, Expenditures and Fund Balance Trends” and “Certain Debt Information” in the Official Statement, such information to be made available within 270 days after the end of the Issuer’s fiscal year, commencing with the fiscal year ending June 30, 2027.

(b) The Issuer shall provide to the MSRB in an electronic format as prescribed by the MSRB, directly or through an intermediary, audited annual financial statements, such information to be made available within 270 days after the end of the Issuer’s fiscal year, commencing with the fiscal year ending June 30, 2027 unless the audited financial statements of the Issuer 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 270 days after the end of the Issuer’s fiscal year (commencing with the fiscal year ending June 30, 2027), the Issuer will provide unaudited financial statements within such time period.

(c) The presentation of the financial information referred to in Section 3(a) and in Section 3(b) shall be made in accordance with the same generally accepted accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the Official Statement. The Issuer may make changes to the presentation of the financial information required in Section 3(a) and in Section 3(b) necessitated by changes in generally accepted accounting

principles. Any such changes in generally accepted accounting principles, where applicable to financial information to be provided by the Issuer, shall not require the Issuer to amend this Disclosure Agreement. The Issuer may otherwise modify the accounting principles utilized in the presentation of financial information by amending this Disclosure Agreement pursuant to the provisions of Section 7 hereof.

(d) If the Issuer is unable to provide the disclosure required pursuant to Section 3(a) or Section 3(b) within the applicable time periods specified therein, the Issuer shall send in a timely manner not in excess of ten (10) business days after the occurrence of the event a notice of such failure to MSRB in an electronic format as prescribed by the MSRB.

(e) Any information required to be included in the disclosure required pursuant to Section 3(a) or Section 3(b) may be included by specific reference to other documents previously provided to the MSRB, if any, or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB. Additionally, any disclosure required pursuant to Section 3(a) or Section 3(b) may be provided in one document or multiple documents and at one time or in part from time to time.

(f) Unless otherwise required by law, all notices, documents and information provided to the MSRB pursuant to this Disclosure Agreement shall be submitted to EMMA and shall be accompanied by identifying information as prescribed by the MSRB.

#### **SECTION 4. *Listed Events.***

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events (each, a “Listed Event”) with respect to the Bonds:

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

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

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

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

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall within ten (10) business days file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB.

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

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

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

**SECTION 7. Amendment; Waiver.**

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

(b) To the extent any amendment to this Disclosure Agreement results in a change in the type of financial information or operating data provided pursuant to this Disclosure Agreement, the first audited annual financial statement required by Section 3(b) provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

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

**SECTION 9. *Limitation of Remedies.*** The Issuer shall be given written notice at the address set forth below of any claimed failure by the Issuer to perform its obligations under this Disclosure Agreement, and the Issuer shall be given 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 Issuer shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the Issuer shall be given to the Director of Finance, Winchester Hall, 12 E. Church Street, Frederick, Maryland 21701, or at such alternate address as shall be specified by the Issuer with disclosures made pursuant to Section 3(a) or Section 3(b) hereof or a notice of occurrence of a Listed Event.

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

**SECTION 11. *Governing Law.*** This Disclosure Agreement, and any claim made with respect to the performance by the Issuer of its obligations hereunder, shall be governed by, subject to, and construed according to the laws of the State of Maryland; provided, however, that to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

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

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

**SECTION 14. *Severability.*** In case any section or provision of this Disclosure Agreement or any covenant, stipulation, obligation, agreement, or action, or any part thereof, made, assumed, entered into or taken under this Disclosure Agreement, or any application thereof, is for any reason held to be illegal or invalid or is at any time inoperable, such illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Disclosure Agreement, or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Disclosure Agreement, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein.

**SECTION 15. *Entire Agreement.*** This Disclosure Agreement contains the entire agreement of the Issuer with respect to the subject matter hereof and supersedes all prior arrangements and understandings with respect thereto; provided, however, that this Disclosure Agreement shall be interpreted and construed with reference to and in pari materia with the Rule.

**SECTION 16. *Captions.*** The captions or headings herein shall be solely for convenience of reference and shall in no way define, limit or describe the scope or intent of any provisions or sections hereof.

ATTEST:

FREDERICK COUNTY, MARYLAND

\_\_\_\_\_  
John K. Peterson  
Chief Administrative Officer

By: \_\_\_\_\_  
Jessica Fitzwater  
County Executive

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## NOTICE OF SALE

## FREDERICK COUNTY, MARYLAND

## Relating to

**\$95,535,000\* General Obligation Public Facilities Project Bonds, Series 2026A**

Electronic bids via *PARITY*®

**will be received until 10:15 a.m. Local Frederick, Maryland time, on Wednesday, July 29, 2026**

## Time and Place

Electronic bids via *Parity*® will be received for the purchase of \$95,535,000\* aggregate principal amount of General Obligation Public Facilities Project Bonds, Series 2026A (the “Bonds”).

## Details of the Bonds

The Bonds will be dated the date of delivery (expected to be August 12, 2026) and bear interest payable semi-annually on each February 1 and August 1, beginning on February 1, 2027, until maturity or redemption. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will be issued pursuant to the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland, as amended (the “Bond Act”), Section 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended (the “Consolidated Bond Act”), Bill No. 24-16 (the “2024 Bond Bill”) enacted by the Frederick County Council on October 15, 2024, Bill No. 26-04 (the “2026 Bond Bill”) enacted by the Frederick County Council on April 7, 2026, Sections 2-13-1 through 2-13-35, inclusive, of the Code of Public Local Laws of Frederick County (1979), as amended (the “Water and Sewer Act”), Sections 5-601 through 5-604 of the Education Article of the Annotated Code of Maryland, as amended (the “School Bond Act” and, collectively with the Bond Act, the Consolidated Bond Act, the 2024 Bond Bill, the 2026 Bond Bill, and the Water and Sewer Act, the “Acts”), and in accordance with Resolution No. 26-14 adopted by the Frederick County Council on June 16, 2026 (the “Resolution”).

The proceeds of the Bonds will be used to (i) finance certain capital projects of the Capital Improvement Program of Frederick County, Maryland (the “County”), and (ii) to pay all or a portion of the costs of issuance related thereto.

## General Provisions for the Bonds

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

<u>Year of Maturity*</u>	<u>Amount*</u>	<u>Year of Maturity*</u>	<u>Amount *</u>
2027	\$2,560,000	2042	\$5,390,000
2028	2,690,000	2043	5,610,000
2029	2,830,000	2044	5,840,000
2030	2,970,000	2045	6,080,000
2031	3,125,000	2046	6,330,000
2032	3,290,000	2047	865,000
2033	3,455,000	2048	905,000
2034	3,635,000	2049	940,000
2035	3,820,000	2050	980,000
2036	4,015,000	2051	1,020,000
2037	4,220,000	2052	1,065,000
2038	4,435,000	2053	1,110,000
2039	4,665,000	2054	1,160,000
2040	4,905,000	2055	1,210,000
2041	5,155,000	2056	1,260,000

\*Preliminary, subject to adjustment.

### **Term Bond Option**

Bidders may designate in their bid two or more consecutive serial maturities beginning no earlier than August 1, 2037, and in any year thereafter as a term bond which matures on the maturity date of the last serial maturity of the sequence. The stated maturity date for any term bond so designated may not be earlier than August 1, 2038. More than one such sequence of serial maturities may be designated as a term bond. Any term bond so designated shall be subject to mandatory redemption in each year on the principal payment date and in the entire amount of each serial maturity designated for inclusion in such term bond.

### **Book Entry System**

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

When delivered, the Bonds shall be duly executed and authenticated and registered in the name of Cede & Co., as nominee of DTC, as registered owner of the Bonds.

### **Bond Registrar and Paying Agent**

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

### **Optional Redemption**

The Bonds maturing on or before August 1, 2036, are not subject to redemption prior to their respective maturities. The Bonds maturing on or after August 1, 2037, are subject to redemption at the option of the County, in whole or in part, on any date on or after August 1, 2036, at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

### **All or None Bids**

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

### **Electronic Bidding Procedures**

Electronic bids must be submitted for the purchase of the Bonds (all or none) via **Parity**® for purposes of the electronic bidding process, and the time as maintained by **Parity**® shall constitute the official time with respect to all bids submitted to **Parity**®. Bids will be communicated electronically to the County no later than 10:15 a.m., local Frederick, Maryland time, on July 29, 2026. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via **Parity**®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via **Parity**®, to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on **Parity**® shall constitute the official time.

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

### **Disclaimer**

Each prospective electronic bidder shall be solely responsible to register to bid via **Parity**® as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access **Parity**® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of the Notice of Sale. Neither the County nor **Parity**®, shall have any duty or obligation to provide or assure access to **Parity**® to any prospective bidder, and

neither the County nor **Parity®** shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **Parity®**. The County is using **Parity®** as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds.

The County is not bound by any advice and determination of **Parity®** to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via **Parity®** are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, they should telephone **Parity®** at Dalcomp (212) 849-5021 and notify the County's Financial Advisor, Jennifer Diercksen, at Davenport & Company LLC by telephone at (410) 296-9426.

### **Adjustments of Principal Amounts**

The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the County, both before and after the receipt of bids for their purchase. Changes to be made prior to the sale will be published on Parity/www.i-dealprospectus.com or TM3 News Service not later than 9:30 a.m. prevailing Eastern time on the date of sale and will be used to compare bids and select a winning bidder. Changes to be made after the sale and the maturity amounts for the Bonds will be communicated to the successful bidder by 3:00 p.m. prevailing Eastern time on the date of the sale, will not reduce or increase the aggregate principal amount of the Bonds by more than 15% of the bid by the successful bidder. Such changes may result in the elimination of one or more maturities of the Bonds.

In addition, the final aggregate principal amount and maturity schedule for the Bonds will be communicated to the successful bidder by 4:00 p.m. prevailing Eastern time on the date of the sale and will not reduce or increase the aggregate principal amount of the Bonds by more than 15% of the bid by the successful bidder. The dollar amount bid for principal by the successful bidder shall be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds to be issued. The coupon rates specified by the successful bidder for all maturities will not change. The successful bidder for the Bonds may not withdraw its bid as a result of any changes made within these limits.

### **Bid Specifications**

Bidders shall state in their proposals the rate or rates of interest to be paid on the Bonds in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%), and each proposal shall be based and submitted on the rate or rates stated therein. Bidders may specify more than one rate of interest to be borne by the Bonds but the difference between the lowest rate and the highest rate may not exceed 3.0%. The highest rate of interest permitted may not exceed 5.00% in any year. Bidders may not specify more than one rate of interest for the Bonds of any single maturity. A zero rate may not be named for any maturity. The Bonds will be awarded to the bidder naming the lowest true interest cost for all of the Bonds in any legally acceptable proposal and offering to pay not less than 100% of par. The lowest true interest cost will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery. Where the proposals of two or more bidders result in the same lowest true interest cost for the Bonds, the Bonds may be apportioned between such bidders, but if this shall not be acceptable, the County shall have the right to award all of the Bonds to one bidder. The County will reserve the right: (i) to reject any or all proposals without cause; (ii) to waive non-substantive irregularity or informality in any proposal or of matters relating to the receipt of bids and award of the Bonds; and (iii) reject any bid which the County determines to have failed to comply with the terms herein. The County's judgment shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Notice of Sale. No bid can be withdrawn or amended after the time set for receiving bids unless the meeting of the County scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Any award of the Bonds may be made as late as 4:00 p.m. on the sale date. All bids remain firm until an award is made.

### **Good Faith Deposit**

A good faith deposit is required in connection with the sale and bid for the Bonds. After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on **Parity®** must submit a good faith deposit of \$955,350 to the County by wire transfer as instructed by the County or its financial advisor to be submitted not later than 4:00 p.m. Eastern time. The award to the apparent successful bidder is contingent upon receipt of the good faith deposit, and the Bonds will not be awarded to such bidder until the County has confirmation of receipt of the good faith deposit. The Deposit of the successful bidder will be retained by the County to be applied in partial payment for the Bonds, and no interest will be allowed or paid upon the amount of any good faith deposit. In the event the successful bidder shall fail to comply with the terms of its bid, the good faith deposit may be retained as and for full liquidated damages.

## **Security and Purpose**

The Bonds herein described will be general obligations of the County to which the County will pledge its full faith and credit and unlimited taxing power. The proceeds will be used to (i) finance certain capital projects of the Capital Improvement Program of the County, and (ii) to pay all or a portion of the costs of issuance related thereto.

## **Continuing Disclosure**

The County has made certain covenants for the benefit of the holders from time to time of the Bonds to provide certain continuing disclosure, in order to assist bidders in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. The County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which it will undertake to provide certain information annually and notices of certain events. A form of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

## **CUSIP Numbers**

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

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

## **Preliminary Official Statement; Official Statement**

The County has deemed the Preliminary Official Statement dated July 9, 2026, to be final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain information permitted to be omitted by said Rule. The County agrees to deliver to the successful bidder not later than seven (7) business days after the date of sale of an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement. If so requested by the successful bidder for the Bonds at or before the close of business on the date of the sale, the County will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds of the successful bidder (“Reoffering Information”), if any, as may be specified and furnished in writing by such bidder. If no such information is specified and furnished by the applicable successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder. The successful bidder for the Bonds shall be responsible to the County and its officials for the Reoffering Information furnished by such bidder, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with an electronic copy and a reasonable number of hard copies (not to exceed 25) of the Official Statement (and any amendments or supplements thereto).

## **Settlement**

The Bonds will be delivered on or about August 12, 2026, or as soon as practicable thereafter, without expense, to the purchaser through DTC, in New York, New York. Delivery will be subject to receipt by the purchaser of the Bonds of an approving legal opinion of McGuireWoods LLP, Baltimore, Maryland, and the customary closing documents, including a no-litigation certificate. It shall be a condition to the obligation of said purchaser or purchasers to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, said purchaser or purchasers shall be furnished a certificate or certificates of the County Executive of Frederick County and the Director of Finance to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the Reoffering Information provided by the purchaser and information regarding DTC and DTC’s book-entry system provided by DTC, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement (and any amendment or supplement thereto). On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the County or its designee. Except as compliance with the terms of payment for the Bonds shall have been made impossible by action of the County, or its agents, the purchaser shall be liable to the County for any loss suffered by the County by reason of the purchaser’s non-compliance with said terms for payment.

## Undertakings of the Successful Bidder

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

The successful bidder of the Bonds (hereafter, the “Purchaser”) shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form either of the form of certificate attached hereto as Exhibit A-1 or of the form of certificate attached hereto as Exhibit A-2, whichever is applicable (and in either case subject to such modifications as may be appropriate or necessary, in the reasonable judgement of the County, the Purchaser and Bond Counsel). All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County’s Financial Advisor identified herein and any notice or report to be provided to the County may be provided to the County’s Financial Advisor

The County intends that the provisions of Treasury Regulation 1.148-1(f)(3)(i) (defining “competitive sale” for the purposes of establishing the issue price of municipal bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because (i) the County will disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters, (ii) all bidders will have an equal opportunity to bid, (iii) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds, and (iv) the County anticipates awarding the sale of the Bonds to the bidder that submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth herein.

In the event that the Competitive Sale Requirements are not satisfied, the County shall so advise the successful bidder. In that event, the County may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity and/or (ii) the Initial Offering Price (as defined below) to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “Hold the Offering Price Rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the County if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The County shall then promptly advise the successful bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% Test and which shall be subject to the Hold the Offering Price Rule. Bids will not be subject to cancellation in the event that the County determines to apply the Hold the Offering Price Rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold the Offering Price Rule in order to establish the issue price of the Bonds.

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold the Offering Price Rule applies to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following: (A) the close of the fifth (5th) business day after the sale date; or (B) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public. The successful bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

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

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

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale, (i) “public” means any person other than an underwriter or a related party, (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and (iv) “sale date” means the date that the Bonds are awarded by the County to the successful bidder.

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

### **Right to Modify Notice of Sale; Right to Postpone Sale**

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

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

In addition, the County reserves the right, on the date established for the receipt of bids, to reject all bids for the Bonds and thereafter to establish a subsequent date on which bids for the Bonds will again be received. If all bids for the Bonds are rejected and a subsequent date for receipt of bids for the Bonds established, notice of the subsequent Bid Date will be announced via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 News Service at least 24 hours prior to such subsequent bid date.

On any such alternative or subsequent bid date, any bidder may submit electronic bids for the purchase of the Bonds in conformity with the provisions of this Notice of Sale, except for the changes to this Notice of Sale, the change of the date of sale and the changes described in the next sentence. If the date fixed for receipt of bids is postponed, the expected date of delivery of the Bonds also may be postponed. Such changes, if any, will be announced by Parity®/www.i-dealprospectus.com or TM3 at the time the alternative or subsequent Bid Date and time are announced.

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

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

By order of FREDERICK COUNTY, MARYLAND

\$ \_\_\_\_\_  
**Frederick County, Maryland**  
**General Obligation**  
**Public Facilities Project Bonds, Series 2026A**

**ISSUE PRICE CERTIFICATE**  
**(Qualified Competitive Bid)**

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

1. ***Reasonably Expected Initial Offering Price.***

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

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

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

2. ***Defined Terms.***

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2026.

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

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the Federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for Federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other Federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as Purchaser

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2026

SCHEDULE A  
Expected Offering Prices of the Bonds

SCHEDULE B  
Copy of Bid

\$ \_\_\_\_\_  
**Frederick County, Maryland**  
**General Obligation**  
**Public Facilities Project Bonds, Series 2026A**

**ISSUE PRICE CERTIFICATE**  
**(Nonqualified Competitive Bid)**

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

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

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

(a) Each Underwriter offered the Undersold Maturities to the Public for purchase at the respective initial offering prices listed in Schedule B (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule C.

(b) As set forth in the Notice of Sale and bid award, each Underwriter has agreed in writing that, (i) for each Maturity of the Undersold Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so (the “hold-the-price rule”) and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-price rule. Pursuant to such agreement, no Underwriter has offered nor sold any Maturity of the Undersold Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Defined Terms.***

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

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

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

(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2026), or (ii) the date on which the Purchaser has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.

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

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2026.

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

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

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

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the Federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for Federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other Federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as Purchaser

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2026

SCHEDULE A  
Sale Prices of the 10% Maturities

SCHEDULE B  
Initial Offering Prices of the Undersold Maturities

SCHEDULE C  
Pricing Wire