

New Issue – Book-Entry Only

Under existing statutes, regulations and decisions, the interest on the Bonds and profit realized from their sale or exchange will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes includable in gross income for federal income tax purposes. Assuming compliance with certain covenants described herein, under existing statutes, regulations and decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Under existing law, interest on the Bonds for federal income tax purposes is not includable in alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment; however, interest on the Bonds will be taken into account in determining “adjusted current earnings” for purposes of computing the alternative minimum tax for corporations, and interest on the Bonds will be subject to branch profits tax imposed on certain foreign corporations engaged in a trade or business in the United States of America. See “Tax Matters.”

\$355,825,000 General Obligation Bonds



RATINGS: (See the section “RATINGS”)
 Fitch.....AAA
 Moody’s.....Aaa
 S & P.....AAA

\$133,925,000 Consolidated Public Improvement Project Bonds, 2017 Series A
\$140,385,000 Consolidated Public Improvement Refunding Bonds, 2017 Series B
\$81,515,000 Metropolitan District Project and Refunding Bonds, 2017 Series C

Dated: Date of Delivery

Due: February 15, as shown herein

Payable: Interest on and principal of the Bonds will be paid by the County to The Depository Trust Company, New York, New York, as securities depository. Disbursement of such payments will be made by DTC to its Participants which in turn will provide for payment to the Beneficial Owners of the Bonds, all as described herein. Beneficial Owners will not receive certificates evidencing their interests in Bonds purchased.

Redemption: The Bonds maturing on and after February 15, 2028 are subject to optional redemption on or any time after February 15, 2027 at a redemption price as set forth herein.

Purpose: Proceeds of the Bonds are being used to (1) reimburse the County for the cost of Public Improvements, (2) repay all or a portion of the County’s outstanding general obligation bond anticipation notes, (3) provide funds, together with investment earnings thereon, that will be sufficient to refund certain general obligation bonds as described herein, and (4) pay costs of issuance of related to the Bonds.

Security: The Bonds are general obligations of the County, and its full faith and credit and unlimited taxing power are irrevocably pledged to the punctual payment of principal of and interest on the Bonds when due.

Denomination: Integral multiples of \$5,000

Interest Payable: August 15 and February 15

First Interest Payment Due: August 15, 2017

FOR MATURITY SCHEDULES SEE INSIDE COVER

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

The Bonds are offered for delivery when, as and if issued, subject to the approving opinions of McKennon Shelton & Henn LLP, Baltimore, Maryland, Bond Counsel. Davenport & Company, Towson, Maryland, served as financial advisor to the County in connection with the issuance of the Bonds. The Bonds in definitive form will be available for delivery through the facilities of DTC on or about April 25, 2017.

Maturity Schedules

\$133,925,000 Consolidated Public Improvement Project Bonds, 2017 Series A

Due	Principal	Interest			Due	Principal	Interest		
Feb. 15	Amount	CUSIP	Rate	Yield	Feb. 15	Amount	CUSIP	Rate	Yield
2018	\$ 5,205,000	44256PGQ0	5.000 %	0.830 %	2028	\$ 6,740,000	44256PHA4	5.000 %	2.250 %*
2019	4,345,000	44256PGR8	5.000	0.970	2029	7,075,000	44256PHB2	3.000	2.600 *
2020	4,560,000	44256PGS6	5.000	1.120	2030	7,290,000	44256PHC0	5.000	2.460 *
2021	4,790,000	44256PGT4	5.000	1.270	2031	7,655,000	44256PHD8	4.000	2.900 *
2022	5,030,000	44256PGU1	5.000	1.490	2032	7,960,000	44256PHE6	3.000	3.130
2023	5,280,000	44256PGV9	5.000	1.630	2033	8,200,000	44256PHF3	4.000	3.090 *
2024	5,545,000	44256PGW7	5.000	1.790	2034	8,525,000	44256PHG1	3.250	3.350
2025	5,820,000	44256PGX5	5.000	1.940	2035	8,805,000	44256PHH9	3.375	3.490
2026	6,115,000	44256PGY3	5.000	2.060	2036	9,100,000	44256PHJ5	4.000	3.240 *
2027	6,420,000	44256PGZ0	5.000	2.160	2037	9,465,000	44256PHK2	4.000	3.260 *

\$140,385,000 Consolidated Public Improvement Refunding Bonds, 2017 Series B

Due	Principal	Interest			Due	Principal	Interest		
Feb. 15	Amount	CUSIP	Rate	Yield	Feb. 15	Amount	CUSIP	Rate	Yield
2019	\$ 10,000	44256PGB3	5.000 %	0.930 %	2026	\$ 8,220,000	44256PGJ6	5.000 %	2.030 %
2020	2,880,000	44256PGC1	5.000	1.090	2027	15,030,000	44256PGK3	5.000	2.130
2021	10,825,000	44256PGD9	5.000	1.240	2028	15,785,000	44256PGL1	5.000	2.230 *
2022	11,360,000	44256PGE7	5.000	1.440	2029	12,365,000	44256PGM9	5.000	2.330 *
2023	18,265,000	44256PGF4	5.000	1.600	2030	7,605,000	44256PGN7	5.000	2.460 *
2024	15,775,000	44256PGG2	5.000	1.760	2031	7,990,000	44256PGP2	5.000	2.550 *
2025	14,275,000	44256PGH0	5.000	1.910					

\$81,515,000 Metropolitan District Project and Refunding Bonds, 2017 Series C

Due	Principal	Interest			Due	Principal	Interest		
Feb. 15	Amount	CUSIP	Rate	Yield	Feb. 15	Amount	CUSIP	Rate	Yield
2018	\$ 1,055,000	44256PHL0	5.000 %	0.840 %	2033	\$ 3,330,000	44256PJB0	3.125 %	3.230 %
2019	490,000	44256PHM8	5.000	0.970	2034	3,430,000	44256PJC8	3.250	3.320
2020	510,000	44256PHN6	5.000	1.120	2035	3,545,000	44256PJD6	3.250	3.370
2021	2,885,000	44256PHP1	5.000	1.250	2036	3,655,000	44256PJE4	3.250	3.410
2022	3,025,000	44256PHQ9	5.000	1.440	2037	3,770,000	44256PJF1	3.375	3.430
2023	3,185,000	44256PHR7	5.000	1.600	2038	3,355,000	44256PJG9	3.375	3.450
2024	3,340,000	44256PHS5	5.000	1.760	2039	3,465,000	44256PJH7	3.375	3.460
2025	3,505,000	44256PHT3	5.000	1.910	2040	3,580,000	44256PJJ3	3.375	3.470
2026	3,685,000	44256PHU0	5.000	2.030	2041	3,705,000	44256PJK0	3.375	3.480
2027	3,870,000	44256PHV8	5.000	2.130	2042	1,045,000	44256PJL8	3.500	3.510
2028	4,065,000	44256PHW6	5.000	2.220 *	2043	1,080,000	44256PJM6	3.500	3.520
2029	4,265,000	44256PHX4	3.000	2.650 *	2044	1,120,000	44256PJN4	3.500	3.530
2030	2,615,000	44256PHY2	3.000	2.910 *	2045	1,155,000	44256PJP9	3.500	3.540
2031	3,125,000	44256PHZ9	3.125	3.125	2046	1,195,000	44256PJQ7	3.500	3.550
2032	3,225,000	44256PJA2	3.250	3.250	2047	1,240,000	44256PJR5	3.500	3.560

* Yield to February 15, 2027, the first optional call date.

CUSIP numbers are copyrighted by the American Bankers Association. CUSIP data is provided by CUSIP Global Services. The CUSIP data listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the County makes no representation with respect to such CUSIP data nor undertakes any responsibility for its accuracy now or at any time in the future. The CUSIP numbers are subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Bonds. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services database.

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Allan H. Kittleman

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Dr. Calvin Ball, *Vice Chairperson*
Greg Fox, *Council Member*
Mary Kay Sigaty, *Council Member*
Jennifer Terrasa, *Council Member*

Certain Appointed Officials

Stanley J. Milesky, *Director of Finance*
Gary Kuc, *County Solicitor*
Lonnie R. Robbins, *Chief Administrative Officer*
Jessica Feldmark, *Administrator to the County Council*
Dr. Holly Sun, *Budget Administrator*

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No dealer, broker, salesman or other person has been authorized by Howard County, Maryland to give any information or to make any representations with respect to Howard County, Maryland, or the Bonds, other than those contained in this Official Statement. 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 any offer to buy, nor shall there be any sale of, the Bonds described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

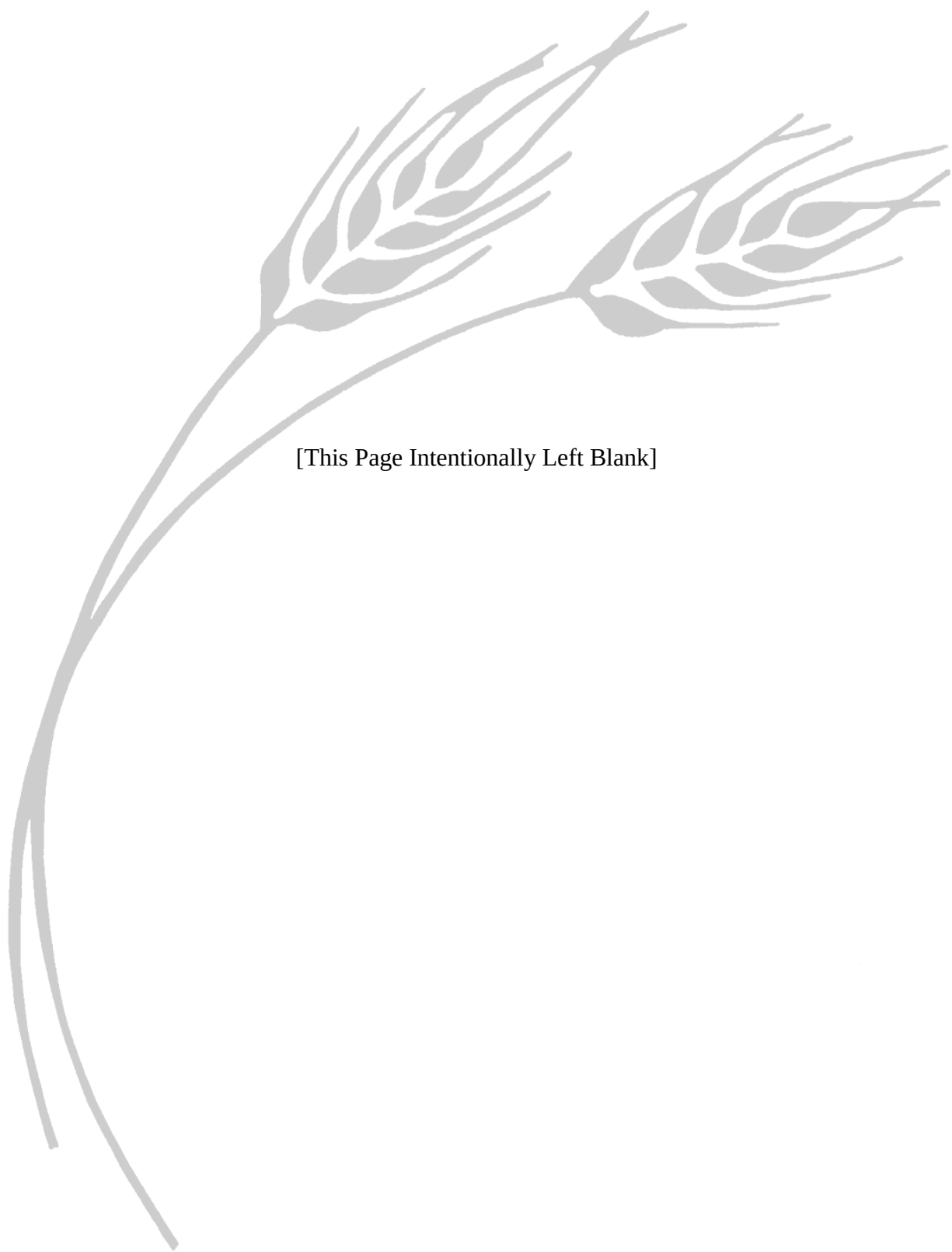
All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters 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 contained herein are subject to change without notice. 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 Howard County, Maryland since the respective dates as of which such information is given herein. This Official Statement is not to be construed as a contract or agreement between Howard County, Maryland and the purchasers or holders of any of the Bonds. Furthermore, this Official Statement does not contain any investment advice for purchasers or holders of any of the Bonds. Such persons should consult their own financial advisors regarding possible financial consequences of ownership of the Bonds.

The cover page hereof, the list of officials, this page and the appendices attached hereto are part of this Official Statement. The order and placement of materials in this Official Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Bonds is made only by means of this entire Official Statement.

In connection with the offering of the Bonds, the purchasers of the Bonds may over-allot or effect transactions that stabilize or maintain the market price of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, which is managed by S&P Capital IQ, a division of McGraw Hill Financial, and the County takes no responsibility for the accuracy thereof. These data are not intended to create a database and do not serve in any way as a substitute for CUSIP Global Services.

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission (the "SEC") or with any state security agency. The Bonds have not been approved or disapproved by the SEC or any state securities agency nor has the SEC or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.



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Appendix A

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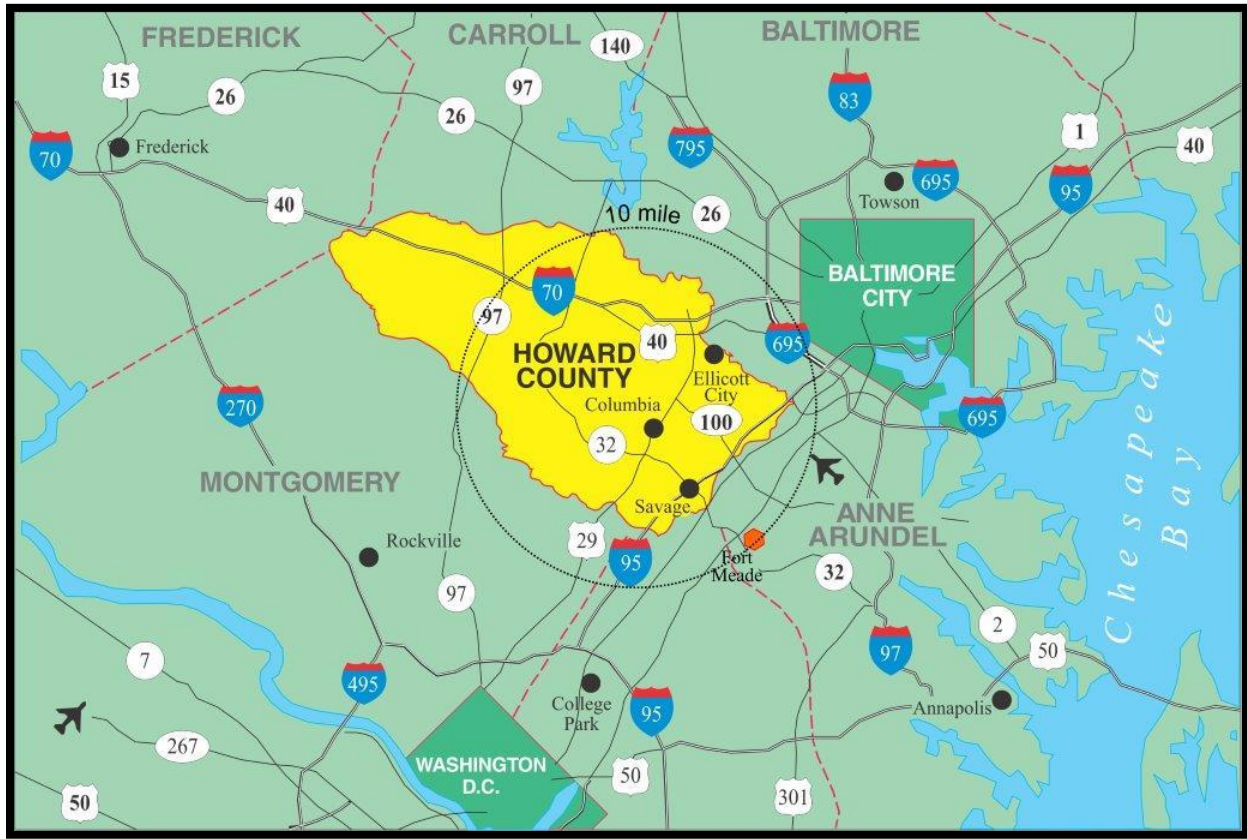
Appendix B

Continuing Disclosure Agreement	B-1
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Appendix C

Bond Amortization Tables	C-1
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Howard County Regional Location



The Bonds

Purpose of Official Statement

This Official Statement provides information regarding Howard County, Maryland (the “County”) and the offering of \$355,825,000 general obligation bonds (the “Bonds”). The Bonds consist of the following:

- \$133,925,000 Consolidated Public Improvement Project Bonds, 2017 Series A (the “CPI Bonds”);
- \$140,385,000 Consolidated Public Improvement Refunding Bonds, 2017 Series B (the “Refunding CPI Bonds” and together with the CPI Bonds the “Public Improvement Bonds”);
- \$81,515,000 Metropolitan District Project and Refunding Bonds, 2017 Series C (the “Metropolitan District Bonds”); and

The Public Improvement Bonds and the Metropolitan District Bonds are collectively referred to herein as the “Bonds.”

The County

Howard County, Maryland is 251 square miles in area and is home to approximately 305,462 residents. The County is located in the State of Maryland (the “State”) between Baltimore, Maryland and Washington, D.C., and at its closest point is less than four miles from the former and 13 miles from the latter. The County was formed in 1851 and bears the name of Colonel John Eager Howard, the fifth Governor of Maryland. The County was predominately agricultural until 1966, when construction began on the new town of Columbia. The County’s population has grown an average of 1.65 percent annually since 2000, and is the third wealthiest in the nation. Under a home rule charter since 1968, the County is governed by an elected county executive (the “County Executive”) and five-member council (the “Council”).

Authorization

The CPI Bonds are being issued pursuant to the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement) (“Section 10-203”), Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement) (“Section 19-101”), the Howard County Charter (the “Charter”), certain bond enabling bills of the County Council of Howard County, Maryland (the “Council”), and in accordance with Council Bill No. 48-2011 enacted during the 2011 Legislative Session, Council Bill No. 32-2012 enacted during the 2012 Legislative Session, Council Bill No. 42-2013 enacted during the 2013 Legislative Session, Council Bill No. 01-2015 enacted during the 2015 Legislative Session, Council Bill No. 50-2015 enacted during the 2015 Legislative Session and Council Bill No. 61-2016 enacted during the 2016 Legislative Session (collectively, the “Bond Ordinance”).

The Refunding CPI Bonds are being issued pursuant to the authority of Section 10-203, Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement) (“Section 19-207”), Section 19-101, the Charter, certain bond enabling bills of the Council, and in accordance with the Bond Ordinance and Council Bill No. 62-2016 enacted during the 2016 Legislative Session (the “Refunding Ordinance”).

The Metropolitan District Bonds are being issued pursuant to the authority of Section 10-203, Section 19-207, the Charter, Chapter 991 of the Acts of the General Assembly of Maryland 1943, as amended, Chapter 609 of the Acts of the General Assembly of Maryland of 1945, as amended, Chapter 369 of the Acts of the General Assembly of Maryland of 1963, as amended and Chapter 356 of the Acts of the General Assembly of Maryland of 1965, as amended, certain bond enabling bills of the Council, and in accordance with the Bond Ordinance and Refunding Ordinance.

Description

The Bonds are dated and bear interest from their date of delivery (the “Closing Date”), and pay interest on February 15 and August 15 of each year, beginning August 15, 2017, at the interest rates set forth on the inside cover page of this Official Statement. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds are issued as fully-registered bonds without coupons, book-entry form only, and are denominated in integral multiples of \$5,000. The Bonds mature, subject to prior redemption as described herein, on the dates and in the amounts set forth on the inside cover page of this Official Statement.

Registration, Payment and Transfer

Registration through Securities Depository

The information contained in the following paragraphs of this subsection “Book-Entry Only System” has been extracted from a schedule prepared by The Depository Trust Company (“DTC”) entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY ONLY ISSUANCE.” The County makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC 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 will be issued for each maturity of the Bonds in principal amount equal to the aggregate principal amount of the Bonds 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.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited,

which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments and any premium on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC, DTC's nominee, the 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 or premium to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or its Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICIES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT OR ANY RULES AND PROCEDURES OF DTC.

Neither the County nor its agents will have any responsibility or obligation to Direct or Indirect Participants or to any Beneficial Owner with respect to 1) the accuracy of any records maintained by DTC or any Direct or Indirect Participant; 2) the payment by DTC or any Direct or Indirect 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 Beneficial Owners; 4) any consent given by DTC or other action taken by DTC as bondholder; or 5) the selection by DTC or any Direct or Indirect Participant of any Beneficial Owner to receive payment in the event of a partial redemption of Bonds.

Termination of Book-Entry System

DTC may discontinue providing its services with respect to the Bonds at any time by giving reasonable notice to the County or the Director of Finance of the County (the "Director of Finance"), or his successor as registrar for the Bonds (the "Bond Registrar"). In addition, the County Executive may discontinue the book-entry system with DTC. If the County Executive fails to identify another qualified securities depository to replace DTC, the County will deliver replacement Bonds in the form of fully registered certificates, and payments of principal of and interest on such replacement Bonds will be paid in accordance with the terms of the Bond Ordinance. Each Beneficial Owner, upon registration of certificates held in such Beneficial Owner's name, will become a Bondholder. Subject to the further conditions contained in the Bond Ordinance, the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof by the registered owners or their duly authorized representatives. For every transfer and exchange of the Bonds, the registered owner may be charged a sum sufficient to cover any tax or other governmental charge required to be paid in connection with such exchange or transfer.

Record Dates

The record dates for the Bonds will be the fifteenth day preceding each interest payment date for the Bonds and the fifteenth day preceding the date of publication of any notice of redemption.

Redemption

Optional Redemption

Bonds maturing on or before February 15, 2027 are not redeemable prior to their stated maturities. Bonds maturing on and after February 15, 2028 are subject to redemption prior to their respective maturities, at the option of the County, on or at any time after February 15, 2027, in whole or in part, at a redemption price of 100 percent of the principal amount thereof, together with interest accrued to the redemption date.

If less than all of the outstanding Bonds of any series are called for optional redemption, the County will choose the maturities to be redeemed and the principal amount of each such maturity to be redeemed, in its sole discretion. If less than all of such Bonds of any one maturity are called for redemption, then the particular Bonds of such maturity or portions of such Bonds to be redeemed will be chosen by DTC in accordance with its normal and customary procedures (so long as the Bonds are in book-entry form), or by the Bond Registrar, by lot (if the book-entry system has been discontinued). For an optional redemption of term Bonds, the County will choose the mandatory sinking fund redemption installments of such term Bonds to be reduced and the amount of each such reduction, in its sole discretion. The Bonds are redeemable only in integral multiples of \$5,000.

Notice of Redemption

A notice calling for redemption of any Bonds will be delivered to DTC not less than 20 days prior to the date fixed for redemption (the "Redemption Date"), and otherwise as provided in the Bond Ordinance. If the book-entry system has been discontinued for the Bonds, a notice calling for redemption of any Bonds will be mailed, not less than 20 days prior to the Redemption Date, to all registered owners of the Bonds to be redeemed (in whole or in part), at their last addresses appearing on the registration books kept by the Bond Registrar, by first-class mail, postage prepaid. Failure to mail or deliver any such notice or any defect in the notice or its mailing or delivery will not affect the validity of any redemption proceedings. Any redemption notice will specify the series, CUSIP numbers, maturities and interest rates of any Bonds to be redeemed, the date of the notice, the Redemption Date, the redemption price, the name, address and telephone number of the Bond Registrar, and, for a partial redemption, the principal amount of each maturity of the Bonds to be redeemed. Such notice will further state that, on the Redemption Date, the Bonds called for redemption will be due and become payable, if sufficient funds are available, at the office of the Bond Registrar, and that, from and after the Redemption Date, interest thereon shall cease to accrue.

On the Redemption Date, if sufficient money to pay the redemption price of Bonds called for redemption and accrued interest on the Bonds are held by the Bond Registrar, such Bonds called for redemption will become due and payable, interest on such Bonds will cease to accrue and the registered owners of such Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest thereon to the Redemption Date.

Security and Sources of Payment

General Obligation

The Bonds are general obligations of the County, and its full faith and credit and unlimited taxing power are irrevocably pledged to the punctual payment of principal and interest on such Bonds when due and payable.

Public Improvement Bonds

In each and every fiscal year during which any of the Public Improvement Bonds are outstanding, the County will levy or cause to be levied ad valorem taxes on real and tangible personal property and on intangible property subject to taxation by the County in an amount sufficient, together with other available funds, to pay the annual interest on the outstanding Public Improvement Bonds and to pay the principal of the Public Improvement Bonds due and payable

during the succeeding fiscal year. Without limiting the foregoing, portions of the Public Improvement Bonds are expected to be paid from transfer tax revenues, school facilities surcharges and building excise taxes on new construction.

Metropolitan District Bonds

The principal of and the interest on the Metropolitan District Bonds are payable from revenues obtained from: (1) special front foot benefit assessments collected by the County on all property in the Metropolitan District (described in more detail under “Government and Infrastructure, Water and Sewer System” herein) directly benefited by water and sewer facilities, (2) special annual ad valorem taxes levied by the County upon assessable property within the Metropolitan District, (3) water and sewer service charges for the use of utilities and charges for the upkeep of water and sewer systems that have a connection with water mains or sewers and (4) water and sewer connection charges. However, in the event such revenues in any fiscal year are insufficient to pay the annual interest on outstanding Metropolitan District Bonds and to pay the principal of the Metropolitan District Bonds due and payable, the County will levy ad valorem taxes on real and tangible personal property and on intangible property subject to taxation by the County in an amount sufficient, together with other available funds, to pay such annual interest and to pay the principal of such Metropolitan District Bonds. The County has never had to levy ad valorem taxes to pay the interest or principal due on Metropolitan District Bonds.

Purpose of Financing

CPI Bonds

The County is issuing the CPI Bonds to repay all or a portion of the County’s outstanding Consolidated General Obligation Bond Anticipation Tax-Exempt Note, Series 2014 (Public Improvement Projects), to reimburse the County for the cost of Public Improvement projects and to pay costs of issuance of the CPI Bonds.

Refunding CPI Bonds

The County is issuing the Refunding CPI Bonds to pay costs of issuance of the Refunding CPI Bonds, and to provide funds that, together with investment earnings thereon will be sufficient to refund certain of the County’s outstanding general obligation bonds described below (the “Refunded Public Improvement Bonds”) at their respective maturities or optional redemption dates.

Refunded Public Improvement Bonds

Dated Date	Principal Amount Outstanding	Principal Amount Being Refinanced	Maturities Being Refinanced	Redemption Date	Optional Redemption Price (%)
4/8/2009	\$ 25,300,000	\$ 18,925,000	4/15/2024 & 4/15/2027 - 4/15/2029	4/15/2019	100
3/16/2010	26,575,000	18,075,000	2/15/2018 & 2/15/2021 - 2/15/2023	2/15/2020	100
3/9/2011	87,110,000	82,210,000	2/15/2018 & 2/15/2020 - 2/15/2031	2/15/2019	100
11/17/2011	143,735,000	20,955,000	8/15/2022 - 8/15/2024, 8/15/2026 & 8/15/2027	8/15/2021	100
4/11/2012	30,340,000	17,310,000	2/15/2019 & 2/15/2021 - 2/15/2028	2/15/2020	100

Metropolitan District Bonds

The County is issuing the Metropolitan District Bonds to repay all or a portion of the County’s outstanding General Obligation Bond Anticipation Tax-Exempt Note, Series 2014 (Metropolitan District Projects), to pay costs of issuance of the Metropolitan District Bonds, and to provide funds that, together with investment earnings thereon will be sufficient to refund certain of the County’s outstanding general obligation bonds described below (the “Refunded Metropolitan District Bonds”) at their respective maturities or optional redemption dates.

Refunded Metropolitan District Bonds

Dated Date	Principal Amount Outstanding	Principal Amount Refinanced	Maturities Being Refinanced	Redemption Date	Optional Redemption Price (%)
3/15/2007	\$ 3,435,000	\$ 3,435,000	2/15/2031 - 2/15/2037	4/25/2017	100
4/8/2009	19,320,000	14,395,000	4/15/2021 - 4/15/2029	4/15/2019	100
3/9/2011	44,100,000	40,680,000	2/15/2021 - 2/15/2041	2/15/2019	100

Sources and Uses

The following table identifies the sources and uses of funds in this financing.

Sources	CPI 2017 Series A	CPI 2017 Series B	Metro 2017 Series C	Total
Par Amount.....	\$133,925,000	\$140,385,000	\$81,515,000	\$355,825,000
Premium.....	<u>\$14,501,909</u>	<u>\$29,397,345</u>	<u>\$5,606,109</u>	<u>\$49,505,363</u>
Total	\$148,426,909	\$169,782,345	\$87,121,109	\$405,330,363
Uses				
Project Fund Deposit.....	\$21,502,368	\$0	\$2,930,735	\$24,433,103
Bond Anticipation Note Redemption	\$126,415,053	\$0	\$21,384,947	\$147,800,000
Escrow Fund Deposit.....	\$0	\$169,143,922	\$62,094,824	\$231,238,746
Issuance Costs*	<u>\$509,488</u>	<u>\$638,423</u>	<u>\$710,604</u>	<u>\$1,858,514</u>
Total	\$148,426,909	\$169,782,345	\$87,121,109	\$405,330,363

*Issuance costs include Rating Agency Fees, Underwriter's Discount, Financial Advisor Fees, Bond Counsel Fees, and other costs of issuance. Table may not add due to rounding.

Continuing Disclosure

In order to enable the bidders for the Bonds to comply with the requirements of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), the County will execute and deliver, on or before the date of issuance and delivery of the Bonds, a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"). The form of this agreement is included in Appendix C of this Official Statement. Certain of the events listed in Section 4(a) of the Continuing Disclosure Agreement have been included for purposes of compliance with Rule 15c2-12 but are not relevant for the Bonds. Those events relate to debt service reserves, credit enhancements and liquidity providers, and property or other collateral. 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.

Deposits to Escrow Deposit Account

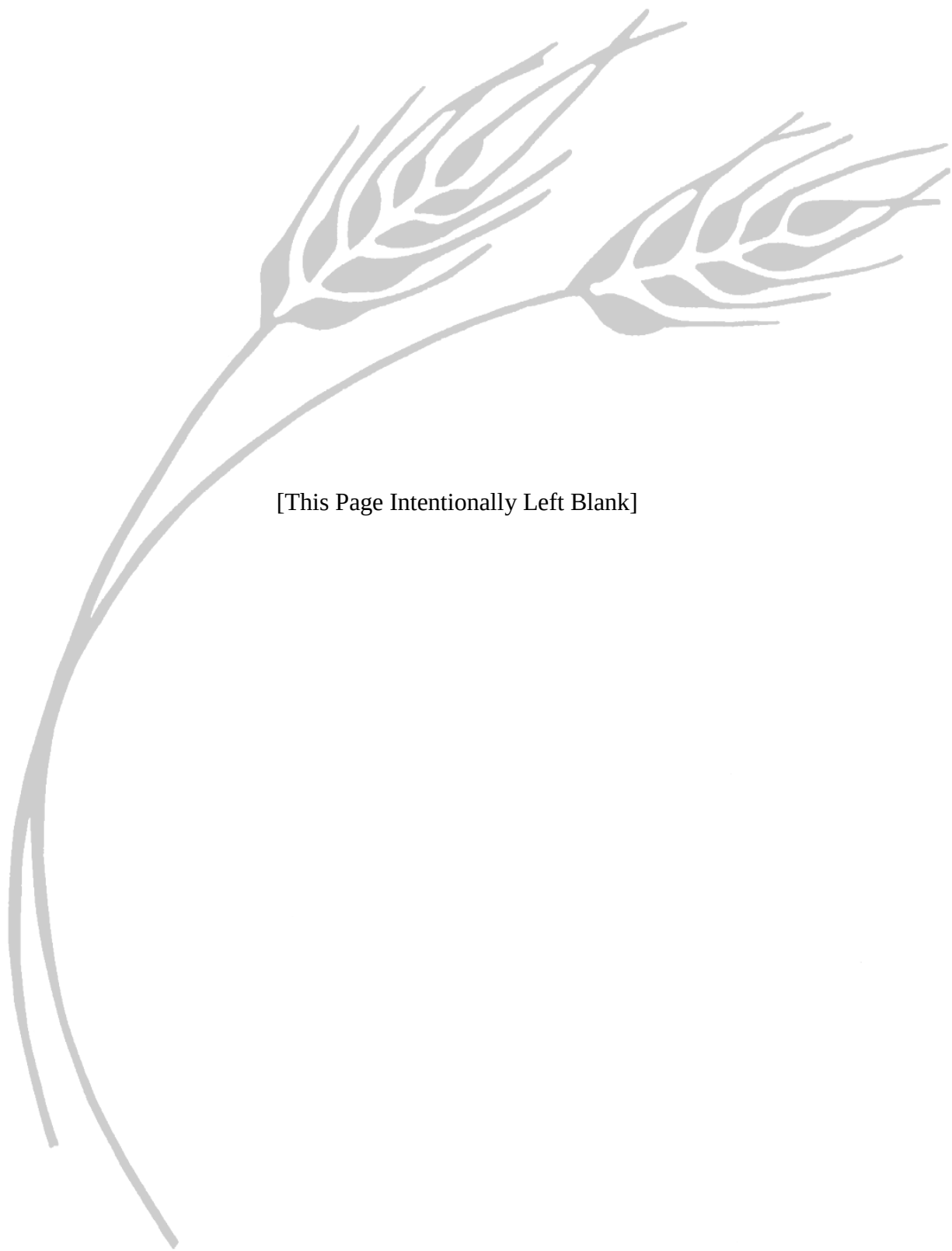
On the Closing Date, a portion of the proceeds of the Refunding CPI Bonds and Metropolitan District Bonds and the other moneys of the County designated for such purpose will be deposited by the Director of Finance with Manufacturers and Traders Trust Company (the "Escrow Deposit Agent") in two trust funds together, (the "Escrow Deposit Account"), to be established under an Escrow Deposit Agreement to be entered into between the County and the Escrow Deposit Agent (the "Escrow Deposit Agreement"). The Escrow Deposit Agent will apply all or part of the funds so deposited in the Escrow Deposit Account to purchase United States Treasury or obligations guaranteed by United States of America (hereinafter referred to as the "Government Obligations").

The Government Obligations on deposit in the Escrow Deposit Account will mature in stated fixed amounts as to principal and interest at such times as will, together with cash on hand, be sufficient, without reinvestment, (a) to pay the principal of and interest on the Refunded Public Improvement Bonds and Refunded Metropolitan District Bonds

(together the “Refunded Bonds”) until the specified optional redemption dates and (b) to redeem the Refunded Bonds on their respective optional redemption dates at the redemption prices set forth in the tables captioned “Refunded Public Improvement Bonds” and “Refunded Metropolitan District Bonds” under “Purpose of Financing” herein. Also see “Verification of Mathematical Computations” herein. The Government Obligations and cash, if any, on deposit in the Escrow Deposit Account will be used for the payment of the principal of and redemption premium (if any) and interest on the Refunded Bonds, and are not available for the payment of, redemption premium, if any, or interest on the Bonds or any other obligations of the County.

Additional Information

This Official Statement speaks only as of the date appearing on the cover page, and the information contained herein is subject to change. Questions regarding this Official Statement should be directed to the Director of Finance at the address and telephone number listed on the inside of the cover page. The full text of the Bond Ordinance, the Refunding Ordinance and the County’s latest comprehensive annual financial report and budget are available from the Director of Finance for the cost of reproducing such material or at www.howardcountymd.gov or on the MSRB’s EMMA website.



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Financial Information

Financial Reporting

Basis of Accounting

The County's audited basic financial statements for the fiscal year ended June 30, 2016 can be found at <http://www.howardcountymd.gov/Departments/Finance/Financial-Information/Audits> in the Financial Information section of the Department of Finance webpage. These statements were audited by CohnReznick, independent certified public accountants, to the extent stated in their report. The accounting and financial reporting policies of the County conform to generally accepted accounting principles ("GAAP") as applicable to governmental units.

The County's accounts are organized on the basis of funds. Fund types include (1) the General Fund, which is the general operating fund of the County, (2) Special Revenue Funds, which account for specific revenues that by law are designated for particular activities, (3) Proprietary Funds, which include the enterprise funds that account for the County's water and sewer, broadband, storm water and golf course operations, and (4) Capital Projects Funds, which account for construction or acquisition of fixed assets, (5) Debt Service Funds, which account for the accumulation of resources which have been restricted, committed or assigned, (6) Internal Service Funds used to account for goods and services furnished by one County department to another, (7) Trust and Agency Funds used to account for resources held in a custodial capacity.

The financial data for the Board of Education of Howard County (the "Board of Education"), the Howard County Library (the "Library"), Howard Community College (the "Community College") and the Howard County Housing Commission (the "Housing Commission," and collectively, the "Component Units") are discretely presented in the government-wide statements to emphasize their legal separation from the County. However, the County is responsible for levying taxes and has budgetary control over the Component Units.

The County's comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2015 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada ("GFOA"). To receive this highest recognition from GFOA, a government unit's CAFR must be easily readable, efficiently organized and satisfy both GAAP and legal requirements. The County has received this certificate for each fiscal year since 1976 and has submitted its CAFR for the fiscal year ended June 30, 2016 to GFOA for another certificate.

Budget

The County's budget includes an operating and a capital budget. The operating budget is derived from programs detailing the nature, volume and cost of work to be performed by each of the County's agencies. This element of the budget includes revenues estimated to be received during and expenditures recommended for the ensuing fiscal year, surpluses or deficits estimated for the current fiscal year and debt service requirements. The operating and capital budgets also projects summaries of revenues and expenditures for the ensuing five fiscal years.

The capital budget describes each capital project proposed in the ensuing fiscal year and receipts anticipated from all borrowings and other sources for such projects. The capital budget also proposes capital projects to be undertaken in the ensuing five fiscal years and the means of financing such projects. (See "Capital Requirements and Debt Management, Capital Budget and Program" herein.)

The County's budget for the fiscal year ended June 30, 2016 was awarded the Distinguished Budget Presentation Award by GFOA. To receive this award, a government unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan and communication device. The County has received this certificate for each fiscal year since 1992.

The County Executive must submit a capital budget and an operating budget to the Council by April 1 and April 21, respectively. The Council may decrease or delete any budgetary item, except those mandated by State law and

provisions to pay outstanding debt service or eliminate cash deficits. The Council has no power to alter revenue estimates or increase any recommended expenditures, except as expressly provided in State law. After enacting the operating budget and adopting the capital budget, the Council must then levy taxes required to balance budget revenues and expenditures. If a new operating budget is not enacted by the Council before June 2 in any fiscal year, the operating budget proposed by the County Executive stands adopted and funds for expenditures stand appropriated.

No agency of the County may incur any liability in excess of the amounts appropriated for the same general classification of expenditure in the budget. Any such liability incurred, except for small purchases, must first have funds for the designated purpose certified as available by the Director of Finance. The Council, upon the request of the County Executive, may approve transfers between projects in the capital budget and supplemental operating budgets funded from the contingency reserve and from unappropriated funds in emergencies. After April 1 of each year, the Council, upon the request of the County Executive, may approve transfers between departments in the operating budget; the County Executive has authority to make operating budget transfers within a department at any time without approval of the Council.

Surplus revenues in any fiscal year must be appropriated into the budget stabilization account, also known as the Rainy Day Fund, until its balance equals seven percent of the audited General Fund expenditures for the prior fiscal year. Money in the fund may be used only for emergencies or to cover significant revenue shortfalls during a fiscal year that the County Executive determines cannot be offset by reducing expenditures. Surplus revenues not required for the Rainy Day Fund must be used to fund capital projects, reduce existing County debt or fund appropriations for non-recurring expenses, unless otherwise determined by a vote of two-thirds of the members of the Council.

To finance capital projects from borrowing, the Council adopts a bond issue authorization ordinance pursuant to enabling laws. Such ordinances are not subject to referendum, nor to executive veto. Any contract, lease or other obligation providing for payment of funds after the end of the fiscal year in which such obligation is made must be approved by ordinance. No contract for the purchase of real or leasehold property may be entered into unless funds therefor are included in the capital budget. No obligations of the County may be authorized in any fiscal year for any capital project not included in the capital budget.

Government-Wide Full Accrual Reporting

In 2013, the County implemented Statement No. 65 issued by the Governmental Accounting Standards Board ("GASB Statement 65"). The positive total net position shown below as of June 30, 2016, reflects the County's commitment to maintaining infrastructure assets and its tradition of providing substantial pay-go funding for capital outlays.

Summary of Net Position

	Governmental Activities	Business-type Activities	Total
NET POSITION			
Invested in capital assets, net of related debt	\$ 772,350,290	\$ 410,561,263	\$ 1,182,911,553
Restricted	109,620,128	42,470,585	152,090,713
Unrestricted	(991,153,043)	138,508,000	(852,645,043)
Total net position	\$ (109,182,625)	\$ 591,539,848	\$ 482,357,223

It is important to note that although counties in the State of Maryland issue debt for the construction of schools, the school buildings are owned by each county's Public School System. The County also funds projects for Howard Community College and for intersection improvements to State owned roads. As of June 30, 2016, the outstanding debt for public school buildings was \$465.6 million and \$79.4 million for community college buildings. The negative unrestricted net position for governmental activities reflects the imbalance of liabilities, without corresponding assets, as well as the County's Net OPEB Obligation of \$409.3 million. Ownership of school buildings no longer needed for educational purposes reverts to the County. The net value of buildings, improvements and construction in progress owned by the Board of Education was \$1.56 billion and \$283.8 million for those owned by Howard Community College. If those assets were included in the County's financial statements, the unrestricted net position for governmental activities would increase from negative \$991.2 million to positive \$854.7 million.

The schedule below shows the value of net assets resulting from operations in fiscal year 2016 for governmental and business activities combined.

Changes in Net Position			
	Governmental Activities	Business-type Activities	Total
Revenues	\$1,292,750,356	\$ 129,919,314	\$1,422,669,670
Expenses	1,316,052,664	102,333,497	1,418,386,161
Increase in net position before transfers	(23,302,308)	27,585,817	4,283,509
Transfers	2,318,086	(2,318,086)	-
Increase in net position after transfers	(20,984,222)	25,267,731	4,283,509
Adjustments to restate net position*	0	-	0
Net Position - July 1, 2015	(88,198,403)	566,272,117	478,073,714
Net Position - June 30, 2016	\$ (109,182,625)	\$ 591,539,848	\$ 482,357,223

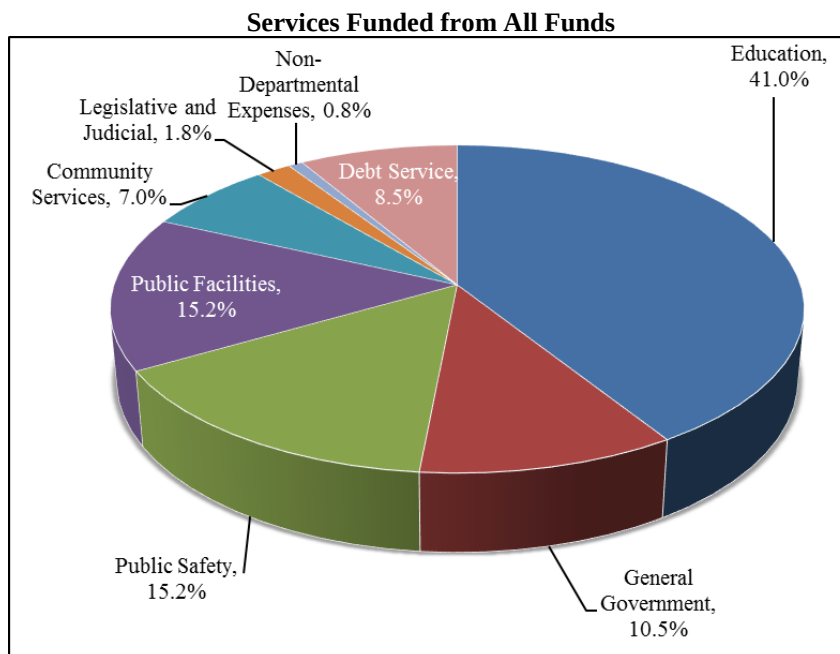
* GASB 68 required pension liability recognition.

Overview of Revenues and Expenditures

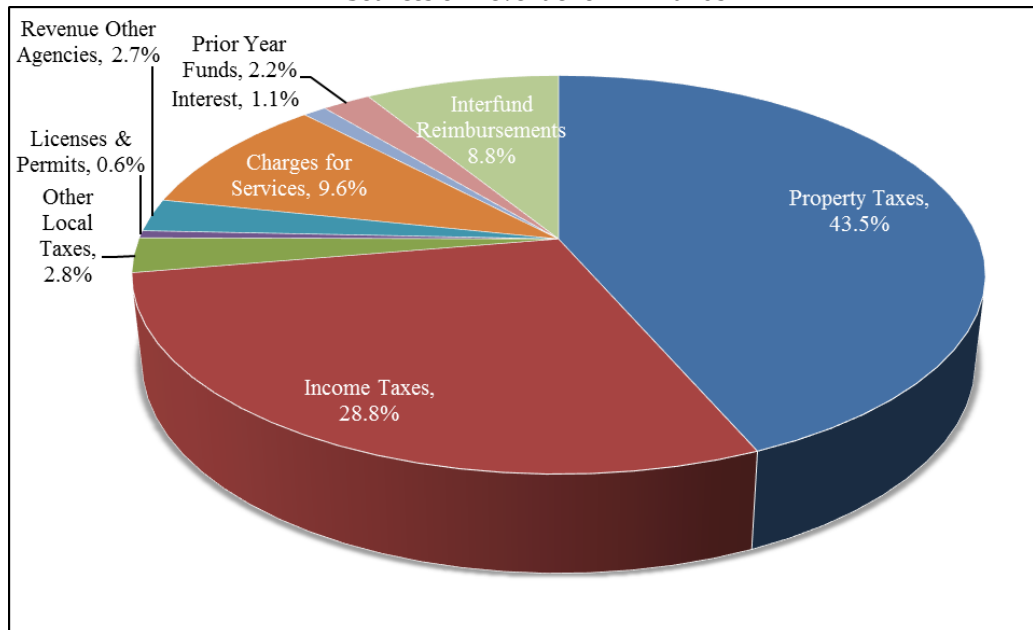
The largest fund in the County's basic financial statements, the General Fund, records receipt of taxes and other revenues not directed by law into other funds and payment of all operating costs of County government and services. Transfers from the General Fund and revenues from other government agencies (particularly the State) provide most of the revenues for the County's Board of Education, Library, Community College and Housing Commission, each of which is a Component Unit.

Special Revenue Funds account for specific revenues that by law are designated for particular functions or activities. The County uses Special Revenue Funds as a way of linking fees or taxes paid by residents with benefits or services received by them. Special Revenue Funds deal with management and construction of public housing, preservation of agricultural land, account for fire district activities, record categorical grants received from federal, State and local sources, account for the County's portion of the local health department, support user-funded recreation and parks programs, account for speed enforcement programs, watershed protection and restoration projects, and provide for the collection and disposal of solid waste, including the County landfill.

The charts on the next page present the composition of services funded from all Funds budgeted in fiscal year 2017, and the sources of funding for such services.

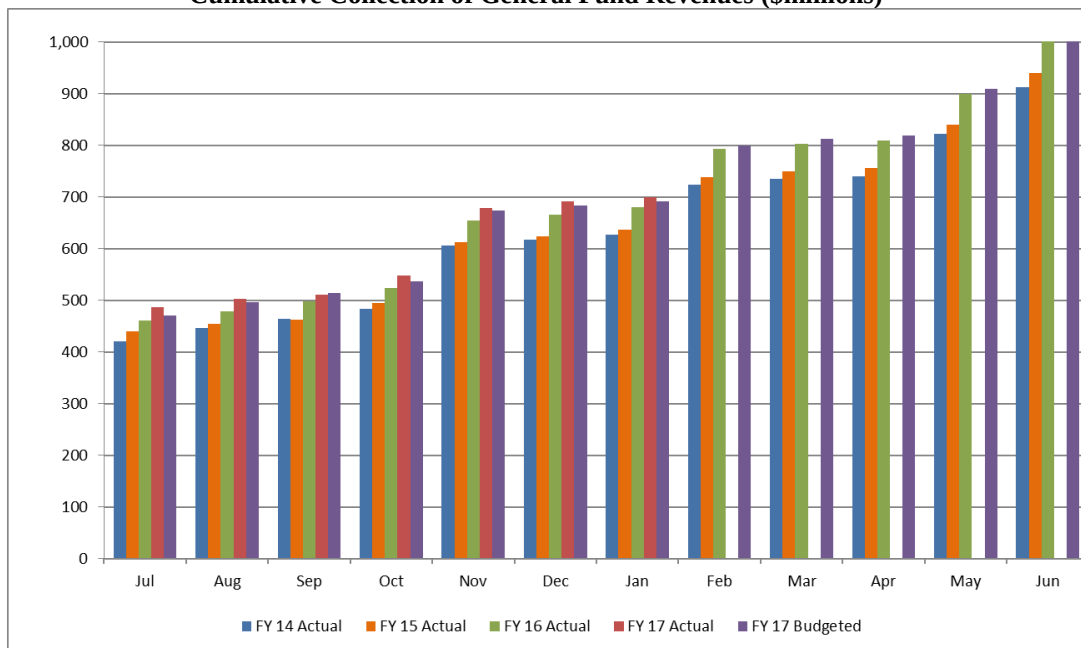


Sources of Revenue for All Funds



The revenues collected by the County each month are determined by the tax rates and fee levels established at the beginning of the fiscal year and the value of the bases during the year on which taxes and fees are collected. Property taxes are collected primarily during the County's first and second quarters; income taxes are received from the State following the end of each quarter. The chart below presents General Fund revenues received for the past four fiscal years.

Cumulative Collection of General Fund Revenues (\$millions)



Based on preliminary estimates, the County is anticipating a surplus for Fiscal Year 2017. We expect to end the year with a positive fund balance. No decisions regarding commitment or assignments of Fund Balance have been made at this time.

The following table presents the activity in the General Fund for fiscal years 2012 through 2016 on a budgetary basis, along with the annual budget adopted for fiscal year 2017.

Statement of General Fund Revenues and Expenditures (Budgetary Basis) (000) ⁽¹⁾

	Fiscal Year Ended June 30					Budget
	2012	2013	2014	2015	2016	2017
Tax Revenues						
Local property taxes	\$ 441,680	\$ 448,065	\$ 459,016	\$ 476,160	\$ 499,903	\$ 511,434
Local income taxes	357,347	374,358	392,661	394,985	433,404	430,586
Other local taxes	23,414	29,354	27,172	30,423	33,272	31,463
State shared taxes	780	1,422	1,247	1,532	2,078	1,606
Total Taxes	\$ 823,222	\$ 853,199	\$ 880,096	\$ 903,100	\$ 968,656	\$ 975,089
Other Revenues						
State grants	5,545	5,188	7,348	6,513	6,502	6,659
Charges for services	11,997	13,960	13,966	13,616	14,698	11,237
Interest on investments	629	686	589	602	1,292	1,715
Licenses and permits	5,787	6,456	6,696	6,586	7,200	8,918
Interfund reimbursements	26,782	26,977	33,310	36,884	44,249	42,243
Fines and forfeitures	3,051	2,717	2,883	3,078	3,237	3,623
Appropriation from fund balance	-	-	14,734	39,770	-	11,164
Return of funding from component units	818	818	818	351	2,588	-
Miscellaneous revenues	2,571	3,608	2,902	2,565	9,817	-
Total Revenues	\$ 880,402	\$ 913,610	\$ 963,343	\$1,013,065	\$1,058,240	\$1,060,647
Expenditures						
General government	22,460	23,280	37,976	42,745	27,782	27,680
Legislative and judicial	20,865	21,006	22,138	23,892	25,220	26,719
Public works	63,666	65,576	69,497	71,939	71,449	66,646
Public safety	96,692	100,704	109,363	114,602	120,846	127,243
Recreation and parks	14,358	15,155	17,044	19,005	19,603	22,284
Health	9,184	9,396	8,191	7,784	8,181	9,259
Community services	15,954	16,885	19,728	21,575	32,160	32,639
Education	495,778	509,478	526,617	561,440	575,145	594,485
Libraries	16,433	16,961	17,676	18,842	18,842	19,544
Debt service:						
Principal payment on debt	56,630	52,335	58,415	58,735	65,702	65,711
Interest payment on debt	34,951	38,276	39,138	40,157	39,911	40,846
Capital improvements	10,546	15,131	25,560	17,351	4,779	6,714
OPEB funding ⁽²⁾	-	3,827	12,000	15,000	10,000	13,000
Total Expenditures	\$ 857,518	\$ 888,012	\$ 963,343	\$1,013,065	\$1,019,618	\$1,052,771
Excess Revenues over Expenditures	22,885	25,598	-	-	38,623	7,876
Transfers Out	(3,057)	(3,852)	-	-	-	(7,876)
Plus Lapsed Encumbrances	1,286	584	462	1,522	2,019	-
Less Appropriation from Fund Balance	-	-	(14,734)	(39,770)	-	(11,164)
Beginning Fund Balance	94,850	115,963	138,294	124,022	85,774	126,011
Adjustment to Beginning Balance	-	-	-	-	(404)	-
Ending Fund Balance	\$ 115,963	\$ 138,294	\$ 124,022	\$ 85,774	\$ 126,011	\$ 114,848

(1) The information in this table is presented in the same format as set forth in the County's Operating Budget and should be read in conjunction with the audited basic financial statements available at www.howardcountymd.gov/Departments/Finance/Financial-Information/Audits.

(2) Funding was in addition to annual pay-go budget.

The following table presents the activity in all Special Revenue Funds for fiscal years 2012 through 2016 on a budgetary basis, along with the annual budget adopted for fiscal year 2016.

Statement of Special Revenue Funds Revenues and Expenditures (Budgetary Basis)(000)⁽¹⁾

	2012	2013	2014	2015	2016	Budget 2017
Revenues						
Property taxes	\$ 62,548	\$ 78,258	\$ 80,304	\$ 83,233	\$ 87,382	\$ 89,971
Other local taxes	9,840	9,578	10,244	11,774	11,944	10,775
Revenues from other governmental agencies	21,971	18,641	16,463	14,724	16,967	-
Charges for services	38,185	38,362	40,483	42,039	41,966	43,298
Interest on investments ⁽²⁾	8,993	(1,258)	1,637	2,235	3,626	3,908
Rental of property	196	159	178	112	-	137
Miscellaneous revenues	1,480	3,020	5,470	8,374	7,454	1,006
Total Revenues	\$ 143,213	\$ 146,761	\$ 154,779	\$ 162,492	\$ 169,340	\$ 149,094
Other Sources of Financial Resources						
Operating transfers in	10,199	10,404	8,398	8,442	171	9,987
Appropriation from fund balance	-	-	-	-	-	-
Total Revenues and Other Sources of Financial Resources	\$ 153,412	\$ 157,164	\$ 163,177	\$ 170,933	\$ 169,511	\$ 159,081
Expenditures and Encumbrances						
Public safety	71,576	75,127	83,002	91,456	88,453	85,939
Recreation and parks	13,350	15,347	17,755	17,463	18,425	21,093
Health	8,408	10,357	14,705	11,719	0	9,259
Environmental	22,916	23,902	24,840	30,562	29,239	25,376
Community services and intergovernmental	17,797	16,009	17,013	18,780	19,304	9,061
Capital improvements	4,289	-	4,513	664	357	-
Debt service:						
Principal payment on debt ⁽³⁾	1,752	1,927	2,018	2,451	2,783	3,472
Interest payment on debt	5,227	5,478	5,417	5,439	5,473	7,696
Total Expenditures and Encumbrances	\$ 145,315	\$ 148,146	\$ 169,263	\$ 178,534	\$ 164,034	\$ 161,895
Other Uses of Financial Resources						
Operating transfers out	2,137	4,834	3,593	1,953	3,459	10,721
Total Expenditures and Other Uses of Financial Resources	\$ 147,451	\$ 152,980	\$ 172,856	\$ 180,487	\$ 167,493	\$ 172,617
Excess Revenues and Other Sources of Financial Resources over Expenditures and Encumbrances and Other Uses of Financial Resources	5,961	4,185	(9,679)	(9,554)	2,018	(13,536)
Less Appropriation from Fund Balance	-	-	-	-	-	-
Beginning Fund Balance	126,181	132,802	136,987	127,308	117,754	119,772
Ending Fund Balance	\$ 132,142	\$ 136,987	\$ 127,308	\$ 117,754	\$ 119,772	\$ 106,236

(1) The information in this table should be read in conjunction with the audited basic financial statements which are available at www.howardcountymd.gov/Departments/Finance/Financial-Information/Audits

(2) The recognition of a \$3,879,178 decrease in the fair value of investments of the Agricultural Land Preservation Fund caused negative Interest Income in FY2013.

(3) Principal payments increased due to the change to equal annual principal payments in Agricultural Land Preservation Program Installment Purchase Agreements.

The following table presents the Component Units' activity for the last five fiscal years on a GAAP basis, which is not comparable to General Fund and Special Revenue Funds statements prepared on a budgetary basis.

Statement of Component Units Revenues and Expenses (GAAP Basis)(000)⁽¹⁾

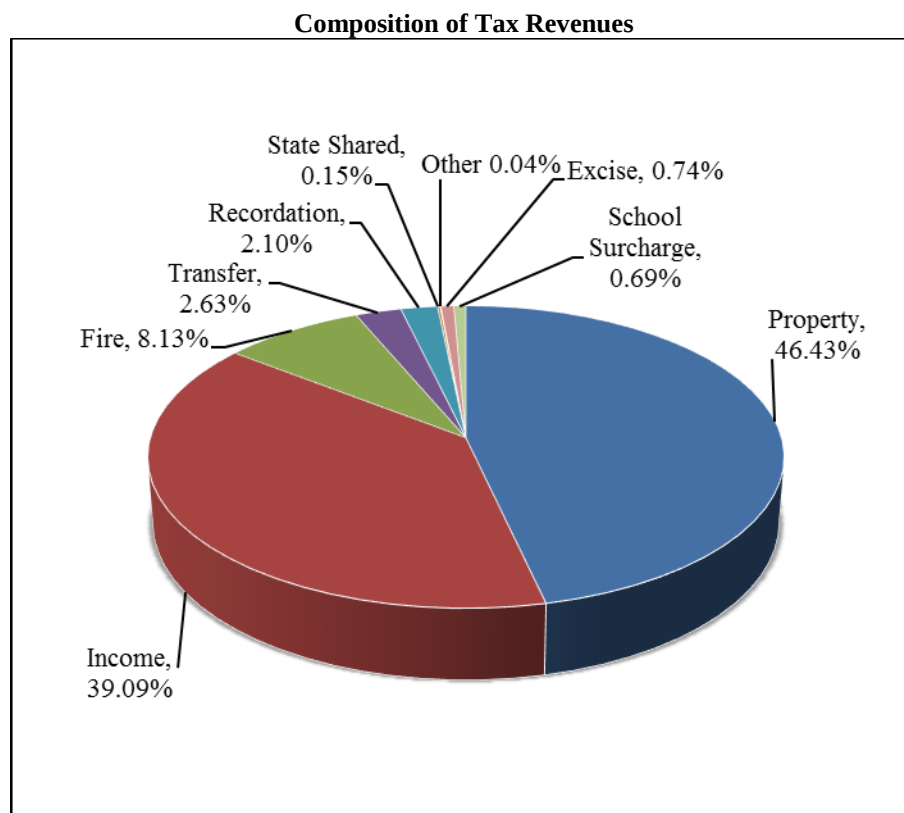
	Fiscal Year Ended June 30				
	2012	2013	2014	2015	2016
Revenues:					
Revenues from other agencies	\$ 446,432	\$ 473,537	\$ 473,608	\$ 482,346	\$ 513,611
Charges for services	72,851	58,704	59,782	67,204	\$ 68,787
Interest on investments	272	967	1,386	536	\$ 84
Fines and forfeitures	-	-	-	-	\$ -
Miscellaneous	10,651	15,720	10,782	14,007	\$ 11,793
Total Revenues	\$ 530,206	\$ 548,928	\$ 545,557	\$ 564,093	\$ 594,275
Other Sources of Financial Resources:					
Operating transfers from primary government	513,653	527,655	544,594	579,766	593,986
Total Revenues and Other Sources of Financial Resources	\$ 1,043,859	\$ 1,076,582	\$ 1,090,150	\$ 1,143,859	\$ 1,188,262
Expenditures:					
Education	809,411	835,071	898,441	946,956	957,346
Libraries	21,663	20,424	21,929	22,275	22,707
Housing	18,725	19,366	23,104	29,641	27,955
Capital improvements	106,316	126,182	103,131	102,488	124,738
Total Expenditures	\$ 956,115	\$ 1,001,043	\$ 1,046,605	\$ 1,101,360	\$ 1,132,746
Excess (Deficiency) of Revenues and Other Sources of Financial Resources over Expenditures ⁽²⁾	87,744	75,540	43,546	42,499	55,516
Beginning Net Assets	1,145,770	1,233,514	1,308,611	1,352,157	1,358,962
Adjustment to restate net assets	-	(443)	0	(35,693)	0
Ending Net Assets, GAAP Basis	\$ 1,233,514	\$ 1,308,611	\$ 1,352,157	\$ 1,358,962	\$ 1,414,478

(1) Excludes the Internal Service Funds.

Sources of Revenue

Overview of Tax Revenues

The chart below presents the composition of the County's budgeted tax revenues for fiscal year 2017.



Local Property Taxes

Assessments

The assessment of all real and tangible personal property for purposes of property taxation by the County is solely the responsibility of the State Department of Assessment and Taxation, an independent State agency. Assessment records and tax rolls are maintained in each county seat and in Baltimore City. Real property is valued at market value ("full cash value") and active farm property is assessed at \$500 per acre. Personal property owned by a business is assessed annually by the State based on returns filed by April 15 for property owned as of January 1 of that year.

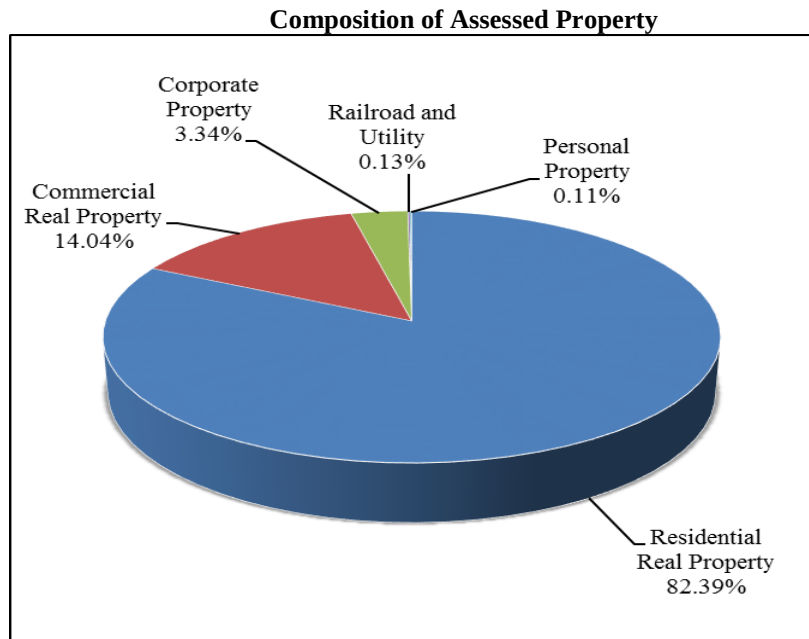
Property Tax Credit Programs

Under State law, certain owners who occupy residential property receive tax credits against local property taxes. The effect of the homestead property tax credit is to limit property tax increases payable as a result of increases in assessed values. State law permits a maximum increase of 10 percent in assessed value annually, but the County has elected to reduce that percentage to five percent. The County granted \$4.7 million of such tax credits in fiscal year 2016 and estimates \$4.0 million will be granted in fiscal year 2017.

A State-mandated tax credit is granted to certain property owners with lower incomes. The credit is calculated using a scale that establishes a maximum property tax liability for various income levels. The credit is reimbursed to the County by the State; for fiscal year 2016, the County received \$3,493,220. In fiscal year 2016 the County granted a supplemental credit to certain property owners with lower incomes. This credit amounted to \$35,769. The County also grants a tax credit for homeowners 70 years of age and older who fall into certain income and asset categories. In the fiscal year 2016, senior credits were issued in the amount of \$516,780.

Assessed Value, Property Tax Rates and Property Tax Levies

The chart below presents the composition of the County's assessable base of both real and personal property in fiscal year 2016.



The following table presents the assessed value of all taxable property in the County for the last five fiscal years, the County tax rates and the tax levy in each of those years. The County has exempted manufacturers' and warehousing inventories and manufacturers' machinery, tools and equipment from local property taxation. Assessed values of tax-exempt properties owned by Federal, State and County governments, churches, charities, schools, fraternal organizations, cemeteries, fire companies, disabled veterans and the blind, aggregating approximately \$12.1 million as of June 30, 2016, are not included in the table below.

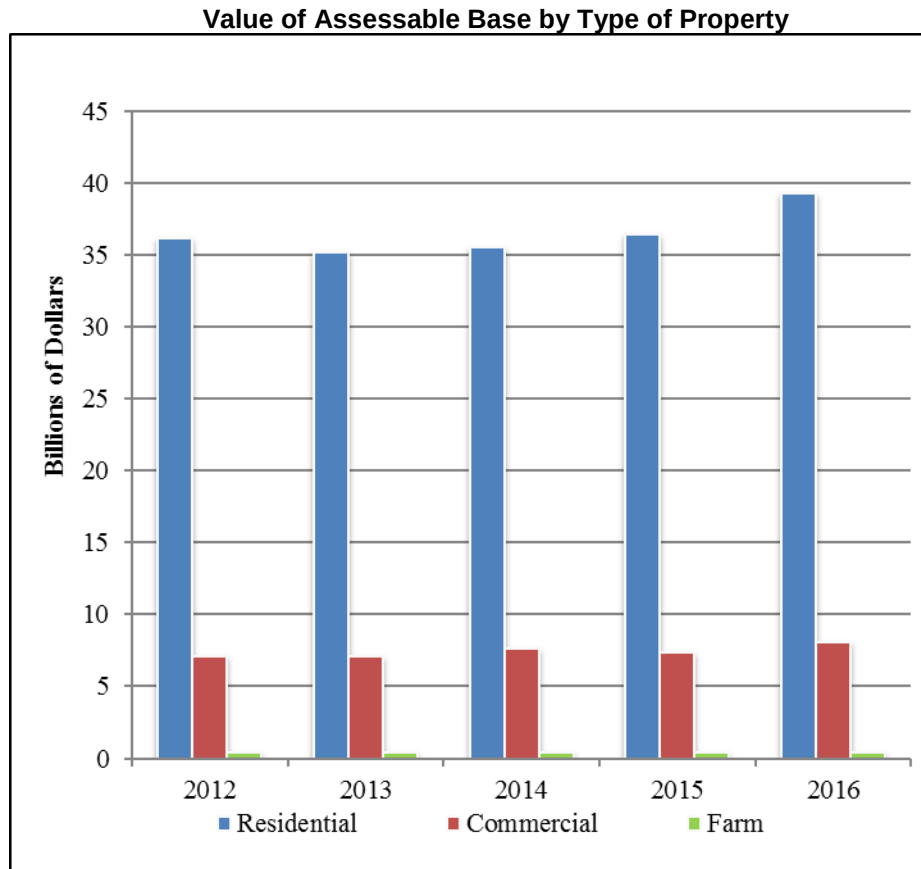
Assessed Values, Tax Rates and Tax Levies

	Fiscal Year Ended June 30				
	2013	2014	2015	2016	2017 Est.
Assessed Value(000)					
Real property	\$42,639,732	\$42,990,610	\$44,112,719	\$45,939,083	\$47,719,715
Personal property	42,319	41,670	49,749	51,398	7,891
Railroads and public utilities	55,804	49,790	51,966	60,841	48,804
Corporations	1,463,231	1,470,072	1,516,731	1,590,292	1,545,026
Total Assessable Base	44,201,085	44,552,141	45,731,164	47,641,613	49,321,436
County Tax Rate:					
Real Property	1.014	1.014	1.014	1.014	1.014
Personal Property	2.535	2.535	2.535	2.535	2.535
County Tax Levy (000) ⁽¹⁾	470,118	473,132	485,607	506,793	523,739
Fire District Tax Rate					
Real property	0.176	0.176	0.176	0.176	0.176
Personal property	0.440	0.440	0.440	0.440	0.440
Fire Tax Levy (000)	81,598	82,123	84,285	87,964	90,905

(1) Excludes payments in lieu of taxes, additions and abateements, interest on taxes, discounts on taxes, various tax credits and tax levies on any tax-exempt property.

The fire district tax is levied on the assessable base within the County's fire district. Proceeds of the tax are distributed to the Fire Tax Reserve Fund, a Special Revenue Fund, to fund operations, equipment and buildings.

As presented in the following chart, the value of commercial/industrial property increased approximately 13.6% over the last five fiscal years, agricultural property values increased approximately 5.7% and residential real property values increased approximately 8.6%.



The County estimates that the assessed value of all taxable property in the County for the fiscal year ending June 30, 2017 will be approximately \$49.3 billion. The County's real property tax rate for fiscal year 2017 is \$1.014 per \$100 of full cash value for real property and \$2.535 per \$100 of assessed value for personal property owned by businesses. In fiscal year 2017, the total property tax revenue budgeted for the General Fund is \$511.4 million, or a 4.28 percent increase from the amount budgeted in FY 2016.

Property Tax Collection

County taxes are due and payable as of July 1 of each fiscal year, except that real property taxes on principal residences and on small business properties are due and payable in two installments as of July 1 and December 1 of each fiscal year. A discount of 0.5 percent is allowed on payments made in July. The County records property tax revenues as the taxes are billed. Over the last five years, the County has collected virtually all of the property taxes levied.

When taxes become delinquent, combined interest and penalty at the rate of 1.5 percent per month are charged for each month or fraction thereof that taxes due remain unpaid for the current year. Delinquent taxes are satisfied, after prior notice of delinquency, at public auction conducted by the Director of Finance prior to the end of the fiscal year of billing. The net receivables uncollected 60 days after year-end are recorded as deferred revenues. Personal property taxes receivable are charged off as uncollectible after all collection means are exhausted.

The table below presents information with respect to the County's tax levies and tax collections for fiscal years 2012 through 2016.

Total Property Tax Levies and Collections (000)

Total Property Tax Levies and Collections (\$000)							
Fiscal Year Ended June 30	Total Tax Levy (1)	Current Year's Taxes		Taxes Collected		Delinquent Taxes	As % of Current Year's Tax Levy
		Collection	Year of Levy	(Current and Delinquent)			
		Amount	%	Amount	%	Amount	
2016	\$594,758	\$593,510	99.79	\$593,510	99.79	\$1,248	0.21
2015	569,892	568,112	99.69	568,645	99.78	1,248	0.22
2014	555,255	550,756	99.19	554,768	99.91	487	0.09
2013	551,717	547,732	99.28	551,283	99.92	434	0.08
2012	541,973	540,660	99.76	541,664	99.94	309	0.06
(1) Total tax levy represents the original property tax levy, and excludes fire district taxes levied, payments in lieu of taxes, additions and abatements, interest on taxes, discount on taxes and various tax levies on any tax-exempt property.							

Major Property Taxpayers

The following table presents the ten largest property taxpayers on June 30, 2016, the total taxes paid by such taxpayers during fiscal year 2016 and the assessed value of real and personal property owned by each taxpayer during fiscal year 2016.

Ten Largest Property Taxpayers ⁽¹⁾

Name of Taxpayer	Type of Business	Total Taxes Paid (000)	Taxable Assessed Valuation Amount (000)	Percentage of Total Assessed Valuation
Baltimore Gas & Electric Company	Gas and Electric Utility	\$11,219	\$374,055	0.63%
Mall in Columbia Business Trust	Rental Real Estate	3,561	254,182	0.43
Verizon - Maryland	Telephone Communications	3,350	111,966	0.19
Howard Properties Howard Crossing	Apartment Rentals	1,905	136,780	0.23
Cellco Partnership	Telephone Communications	1,540	54,121	0.09
Seasons of Laurel LLC	Apartment Rentals	1,417	101,697	0.17
Parcel D Property LLC	Rental Real Estate	1,157	368,613	0.62
KMF Sherwood Crossing LLC	Rental Real Estate	1,053	70,165	0.12
API Columbia Town Center LLC	Rental Real Estate	1,051	73,444	0.12
New Cingular Wireless PCS, LLC	Telephone Communications	1,030	34,618	0.06
Totals		\$27,281	\$1,579,640	2.66%

(1) The information set forth above was compiled from tax rolls on which the names of owners are not always recorded in the same manner.

Local Income, Transfer and Other County Taxes

Local Income Taxes

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 2016, Maryland's personal tax rates begin at 2% on the first \$1000 of taxable income and increase up to a maximum of 5.75% on incomes exceeding \$250,000 (or \$300,000 for taxpayers filing jointly, heads of household, or qualifying widows/widowers). Nonresidents are subject to a special tax rate of 1.25%, in addition to the state income tax rate. The individual exemption for taxpayers earning up to \$100,000 a year is \$3,200 and depending on their taxable income, other taxpayers receive an exemption of \$0 to \$1,600.

Pursuant to State law, each county and Baltimore City may levy a local income tax at the rate of at least one percent, but not more than 3.2 percent, of the State taxable income of individuals domiciled in their respective jurisdictions. With a local income tax rate of 3.2 percent, the County is one of six with local income tax rates set at the maximum.

The following table presents the total amount of income tax budgeted for the last six fiscal years and received for fiscal years 2012 through 2016. The County budgeted \$430,856,000 for fiscal year 2017.

Income Tax Revenues (000)		
Fiscal Year Ended		
June 30	Budget	Actual
2017	\$430,586	
2016	407,367	\$433,404
2015	408,780	394,985
2014	370,000	392,661
2013	339,929	374,358
2012	325,465	357,347

Local Transfer Taxes

The County levies and collects a transfer tax at the rate of one percent of the actual consideration paid for the conveyance of title, which tax is imposed upon all transfers of real property within the County. Twenty-five percent of proceeds of the transfer tax are distributed to an agency fund for school construction and site acquisition, 25 percent for Recreation and Parks, 12.5 percent for Fire Service Buildings and Equipment Capital Project Funds, 25 percent for the Agricultural Land Preservation Program, and 12.5 percent to the Community Renewal Special Revenue Funds. In fiscal year 2016, the total amount of transfer tax collected was \$31.57 million. The amount of transfer tax budgeted for fiscal year 2017 is \$28.0 million.

Building Excise Tax

The County levies and collects a building excise tax on all construction in the County. The tax is levied at the time a building permit is issued and the amount of tax paid is determined by the square footage of the construction project. The County uses this money to fund road construction projects as well as to pay debt service on general obligation bonds whose proceeds fund such projects. The County has issued \$110.6 million of these general obligation bonds since 2000. In addition, \$53.8 million of excise tax collected has been appropriated as pay-go funding on road construction projects since fiscal year 1995. The total amount of excise taxes collected were \$8.5 million in fiscal year 2016 and \$7.7 million is budgeted in fiscal year 2017.

School Facilities Surcharge

The County levies and collects a surcharge on all residential construction in the County. The surcharge is levied at the time a building permit is issued. The County uses this money to fund public school construction projects as well as to pay debt service on general obligation bonds whose proceeds fund such projects. Prior capital budgets included \$99.5 million of County general obligation bonds whose debt service will be paid from the surcharge. The County has issued \$96.4 million of these general obligation bonds. The total amount of school facilities surcharge collected in fiscal year 2016 was \$7.3 million, and \$7.6 million is budgeted in fiscal year 2017.

Other County Taxes

The County levies and collects other miscellaneous taxes, the largest of which is the recordation tax on instruments conveying title to property and securing debt. In fiscal year 2016, the total amount of other taxes collected was \$29.6 million. Of this amount, \$23.9 million was attributable to the recordation tax. The fiscal year 2017 recordation tax budget is \$23.2 million.

Local Charges for Services, Licenses and Permits, and Fines

The County and its Component Units collect charges for various services as well as fees for licenses and permits. The largest of these constituting General Fund revenues are rental housing inspection fees, development-review fees, cable television franchise fees and charges for boarding prisoners. In fiscal year 2016, the total amount of charges and fees collected in the General Fund were \$21.9 million. The fiscal year 2017 budget is \$19.7 million.

The largest charges and fees credited to Special Revenue Funds are charges for use of recreational facilities and programs and fees and charges for trash collection and use of the County landfill. The total amount of charges and fees collected in Special Revenue Funds in fiscal year 2016 were \$42.0 million and \$43.3 million is budgeted in fiscal year 2017.

State-Shared Taxes

The State shares certain taxes collected in the County with the County. These taxes are primarily collected on gasoline sales and used for construction and maintenance of highways. The State is not required to share such taxes and has changed the amount that it shares from year to year. The total amount of State-shared taxes collected in fiscal year 2016 was \$2.1 million, with \$1.6 million budgeted for fiscal year 2017.

State and Federal Grant Assistance

The County receives and accrues grant revenues from the federal and State governments. The largest of these grants constituting General Fund revenues is from the State for police protection. The total amount of grants received in the General Fund in fiscal year 2016 was \$6.5 million, with \$6.2 million budgeted in fiscal year 2017.

Revenues in the Grants Special Revenue Fund are primarily categorical grants from the federal government funding special programs, such as housing, senior services, transit and homeland security. The total amount of grant funds received in the Grants Special Revenue Fund in fiscal year 2016 was \$17 million.

The County's Component Units receive and accrue grants from other government agencies, primarily the State, in addition to operating transfers received from the County. In fiscal year 2016, the total amount of grants collected by the Component Units was \$152.4 million. Of that amount \$146.2 million was used for operations by the Board of Education, \$0.5 million was used for operations by the Community College and \$5.6 million funded the Howard County Housing Commission.

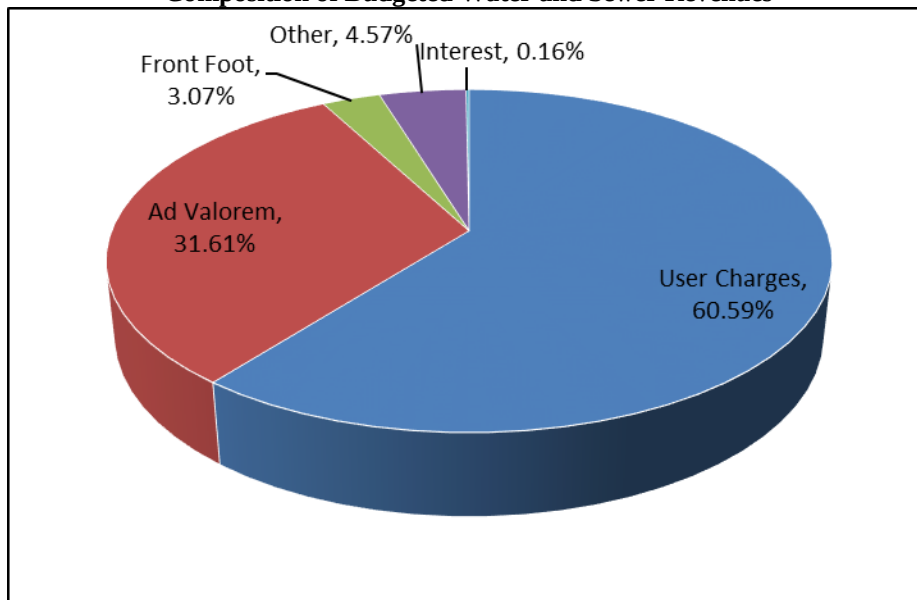
Water and Sewer Enterprise Fund

The County provides water and sewer services primarily to areas of heavy residential and commercial demand in the eastern part of the County (the "Metropolitan District"). The Metropolitan District and the County's water and sewer facilities are described in more detail under "Government and Infrastructure, Water and Sewer System" herein. Financial accounting for the County's water and sewer operations is consolidated in an enterprise fund.

Water and sewer service charges are recorded as revenues when they are billed. At each fiscal year-end, revenue is accrued for the amount of unbilled water and sewage service provided. Other revenues are recorded as payments when received, except at fiscal year-end, when all other revenues are also accrued. Unpaid water and sewer service charges and assessments are a lien on the real property served and are collectible in the same manner as real property taxes at tax sale.

The water and sewer enterprise fund's largest source of operating revenues are water and sewer user charges. These charges are based on the amount of water used. Commercial and residential properties connecting into the water and sewer system also pay connection charges. The average quarterly bill for a family of four in fiscal year 2017 is approximately \$245.

Composition of Budgeted Water and Sewer Revenues



Capital costs related to provision of water and sewer services are financed primarily with ad valorem, front-foot charges, and Metropolitan District general obligation bonds. For fiscal year 2017, an ad valorem charge of \$0.08 per \$100 assessed value was levied upon all property located within the Metropolitan District. Property abutting a road under which the County has built a water or sewer main is charged a fixed amount annually for 30 years (front foot), with such amount established in the year in which water or sewer service becomes available to each specific property. An in-aid-of-construction charge is collected for each connection of an equivalent dwelling unit.

The County has entered into certain agreements with Baltimore City, Baltimore County and the Washington Suburban Sanitary Commission for water supply services and/or sewage disposal services. Under the terms of such agreements, the County is to reimburse these governmental units for their costs of providing water and sewer service. The County provides for annual accrual of its liability under these agreements. Under the terms of several other agreements with these governmental units as well as Anne Arundel County, the County is obligated to fund a portion of capital improvements to certain existing and proposed water and sewer facilities. The County estimates that its remaining commitment under these agreements over the next five fiscal years is \$26.0 million and such obligation is included in the County's capital program.

The following table presents the revenues, expenses and changes in net position of the water and sewer enterprise fund for fiscal years 2012 through 2016.

Water & Sewer Enterprise Fund Statement of Revenues, Expenses & Changes in Net Position (000)⁽¹⁾

	Fiscal Year Ended June 30				
Operating Revenues:	2011	2012	2013	2014	2015
User charges	\$ 44,209	\$ 47,291	\$ 51,016	\$ 55,966	\$ 60,668
Miscellaneous sales and services	1,512	682	937	1,255	1,285
Total Operating Revenues	\$ 45,721	\$ 47,972	\$ 51,952	\$ 57,221	\$ 61,953
Operating Expenses:					
Salaries and employee benefits	10,314	10,723	10,985	11,209	11,794
Contractual services ⁽²⁾	4,942	4,557	18,470	23,841	22,849
Supplies and materials	1,522	1,644	1,681	1,690	2,238
Business, travel and vehicle expenses	1,610	2,062	2,023	2,117	1,498
Purchased water and transmission charges	13,372	13,814	15,114	17,405	18,620
Sewage treatment charges	9,606	7,581	7,469	9,678	6,484
Share of county administrative expense	4,340	3,809	3,607	4,016	4,288
Other	916	912	912	1,002	717
Depreciation expense	13,766	14,211	18,300	18,982	19,701
Less: House connection and capitalized overhead costs	(44)	(47)	(47)	(74)	(66)
Total Operating Expenses	\$ 60,344	\$ 59,265	\$ 78,514	\$ 89,866	\$ 88,122
Operating Loss	(14,623)	(11,293)	(26,562)	(32,645)	(26,169)
Nonoperating Revenues (Expenses):					
Ad valorem charges	30,884	29,880	29,007	29,197	30,010
Water and sewer assessment charges	2,885	2,757	2,760	2,421	2,180
Interest on investments	173	141	147	133	235
Charges for services	-	-	-	-	-
Interest expense	(6,187)	(8,189)	(8,892)	(9,186)	(9,234)
Gain (loss) on sale of capital assets					(133)
Other revenue (expense) ⁽³⁾	18,555	(319)	(33)	72	11,086
Total Nonoperating Revenues (Expenses)	\$ 46,310	\$ 24,270	\$ 22,989	\$ 22,637	\$ 34,144
Net Income before Contributions and Transfers	31,687	12,977	(3,573)	(10,009)	7,975
Capital contributions	5,776	20,994	16,285	11,290	27,513
Operating transfers in (out)	(3,200)	-	-	-	(500)
Change in Net Position	\$ 34,263	\$ 33,971	\$ 12,713	\$ 1,281	\$ 34,988
Net Position at Beginning of Period	508,524	540,472	574,123	504,372	505,653
Adjustment to Beginning Net Position	(2,314)	(321)	(82,464)	-	(1,952)
Net Position at End of Period	\$540,472	\$574,123	\$504,372	\$505,653	\$538,689

(1) This information should be read in conjunction with the audited basic financial statements which are available at www.howardcountymd.gov/Departments/Finance/Financial-Information/Audits.

(2) In FY2013, the County expensed items included in AUC which did not result in the creation of an asset.

(3) The Bay Restoration Fund grant for the upgrade to the Little Patuxent Water Reclamation Plant was received in FY2011.

Special Recreation Facility Enterprise Fund

The County owns an 18-hole public golf course, opened in 1996, whose construction and equipping were financed with proceeds of revenue bonds issued in 1995 and subsequently refunded in 2003. In May 2012, the 2003 bonds were redeemed by the Taxable Golf Course Refunding Revenue Note (Timbers at Troy Golf Course), Series 2012, which was privately negotiated with a financial institution. The County accounts for the operations of the golf course in an enterprise fund. The County has a multi-year contract through June 30, 2017 with a management company to operate the course.

The following table presents the revenues, expenses and changes in net assets of the special recreation facility enterprise fund for fiscal years 2012 through 2016.

Special Recreation Facility Enterprise Fund Statement of Revenues, Expenses & Changes in Net Position (000)⁽¹⁾

	Fiscal Year Ended June 30				
	2012	2013	2014	2015	2016
Operating Revenues:					
Greens & cart fees	\$ 1,503	\$ 1,477	\$ 1,428	\$ 1,326	\$ 1,272
Range fees	108	108	105	109	114
Merchandise sales & services	114	133	116	125	117
Food & beverage	314	325	334	307	309
Miscellaneous sales & services	96	27	26	27	27
Total Operating Revenues	\$ 2,135	\$ 2,069	\$ 2,010	\$ 1,893	\$ 1,840
Operating Expenses:					
Contractual services	\$ 1,459	\$ 1,482	\$ 1,571	\$ 1,459	\$ 1,557
Depreciation expense	49	43	42	40	39
Total Operating Expenses	\$ 1,507	\$ 1,525	\$ 1,612	\$ 1,499	\$ 1,595
Operating Income/(Loss)	\$ 628	\$ 544	\$ 398	\$ 394	\$ 245
Nonoperating Expenses:	(269)	(337)	(249)	(204)	(169)
Income before contributions & transfers	358	206	148	191	76
Operating transfers in (out)	587	-	30	120	0
Change in Net Position	\$ 945	\$ 206	\$ 178	\$ 311	\$ 76
Net Position at Beginning of Period	4,364	5,309	5,515	5,694	6,005
Total Net Position	\$ 5,309	\$ 5,515	\$ 5,694	\$ 6,005	\$ 6,081

(1) The information in this table should be read in conjunction with the audited basic financial statements which are available at www.howardcountymd.gov/Departments/Finance/Financial-Information/Audits.

Broadband Enterprise Fund

The Broadband Fund accounts for broadband services to private sector businesses as well as non-County government agencies and County departments and component units.

The following table presents the revenues, expenses and changes in net position of the broadband enterprise fund for fiscal years 2015 and 2016.

Broadband Enterprise Fund Statement of Revenues, Expenses & Changes in Net Position ⁽¹⁾

	Fiscal Year Ended June 30	
	2015	2016
Operating Revenues:		
User charges	\$1,101,330	\$1,322,575
Total Operating Revenues	\$1,101,330	\$1,322,575
Operating Expenses:		
Salaries and employee benefits	371,432	475,633
Contractual services	554,567	535,192
Supplies and materials	684	357,314
Business, travel and vehicle expenses	734	2,323
Depreciation expense	720,961	671,625
Total Operating Expenses	\$1,648,378	\$2,042,087
Operating Income/(Loss)	(\$547,048)	(\$719,512)
Nonoperating Revenues (Expenses):		
Interest on investments	(94)	3,478
Gain (loss) on sale of capital assets	23,318	14,629
Total Nonoperating Revenues (Expenses)	\$23,224	\$18,107
Net Income before Contributions and Transfers	(\$523,824)	(\$701,405)
Capital contributions	13,340,837	-
Operating transfers in (out)	52,940	489,909
Change in Net Position	\$12,869,953	(\$211,496)
Net Position at Beginning of Period	0	\$12,869,953
Net Position at End of Period	\$12,869,953	\$12,658,457

(1) This information should be read in conjunction with the audited basic financial statements which are available at www.howardcountymd.gov/Departments/Finance/Financial-Information/Audits.

Watershed Protection and Restoration Enterprise Fund

The County passed legislation to create a Watershed Protection and Restoration fund as a dedicated, non-lapsing, enterprise fund. The legislation allowed for the collection of a watershed protection and restoration fee to allocate the cost of the program to all owners of improved real property based on impervious surface measurement. The fee was included, as a separate item, on a supplemental real property tax bill, for each property subject to the fee.

The following table presents the revenues, expenses and changes in net position of the watershed protection and restoration enterprise fund for fiscal years 2014 through 2016.

Watershed Protection and Restoration Enterprise Fund
Statement of Revenues, Expenses & Changes in Net Position (000)⁽¹⁾

	Fiscal Year		
	2014	2015	2016
Operating Revenues:			
User charges	\$ 10,272	\$ 11,106	\$ 11,069
Miscellaneous sales and services	28	29	25
Total Operating Revenues	\$ 10,301	\$ 11,135	\$ 11,094
Operating Expenses:			
Salaries and employee benefits	440	1,158	771
Contractual services	652	653	738
Supplies and materials	6	1	0
Business, travel and vehicle expenses	-	1	2
Share of county administrative expense	1	710	1,107
Other	130	78	92
Depreciation expense	4	26	35
Total Operating Expenses	\$ 1,232	\$ 2,627	\$ 2,745
Operating Income/(Loss)	\$ 9,069	\$ 8,508	\$ 8,349
Nonoperating Revenues (Expenses):			
Interest on investments	2	8	61
Gain (loss) on sale of capital assets	-	-	63
Total Nonoperating Revenues (Expenses)	\$ 2	\$ 8	\$ 123
Net Income before Contributions and Transfers	9,071	8,516	8,473
Capital contributions	-	-	-
Operating transfers in (out)	(7,375)	(3,370)	(2,808)
Change in Net Position	\$ 1,696	\$ 5,146	\$ 5,664
Net Position at Beginning of Period	-	1,696	6,842
Adjustment to Beginning Net Position	-	-	-
Net Position at End of Period	\$ 1,696	\$ 6,842	\$ 12,506

(1) This information should be read in conjunction with the audited basic financial statements which are available at www.howardcountymd.gov/Departments/Finance/Financial-Information/Audits.

Retirement and Pension Programs

Overview of Programs

Each fully benefited employee of the County is provided retirement benefits through and must be a member of (1) the Police and Fire Employees' Retirement Plan ("Police/Fire Plan"), (2) the Howard County Retirement Plan ("County Plan") or (3) the Employee Retirement and Pension Systems of the State of Maryland ("State Systems"). The State Systems are cost-sharing multiple-employer defined benefit systems; the Police/Fire Plan and the County Plan are single-employer defined benefit public employee retirement plans administered by the County. Fully benefited employees of the Component Units are provided retirement benefits through the State Systems; most contributions to the State Systems for these employees are made directly by the State according to State statute. The Governor's FY 2013 budget authorized the counties to share the cost of funding teachers' pensions. As of this date, the General Assembly has not adopted statutory changes to the current obligation of the State to pay pension costs or regarding any costs or responsibilities for

unfunded actuarial liabilities that might be passed on to the counties. The Component Units' financial reports for the year ended June 30, 2016 present information related to their participation in the State Systems.

The following table presents the enrollment (as of July 1, 2016) and payroll in fiscal year 2016 for County employees covered by the State Systems (excluding Component Unit employees), Police/Fire Plan and County Plan.

Enrollment and Payroll of Covered Employees				
	Enrollment			Payroll (000)
	Inactive	Active Vested	Active Non-Vested	
State Systems	-	76	-	\$5,229
Police/Fire Plan	372	723	149	75,679
County Plan	876	1,139	570	106,012
Non-Covered Payroll	-	-	-	15,960
Total	1,248	1,938	719	\$202,880

Information regarding these retirement and pension programs is contained in Note 13 of the notes to the audited basic financial statements.

Funding of Payments

Retirement and pension payments are funded from three sources: County contributions, member contributions and investment earnings. The following table presents the County's total pension contributions for fiscal years 2012 through 2016.

Total Pension Contributions (000)			
Fiscal Year	Police/Fire Plan	County Plan	Total County
Ended June 30	Contribution	Contribution	Contribution
2016	\$21,636	\$13,428	\$35,064
2015	22,530	13,967	36,497
2014	20,822	12,778	33,600
2013	19,307	11,392	30,700
2012	18,051	10,719	28,770

Pension Liability

The County's funding policies provide for periodic employer contributions at rates determined actuarially to accumulate sufficient assets to pay for benefits when due. The County had a net pension liability of \$39.7 million and \$110.2 million, as of July 1, 2016 for the County Plan and the Police/Fire Plan respectively. The County has always made its annual required contributions. The following tables present the computation of contribution requirements for the Police/Fire Plan and the County Plan through the most recent actuarial valuations.

The Police/Fire Plan was only 37% funded when it was established in 1990. The increase in unfunded accrued liabilities of the Police/Fire Plan and the County Plan is primarily the result of a reduction in the assumed rate of return from 8.0% on a gross basis to 7.50% on a net basis. Investment gains and losses are smoothed over five years and actuarial gains and losses are amortized over 15 years for both plans.

Computation of Contribution Requirements

	Police/Fire Plan				
	July 1, 2012	July 1, 2013	July 1, 2014	July 1, 2015	July 1, 2016
	Valuation	Valuation	Valuation	Valuation	Valuation
Market Value of Assets (\$000)	298,930	344,140	410,271	430,364	448,949
Actuarial Value of Assets (\$000)	308,764	337,534	386,612	432,179	468,532
Actuarial Accrued Liability (\$000)	403,741	449,036	491,603	528,451	574,446
Unfunded Accrued Liability (\$000)	(94,977)	(111,503)	(104,990)	(96,272)	(105,913)
Percentage Funded ⁽¹⁾	76.5	75.2	78.6	81.8	81.6
Annual Covered Payroll (\$000)	57,603	59,688	63,422	62,709	72,790
Unfunded Accrued Liability as % of Annual Covered Payroll ⁽¹⁾	164.9	186.8	165.5	153.5	145.5
	County Plan				
	July 1, 2012	July 1, 2013	July 1, 2014	July 1, 2015	July 1, 2016
	Valuation	Valuation	Valuation	Valuation	Valuation
Market Value of Assets (\$000)	255,997	289,285	339,576	353,239	362,300
Actuarial Value of Assets (\$000)	261,985	281,250	318,453	353,644	378,013
Actuarial Accrued Liability (\$000)	293,343	326,087	351,632	377,131	400,512
Unfunded Accrued Liability (\$000)	(31,358)	(44,838)	(33,179)	(23,487)	(22,498)
Percentage Funded ⁽¹⁾	89.3	86.2	90.6	93.8	94.4
Annual Covered Payroll (\$000)	89,897	91,812	97,076	101,085	108,292
Unfunded Accrued Liability as % of Annual Covered Payroll ⁽¹⁾	34.9	48.8	34.2	23.2	20.8
(1) Based on Actuarial Value of Assets					
Source: Bolton Partners, Inc., Actuarial Valuation					

Other Post-Employment Benefits

In the financial statements for FY 2008, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 43, Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans and GASB 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.

The County's OPEB plan is a Cost-Sharing Multiple Employer Defined Benefit Healthcare Plan. Per Section 1.406B of Howard County Bill No. 14-2008, the County established an irrevocable trust for administering the plan assets and paying healthcare costs on behalf of the participants. The Plan includes the County (consisting of the County government, Library, Mental Health Authority and Economic Development Authority), and its component units, Housing Commission, Community College, and Howard County Public School System.

The County provides a post-employment health insurance program in addition to pension benefits. These post-employment benefits are subject to change at any time. All employees who retire from the County may participate in the program. In order to be eligible, the retiree must have a minimum of fifteen years of County service and, immediately preceding retirement, have been enrolled in a medical, vision or prescription drug insurance plan offered to active employees of the County. The County will pay a percentage of the retiree's health insurance premium based upon these criteria. This percentage varies with the number of years of service attained by the employee. Other retirees who do not meet the eligibility criteria are permitted to participate in the retirees' health insurance program by paying the full premium at the group rate. The component units provide medical benefits to eligible employees who retire from employment with the entity. The eligibility requirements vary among different entities. Each entity pays a percentage of

the health insurance premium based on certain criteria. In addition to medical benefits, the school system offers life insurance benefits to eligible retirees who have provided ten years of service with the school system and have retired from the Howard County Public School System.

The Plan's funding policy provides for the County to contribute to the trust the actuarially determined annual required contribution. During fiscal year 2016, the County contributed \$10.0 million to the trust. The County has re-adopted its eight-year phase-in funding policy due to improvement in the economy. The County budget for fiscal year 2017 includes funding for pay-as-you go OPEB costs as well as \$13.0 million to the trust.

As of July 1, 2015, per the most recent actuarial valuation, the actuarial accrued liability (AAL) was \$713.2 million and there was \$70.6 million of actuarial plan assets; therefore, the unfunded AAL (UAAL) was \$642.6 million. The annual covered payroll of active employees covered by the Plan was \$760.5 million and the ratio of the UAAL to covered payroll was 84.5%.

The annual required contribution (ARC) amount and OPEB expense per the most recent actuarial valuation report with valuation dates of December 1, 2014 for Board of Education, and July 1, 2014 for both General Government and College are presented below. The end-of-year net OPEB obligation (NOO) is calculated below:

	Actuarial Unfunded Accrued Liability (1)	Amortization of Actuarial Unfunded Accrued Liability (2)	Normal Cost (3)	Annual OPEB Cost (AOC) (2)+(3)	ARC Funding (4)	PAYGO Funding (5)	Net OPEB Obligation (NOO) (2)+(3)-(4)-(5)
Schools	\$434,710,169	25,850,000	19,164,000	45,014,000	6,579,070	15,527,230	22,907,700
College	14,498,749	862,000	979,000	1,841,000	269,073	-	1,571,927
County ¹	193,437,690	11,503,000	10,062,000	21,565,000	3,151,857	11,325,008	7,088,135
	\$642,646,608	\$ 38,215,000	\$ 30,205,000	\$ 68,420,000	\$10,000,000	\$ 26,852,238	\$ 31,567,762
			Beginning balance				387,883,449
			Less NOO amortization				23,067,000
			Plus interest on NOO				20,363,880
			Total NOO				\$ 416,748,091

¹ Enterprise fund share of PAYGO funding and net OPEB obligation is \$565,809 and \$434,914 respectively.

Actuarial Assumptions

Actuarial valuation date	12/1/14 for Board of Education, 7/1/14 for General Government and 7/1/14 for College (rolled forward for the calculation of Plan's expense as of 7/1/2015)
Actuarial cost method	Projected Unit Credit
Amortization method	Amortized over a closed period of 23 years using level percentage of pay.
Asset valuation method	Fair Value, Assets are assumed to earn a 7.50% return.
Actuarial trend assumption	Medical and prescription drug trend rate applied to FY 2016 is 4.70%. The ultimate rate is 3.9%. Dental trend to be applied is 5.00% for all years.
Interest assumption	Discount rate of 5.25%
Salary increases	3.00%

Accounting for Annual and Disability Leave

As of June 30, 2016, employees paid from the General Fund, Special Revenue Funds, and Internal Service Funds accrued unused annual leave of \$24.9 million. Unused annual leave for employees paid from the water and sewer enterprise fund was \$844,993. These amounts are based upon the average daily pay rate for the employees at year-end. The annual leave amounts are recognized as liabilities in the County's financial statements. The Disability leave amounts do not vest to the employees and are not reflected as liabilities.

Insurance and Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; environmental exposures; and natural disasters. The County, excluding the Howard County Public School System, has established two internal service funds to account for and finance its risks of loss. The County's risk-financing techniques include a combination of risk retention through self-insurance and risk transfer using a risk pool and commercial insurance. The Employee Benefits Self Insurance Fund is administered by the Office of Human Resources and provides full coverage for employee benefits and long-term disability claims. The Risk Management Self Insurance Fund is administered by the Office of Risk Management in the Department of County Administration and provides coverage up to a maximum of \$1 million for each automobile liability claim, \$1 million for each general liability claim, \$100,000 for each property and first party vehicle damage claim and unlimited coverage for each workers' compensation claim.

The County belongs to the Local Government Insurance Trust ("LGIT"), a Maryland governmental insurance pool, which provides insurance for claims in excess of coverage provided by the County's Risk Management Fund. The County pays an annual premium to LGIT for this coverage. The County participates in LGIT in the areas of excess property, general and automobile liability coverages. LGIT was created to provide broader insurance coverages to Maryland's local governmental entities than those available from commercial insurers, coverages which would otherwise be unavailable, and loss control and risk management services. Claims settled by the County in the past five fiscal years have not exceeded the Risk Management Fund's retention to trigger payment by LGIT except for property losses occurring during the dual blizzards of 2010, the Bain Center water damage loss on February 18, 2015 and on large vehicle loss.

All funds and component units of the County, excluding the Howard County Public School System, participate in the risk management program and make annual payments to the internal service fund. These payments are calculated based on a combination of actuarial estimates and historical cost information. These amounts are needed to pay administrative costs, prior and current year claims and to establish a reserve for future claims and catastrophic losses.

At fiscal year-end, the combined Net Position for the two internal service funds was negative \$521,862 and is reported as unrestricted. The combined claims liability of the two funds, \$16,296,841, is based on generally accepted accounting principles, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimated.

Investment Policy

The County has established an investment policy that applies to all of its financial assets and can be found at <https://www.howardcountymd.gov/Departments/Finance/Financial-Information/Investments>. This policy invests public funds in a manner that conforms to all applicable State and County statutes while meeting the County's investment objectives. The three prioritized objectives of the County's investment activities are (1) safety of principal through (a) diversification, (b) third-party collateralization and safekeeping and (c) delivery versus payment; (2) liquidity sufficient to meet all reasonably anticipated operating requirements; and (3) return on investment at least equal to the yield on U.S. Treasury bills of comparable duration. The Director of Finance is required to develop and maintain written administrative procedures as well as a system of controls to regulate the operation of the investment program. Compliance with these procedures and controls is audited as part of the County's annual financial audit.

As of June 30, 2016, the County had investments totaling approximately \$478.1 million. All of these investments mature within one year except for stripped-coupon U.S. Treasury securities that the County has purchased to provide for the payment of the final installments under its agricultural land preservation installment-purchase agreements. All investments were purchased to be held to maturity, and interest is paid throughout the term except as previously noted. The County has never entered into reverse repurchase transactions, and does not invest in derivatives.

In 2003, the County's investment policy was updated and received a certificate of excellence from the Association of Public Treasurers of the United States and Canada. The County is a member of the Investment and Treasury Affinity Group of the Maryland GFOA, which periodically brings together public investment officers from large Maryland counties, Baltimore City and the State.

Capital Requirements and Debt Management

Capital Projects Funds

The following table presents the sources and uses of funds in the County's Capital Projects Funds over the last five fiscal years.

Sources and Uses of Capital Projects Funds (000)⁽¹⁾

	Fiscal Year Ended June 30				
	2012	2013	2014	2015	2016
Source of Funds:					
Proceeds of bonds and notes	\$ 109,310	\$ 91,930	\$ 117,315	100,180	76,490
Proceeds of refunding bonds	109,604	5,904	15,406	84,015	21,157
Bond Premium	30,471	9,277	11,848	17,523	13,509
Capital Leases	-	-	-	-	10,058
Local transfer tax	21,366	22,781	23,906	26,722	28,200
Pay-as-you-go funding	10,546	15,131	25,560	16,950	4,450
Revenues from other governmental agencies ⁽²⁾	53,096	49,289	13,625	14,408	7,147
Developer contributions	1,362	1,395	1,146	3,985	4,377
Other	18,496	6,811	7,743	11,816	9,249
Operating transfers in	2,386	19,420	35,958	21,379	3,491
Total Sources	\$ 356,638	\$ 221,940	\$ 252,507	\$ 296,978	\$ 178,129
Use of Funds:					
Capital projects expenditures	192,726	179,836	160,982	171,692	186,875
Operating transfers out	15,215	14,925	17,416	19,980	20,581
Payment to refunded bond escrow agent	128,385	6,629	32,852	93,817	26,441
Total Uses	\$ 336,326	\$ 201,390	\$ 211,250	\$ 285,488	\$ 233,898
Excess (Deficit) of Sources over Uses	20,312	20,550	41,256	11,490	(55,769)
Fund Balance at Beginning of Period	(23,003)	(2,691)	17,858	59,114	70,604
Fund Balance (Deficit) at End of Period	\$ (2,691)	\$ 17,858	\$ 59,114	\$ 70,604	\$ 14,836

⁽¹⁾ The information in this table should be read in conjunction with the audited basic financial statements which are available at www.howardcountymd.gov/Departments/Finance/Financial-Information/Audits.

⁽²⁾ In FY 2012 and FY 2013, the County received funds from the federal government for the Broadband project.

Board of Education Capital Projects

The following table presents the sources and uses of funds for the Board of Education's capital projects for the last five fiscal years.

Sources and Uses of Funds for Board of Education Capital Projects (000) ⁽¹⁾

	2012	2013	2014	2015	2016
Sources of Funds:					
Proceeds of County bonds and notes	\$ 60,109	\$ 67,217	\$ 61,096	\$ 46,452	\$ 61,232
Revenues from County and State	9,520	31,488	25,711	31,636	18,910
Other	1	1	1	1	8
Total Sources	\$ 69,629	\$ 98,706	\$ 86,809	\$ 78,090	\$ 80,150
Uses of Funds:					
Capital projects expenditures	67,670	96,233	85,262	80,361	78,965
Other	2,641	404	101	101	101
Total Uses	\$ 70,311	\$ 96,636	\$ 85,364	\$ 80,462	\$ 79,066
Excess (Deficit) of Sources over Uses	(682)	2,070	1,445	(2,372)	1,084
Fund Balance at Beginning of Period	(4,244)	(4,926)	(2,857)	(1,411)	(3,783)
Fund Balance at End of Period	\$ (4,926)	\$ (2,857)	\$ (1,411)	\$ (3,783)	\$ (2,699)

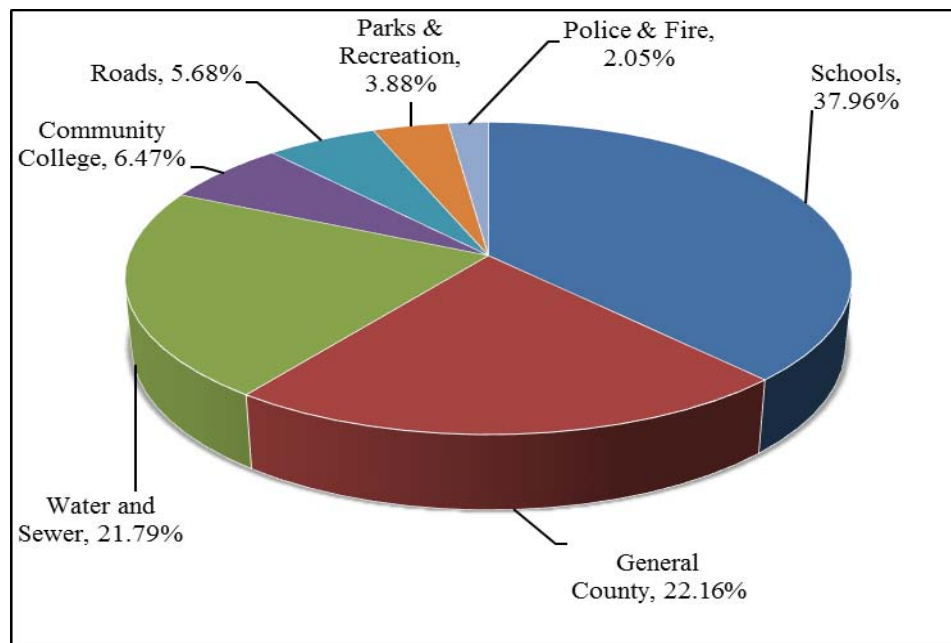
⁽¹⁾ This table should be read in conjunction with the audited basic financial statements of the Board of Education.

Source: Howard County Public School System Office of Finance

Composition of Debt

The chart below presents how proceeds of outstanding County bonds were used as of June 30, 2016.

Composition of Issued General Obligation Debt



Capital Budget and Program

The following table presents the County's adopted capital budget for fiscal year 2017 and program for fiscal years 2018 through 2022.

Capital Budget and Program (000)									
Program Title	Authorization			FY2018	FY2019	FY2020	FY2021	FY2022	Total
	Prior	FY2017	Subtotal						
Bridge Improvements	\$ 17,349	\$ 2,234	\$ 19,583	\$ 1,450	\$ 1,350	\$ 1,400	\$ 300	\$ 300	\$ 24,383
Storm Drainage	88,572	21,122	109,694	39,795	36,320	36,350	23,800	17,300	263,259
Road Resurfacing	40,885	5,000	45,885	3,000	3,000	3,330	3,450	3,330	61,995
Road Construction	211,615	13,920	225,535	46,330	58,230	13,220	1,925	3,250	348,490
Sidewalk/Curb Projects	14,605	1,750	16,355	8,070	7,345	8,270	6,180	5,430	51,650
Traffic Improvements	17,408	1,910	19,318	3,560	2,925	3,325	1,775	200	31,103
General County	448,229	99,682	547,911	115,172	55,598	46,483	27,928	26,630	819,722
Fire	42,895	10,070	52,965	2,570	770	770	770	770	58,615
Library	74,398	3,961	78,359	3,907	5,060	32,000	2,500	-	121,826
Police	6,600	1,000	7,600	17,530	3,055	13,670	1,675	4,570	48,100
Recreation & Parks	185,775	10,819	196,594	8,700	14,800	14,700	7,800	7,200	249,794
Agricultural Preservation	170,608	-	170,608	-	-	-	-	-	170,608
Community Renewal	5,923	-	5,923	-	-	-	-	-	5,923
Sewer	409,343	34,789	444,132	34,715	17,650	12,135	9,795	5,795	524,222
Water	277,599	9,808	287,407	73,021	31,221	24,243	23,538	23,243	462,673
Board of Education	653,098	77,256	730,354	96,886	89,106	113,379	109,298	121,256	1,260,279
Community College	138,090	22,856	160,946	25,579	20,925	4,626	27,307	8,758	248,141
Total	\$ 2,802,992	\$ 316,177	\$ 3,119,169	\$ 480,285	\$ 347,355	\$ 327,901	\$ 248,041	\$ 228,032	\$ 4,750,783

Debt Management Policy

Chapter 693 of the 2009 Laws of Maryland requires each local government unit to adopt by resolution, motion or ordinance a local debt policy consistent with the Maryland Constitution, State law and the Howard County Charter. On October 5, 2009, the County adopted an updated debt management policy that establishes the processes employed in the management of its short- and long-term debt. The policy sets the parameters for issuing debt and managing outstanding debt. It provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. The County added long-term variable rate debt as an approved type of debt that can be issued. By establishing a debt policy, the County has recognized its binding commitment to full and timely repayment of all debt. The policy ensures that the County maintains a sound debt position and that its credit quality is protected. The policy is available on the County's website at

<https://www.howardcountymd.gov/Departments/Finance/Financial-Information/Bonds>.

In addition, the County adopted Build America Bonds ("BABs") – Direct Pay Procedures in March 2010 and Tax-Exempt Issuance Procedures in February 2012. The procedures ensure that the County does not expend bond proceeds for non-eligible costs or projects and establish document retention, semi-annual filing and on-going compliance guidelines.

Debt Capacity

Pursuant to Article VI of the County Charter and State law, the aggregate amount of bonds and other indebtedness of the County outstanding at any one time may not exceed 4.8 percent of the full market value of real property and personal property located within the County. In computing this percentage under the County Charter and State law, the following are excluded: (1) tax anticipation notes or other debts having a maturity not in excess of 12 months, (2) bonds or other debts issued or guaranteed by the County payable primarily or exclusively from taxes levied on or in, or other revenues of, special taxing areas or districts and (3) bonds and other debts issued for self-liquidating and other projects payable primarily or exclusively from the proceeds of assessments or charges for special benefits or services. Metropolitan District debt, which is payable primarily from water and sewer charges, does not constitute general obligation debt for the purpose of computing such percentage, and there are no other debt limitations applicable to Metropolitan District debt. For the purpose of determining whether refunding bonds issued under such

statute are within the legal debt limitation of the County, the amount of bonds refunded is subtracted from, and the amount of refunding bonds issued is added to, the aggregate of the County's outstanding bonds.

Shown below is a calculation of the County's legal debt capacity as of December 31, 2016, based on the County's estimated assessable base as of December 31, 2016.

Legal Debt Capacity (000)	
Assessable Base at 12/31/2016	\$49,243,599
Assessable base limit on general obligation debt	\$2,363,693
Total outstanding debt to be applied against County Charter limit	\$933,850
Additional legal debt capacity	\$1,429,843

Description of Debt

Public Improvement Debt

The County issues public improvement debt to defray the costs of general County capital projects, including storm drainage, fire service, police, road construction, bridge, library, recreation and parks, school, community college, sidewalk and curb, intersection and signal improvement, and community renewal capital projects. Such debt is a general obligation of the County, and the County's full faith and credit and unlimited taxing power are irrevocably pledged to the punctual payment of principal of and interest on such debt when due and payable. Debt service on public improvement debt is payable primarily from general tax revenues; however, building excise taxes, school surcharge, fire tax and transfer taxes are also used to pay debt service for certain types of capital projects.

Short-Term Construction Financing Program

The County issues tax-exempt bond anticipation notes (BANs) in order to provide interim financing for a portion of the cost of its ongoing capital projects. The notes are currently in the form of a line of credit and repaid with proceeds of the County's long-term bonds. The County typically issues its long-term bonds once a year in an amount corresponding to the amount expended for capital projects since its last bond sale and uses such bond proceeds to redeem outstanding notes and reimburse the capital projects fund. The outstanding amount of such notes as of December 31, 2016 is \$147.8 million. The County intends to refund the outstanding BANs with this bond issue.

Landfill Closure and Post-Closure Care Cost

State and federal laws and regulations require the County to place a final cap on closed landfill cells and to perform certain maintenance and monitoring functions at cells for 30 years after closure. The County recognizes a portion of these estimated closure and post-closure care costs in each operating budget, based on cell capacity used.

The County ceased using the Alpha Ridge landfill as its primary waste disposal site in 1997, and now exports waste to a regional landfill in Virginia. The closure cap for a 70-acre cell at Alpha Ridge was completed and paid for in 2001. The County does not expect to use the remaining capacity in the foreseeable future.

Closure costs for the existing cell and post-closure care cost for the closed and existing cells at the Alpha Ridge landfill will approximate \$39.4 million. Actual costs may differ due to inflation or future design changes. As of June 30, 2016, the County has recognized \$31.6 million of these costs. The County intends to fund the remaining costs from bond proceeds and its annual Environmental Services Fund budget.

Metropolitan District

The County issues Metropolitan District debt to finance the costs of the County's water and sewer capital projects as well as its share of Baltimore City water and sewer capital projects. Such debt is a general obligation of the County, and its full faith and credit and unlimited taxing power are irrevocably pledged to the punctual payment of principal of and interest on such debt when due and payable. Debt service on Metropolitan District debt is payable from water and sewer revenues and other revenues.

Maryland Water Quality Financing Administration

Under the Maryland Water Quality Financing Administration's revolving loan program, the State has four outstanding loans to the County at interest rates that are below market. The loans are tax-exempt obligations that were primarily used to finance the expansion of the Little Patuxent Wastewater Treatment Plant and one financed the Holiday Hills sewer project. As with Metropolitan District debt, such debt is payable from water and sewer revenues and other revenues, but the full faith and credit of the County is also pledged to the payment thereof.

Agricultural Land Preservation Program

Through its agricultural land preservation program, the County finances the acquisition of development rights to a particular parcel of agricultural property by entering into an installment-purchase agreement with the property owner. Historically, under the terms of the installment-purchase agreement, the County paid the property owner semiannual interest payments for up to 30 years, and minimal portions of the installment-purchase price biennially until maturity. The rest of the purchase price for the development rights is paid at the end of the term with a balloon payment. Upon execution of an installment-purchase agreement, the County purchased stripped-coupon U.S. Treasury obligations in amounts sufficient to equal the balloon payment at the maturity of the installment purchase.

Under the current program, the County pays either five or ten percent of the purchase price at closing, with equal annual principal payments over 15 or 20 years with interest. The County acquires the development rights to the land in perpetuity. The County is using the 25 percent portion of the local transfer tax that is dedicated to agricultural land preservation and the County's share of the State transfer tax on agricultural land to fund this program.

Golf Course

In 1995, the County issued its Special Facility Revenue Bonds, 1995 Series A (the "Series 1995 Bonds") to finance construction of a public golf course and related facilities. The Series 1995 Bonds were refinanced with the issuance by the County of its Golf Course Refunding Revenue Bonds, 2003 Series A (the "Series 2003 Bonds"). In May 2012, the Series 2003 Bonds were redeemed by the County with issuance and sale of its Taxable Golf Course Refunding Revenue Note (Timbers at Troy Golf Course), Series 2012 (the "Series 2012 Note"), which was privately negotiated with a financial institution. Payment of the Series 2012 Note is secured by a pledge by the County of gross revenues generated by the golf course facility and a debt service reserve fund. If a deficiency exists in the debt service reserve fund, the County is obligated to restore the amount in such debt service reserve fund to the debt service reserve requirement of \$560,000 within 90 days, until the note has been paid in full. The County has never had to replenish the debt service reserve fund due to any deficiency. The Series 2012 Note and the obligations payable thereunder do not constitute a pledge of the County's full faith and credit or taxing power. The County's covenant to replenish the debt service reserve fund and to maintain the facility in first class operating condition is a general contractual obligation of the County. In fiscal years 2011, 2012 and 2014, money from the County General Fund was used to pay a portion of the golf course maintenance expenses.

Capital Leases

The County maintains leasing agreements with First Niagara Leasing and TD Asset Management Funds for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes, and have been recorded at the present value of their future minimum lease payments as of the inception date. The future minimum lease obligations total \$29,378,738, and the net present value of these minimum lease payments as of June 30, 2016 is \$24,873,547. The County entered into a three year \$30 million Master Lease to finance vehicles and equipment on August 7, 2013 and has drawn down \$22.3 million through December 31, 2016 with an average annual cost of \$4.4 million through December 1, 2020 and \$3 million thereafter through the final maturity date of December 1, 2030. The County intends to draw down the balance as expenses are incurred.

Overlapping Debt

There are no incorporated towns, villages, municipalities or other subdivisions within the County boundaries having separate taxing authority. Thus there is no overlapping municipal debt in the County. However, the Columbia Association does have authority to issue debt which is funded via a fee. (See "Demography and Economy, Columbia" herein.)

Tax Increment Financing

On March 11, 2014 the County issued its first Special Obligation Tax Increment Financing (TIF) Bonds in the amount of \$17 million, with an overall true interest cost of 6.148%. The proceeds were used to construct a 704-space parking garage on 12.73 acres of land dedicated for commuter rail patrons. The County had previously designated the 12.73 acres as a Tax Increment Financing District, at the site of the MARC Savage Commuter Rail Station. The land is state-owned, thus no real property taxes were paid to the County for this property. However, County management anticipates opportunities for local economic development by putting tax-exempt property on the local tax roll while improving transportation infrastructure.

A companion special tax district has been created as a backup for the Special Obligation TIF bonds. Special taxes will be imposed on property owners located within the special tax district in any year where the tax increment collections are lower than the next year's debt service obligation and TIF District expenses. The special taxes are also to be pledged for the repayment of the Special Obligation TIF bonds.

These bonds are not general obligation bonds of the County; rather they are special obligations of the County payable solely from the real property tax increment to be realized from the TIF District, any special taxes imposed and collected from the companion Special Tax District, and any Base Realignment and Closure (BRAC) Zone payments awarded by the State of Maryland. The project was approved for designation as a BRAC Zone in June 2009. The total amount of pledged revenue is \$37,353,233. A reserve fund in the amount of \$1,678,465 was established as part of the debt issuance. This reserve will not be available for other purposes until the final maturity of the bonds in fiscal year 2044. Pledged revenues of \$132,847 were recognized in fiscal year 2016. The debt of \$17,000,000 is included in the primary government's long-term debt on the Statement of Net Position.

The bond offering is part of an overall Public Private Partnership (P3) development project known as Annapolis Junction Town Center. When completed, the entire development project will be a comprehensive mixed-use State Transit-Oriented Development (TOD) and will include 100,000 square feet of Class A office space, 416 luxury apartment units, a 150-room hotel, 17,250 square feet of retail space and the 704-space parking garage (financed by the TIF). The project will also include two additional parking garages, to be funded privately, to separately support parking needs for businesses and residents.

Conduit Debt

From time to time, the County has issued Industrial Revenue Bonds, Economic Revenue Development Bonds, Multi-family Rental Housing Revenue Bonds and Recovery Zone Facility Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the County's financial statements.

As of June 30, 2016, there were 21 series of conduit debt outstanding. The aggregate principal amount payable for the 10 series issued after July 1, 1996 was \$80,627,459. The aggregate principal amount payable for the 11 series issued prior to June 30, 1996 could not be determined; however, their original issue amounts totaled \$72,081,000.

The Howard County Housing Commission issued \$13,655,000 Lease Revenue Bonds (Roger Carter Recreation Center) in December 2011. The Commission used the proceeds of the Bonds to finance a portion of the costs of the design, development, construction, and equipping of a recreation center, an indoor swim center facility, and parking deck and related structures and site improvements located on Ellicott Mills Drive in Ellicott City in the County. The Project was constructed on an approximately 4.8-acre parcel of land owned by the Commission. The Commission and the County entered into a Lease Agreement dated as of December 1, 2011, under which the Commission will lease the Project and the Leased Premises to the County. The Lease Agreement requires the County to make lease payments, which are calculated to be sufficient to pay when due the principal of and interest on the Bonds. The Lease Agreement is not a general obligation of the County and does not constitute a pledge of the faith and credit or the taxing powers of the County.

Outstanding Long-Term Debt

As of February 29, 2017, the County had outstanding long-term debt presented below.

	Dated Date	Issued (\$000)	Outstanding (\$000) ⁽¹⁾	Interest Rates	Final Maturity
Consolidated Public Improvement Project and Refunding, Series A	02/01/04	112,305	26,850	2.00 - 5.00	08/15/19
Consolidated Public Improvement Refunding, Series B	12/19/07	87,420	1,225	3.75 – 5.00	02/15/19
Consolidated Public Improvement, Series A	04/08/09	69,720	28,290	3.50 - 5.00	04/15/29
Consolidated Public Improvement Refunding, Series B	12/08/09	85,860	68,530	3.25 - 5.00	08/15/22
Consolidated Public Improvement, Series A	03/16/10	49,015	26,575	3.00 - 5.00	02/15/23
Consolidated Public Improvement BABs, Series C ⁽²⁾	03/16/10	39,405	39,405	5.00 - 5.55	02/15/30
Consolidated Public Improvement, Series A	03/09/11	111,115	87,110	4.00 - 5.00	02/15/31
Public Improvement and Refunding, Series B	11/17/11	182,055	143,735	3.00 - 5.00	08/15/31
Consolidated Public Improvement, Series A	03/20/12	37,370	30,340	2.00 - 4.00	02/15/32
Public Improvement and Refunding, Series A	03/19/13	97,910	78,790	2.38 - 5.00	02/15/33
Consolidated Public Improvement Project and Refunding, Series A	04/03/14	117,125	97,620	3.00-5.00	02/15/34
Consolidated Public Improvement Project and Refunding, Series A	04/22/15	184,195	175,700	3.00-5.00	02/15/35
Consolidated Public Improvement Project and Refunding, Series A	03/30/16	96,040	93,170	3.00-5.00	02/15/36
Consolidated Public Improvement Taxable, Series B	03/30/16	1,730	1,730	2.00	02/15/21
Total Long-Term Public Improvement Debt			\$899,070		
Maryland Water Quality Financing Administration	10/18/00	34,000 ⁽³⁾	10,066	2.40	02/01/22
Maryland Water Quality Financing Administration	01/29/02	22,000 ⁽³⁾	8,037	2.00	02/01/24
Metropolitan District, Series A	03/15/07	10,000	3,435	4.00 – 4.50	02/15/37
Metropolitan District Refunding, Series B	12/19/07	11,980	8,710	3.75 – 4.375	02/15/29
Maryland Water Quality Financing Administration	10/01/08	1,089	698	2.30	02/01/29
Metropolitan District, Series A	04/08/09	26,240	19,320	2.81 - 5.00	04/15/29
Maryland Water Quality Financing Administration	11/19/09	3,500	2,466	1.00	02/01/31
Metropolitan District Refunding, Series B	12/08/09	7,255	6,910	1.00 - 4.00	08/15/30
Metropolitan District, Series A	03/09/11	49,990	44,100	4.00 - 4.75	02/15/41
Metropolitan District Project and Refunding, Series B	11/17/11	36,245	27,175	3.00 - 5.00	08/15/41
Metropolitan District, Series A	03/20/12	19,970	17,045	3.00 - 4.00	02/15/37
Metropolitan District Project and Refunding, Series A	03/19/13	39,155	33,035	3.00 - 4.00	02/15/38
Metropolitan District Project and Refunding, Series A	04/03/14	22,055	18,715	2.00 - 4.00	02/15/44
Metropolitan District Project and Refunding, Series A	04/22/15	31,015	29,655	2.00 - 5.00	02/15/45
Metropolitan District Project and Refunding, Series A	03/30/16	26,190	25,685	3.00-5.00	02/15/46
Total Water and Sewer Enterprise Fund Debt⁽⁴⁾			\$255,052		
Agricultural Land Preservation Program ⁽⁵⁾	1989-2016	89,366	36,979	2.19 - 8.60	02/15/35
Golf Course Refunding Revenue ⁽⁶⁾	05/30/12	5,400	2,799	2.475	08/15/22
Special Obligation (Annapolis Junction TIF)	03/11/14	17,000	16,980	4.80 - 6.10	02/15/44
Total Special Revenue Funds, Other Enterprise Fund and Guaranteed Debt			\$56,758		
(1) The outstanding amounts do not include bonds to be redeemed with the proceeds of refunding bonds previously issued by the County; such bonds to be redeemed are not considered as outstanding debt of the County for debt limitation purposes. (2) The gross interest rate and debt service are shown, the County expects to receive a Federal Subsidy of \$6,447,207. (3) This amount is the maximum that the County is authorized to draw down from the Maryland Water Quality Financing Administration. (4) The payment of the principal of and interest on this debt is to be made first from certain charges the County is authorized to levy within the Metropolitan District, but the full faith and credit of the County are also unconditionally pledged to such payment. (5) This amount does not include a portion of these obligations in the aggregate principal amount of \$52,387,200, which will be paid in fiscal years 2018-2028 with proceeds of U.S. Treasury obligations purchased by the County. (6) These bonds do not constitute a pledge of the County's full faith and credit or taxing power, but the County's covenant to restore the amount in the debt service reserve fund is a general contractual obligation of the County.					

Schedules of Long-Term Debt Principal and Interest Payments

The following table presents the principal and interest payments for the County's long-term public improvement debt as of February 29, 2017. Debt service on the Public Improvement Bonds is shown in Appendix C.

Debt Service on Long-Term Consolidated Public Improvement Debt (000)

Fiscal Year	Principal ⁽¹⁾	Interest	Subsidy ⁽²⁾	Total
2017	\$ 2,990	\$ 638	-	\$ 3,628
2018	61,445	37,889	(726)	98,608
2019	61,450	34,899	(726)	95,623
2020	63,000	31,813	(726)	94,088
2021	62,390	28,936	(726)	90,600
2022	62,815	26,123	(726)	88,213
2023	65,670	23,116	(726)	88,061
2024	66,160	20,190	(637)	85,713
2025	64,090	17,123	(545)	80,669
2026	60,040	14,710	(446)	74,304
2027	56,190	12,548	(344)	68,394
2028	51,880	10,437	(121)	62,197
2029	46,845	8,428	-	55,273
2030	43,245	6,542	-	49,787
2031	38,475	4,753	-	43,228
2032	31,625	3,209	-	34,834
2033	24,595	2,128	-	26,723
2034	18,880	1,225	-	20,105
2035	11,980	553	-	12,533
2036	5,305	159	-	5,464
Totals	\$899,070	\$285,421	\$ (6,447)	\$ 1,178,044

(1) Includes mandatory sinking fund redemption payments on term bonds.
(2) BABs subsidy is subject to a reduction of 6.9% due to sequestration

The Internal Revenue Service released guidance stating that due to federal budget sequestration, federal direct credit subsidies for ARRA bonds are subject to reduction beginning October 1, 2016 and extending until September 30, 2017. The amount of the reduction is 6.9% of the February 15, 2017 and August 15, 2017 interest payments, or approximately \$25,042 each.

The following table presents the debt service for the County's long-term public improvement debt after the issuance of the Public Improvement Bonds.

Consolidated Public Improvement Debt Service As Adjusted for the Issuance of the Bonds (000)

<u>Fiscal Years</u>	<u>Total Debt Service</u>	<u>LESS: Refunded Bonds Debt Service</u>	<u>2017 CPI Bonds, Series A & B</u>		<u>Adjusted Total Debt Service</u>
			<u>Principal</u>	<u>Interest</u>	
2017	\$ 3,628	\$ -	-	-	\$ 3,628
2018	98,608	15,436	5,205	10,294	98,671
2019	95,623	7,965	4,355	12,518	104,532
2020	94,088	11,466	7,440	12,300	102,361
2021	90,600	17,701	15,615	11,928	100,443
2022	88,213	17,697	16,390	11,148	98,053
2023	88,061	24,033	23,545	10,328	97,901
2024	85,713	20,632	21,320	9,151	95,551
2025	80,669	18,341	20,095	8,085	90,508
2026	74,304	11,570	14,335	7,080	84,148
2027	68,394	17,974	21,450	6,363	78,234
2028	62,197	17,974	22,525	5,291	72,038
2029	55,273	13,765	19,440	4,165	65,113
2030	49,787	8,387	14,895	3,334	59,629
2031	43,228	8,391	15,645	2,589	53,071
2032	34,834	-	7,960	1,884	44,678
2033	26,723	-	8,200	1,645	36,568
2034	20,105	-	8,525	1,317	29,947
2035	12,533	-	8,805	1,040	22,377
2036	5,464	-	9,100	743	15,307
2037	-	-	9,465	379	9,844
Totals	\$ 1,178,044	\$211,333	\$ 274,310	\$ 121,580	\$ 1,362,601

The following table presents the principal and interest payments for the County's self-liquidating long-term debt, as of February 29, 2017. Debt service on the Metropolitan District Bonds is shown in Appendix C.

Debt Service on Self-Liquidating Long-Term Debt (000)

Water and Sewer Enterprise Fund (Metropolitan District and Water Quality Financing Administration) ⁽¹⁾				Agricultural Land Preservation Program ⁽²⁾			Special Recreation Facility (Golf Course) Enterprise Fund		
Fiscal Year	Principal ⁽³⁾	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 1,160	\$ 401	\$ 1,561	\$ -	\$ -	\$ -	\$ 160	\$ 21	\$ 181
2018	13,501	9,288	22,789	4,444	4,956	9,400	485	74	559
2019	13,923	8,853	22,777	3,436	4,801	8,236	497	62	559
2020	14,127	8,398	22,526	16,263	4,450	20,713	510	49	559
2021	12,848	7,956	20,804	17,042	3,212	20,254	522	36	558
2022	12,955	7,502	20,457	6,311	2,122	8,433	535	23	558
2023	11,234	7,045	18,279	2,561	1,901	4,462	90	3	93
2024	10,457	6,634	17,091	12,791	1,835	14,626	-	-	-
2025	10,142	6,275	16,417	2,561	984	3,544	-	-	-
2026	10,375	5,897	16,272	3,122	899	4,021	-	-	-
2027	10,559	5,504	16,063	7,786	635	8,420	-	-	-
2028	10,057	5,120	15,177	4,699	390	5,089	-	-	-
2029	10,397	4,752	15,150	2,541	184	2,725	-	-	-
2030	8,635	4,364	12,999	2,127	121	2,248	-	-	-
2031	8,846	4,048	12,894	2,127	65	2,192	-	-	-
2032	8,685	3,708	12,393	617	29	646	-	-	-
2033	8,745	3,363	12,108	351	18	369	-	-	-
2034	8,735	3,024	11,759	351	10	361	-	-	-
2035	8,910	2,684	11,594	241	4	245	-	-	-
2036	9,110	2,331	11,441	-	-	-	-	-	-
2037	9,470	1,969	11,439	-	-	-	-	-	-
2038	8,045	1,597	9,642	-	-	-	-	-	-
2039	6,385	1,285	7,670	-	-	-	-	-	-
2040	5,720	1,026	6,746	-	-	-	-	-	-
2041	7,845	785	8,630	-	-	-	-	-	-
2042	3,145	472	3,617	-	-	-	-	-	-
2043	4,145	377	4,522	-	-	-	-	-	-
2044	2,220	236	2,456	-	-	-	-	-	-
2045	1,415	158	1,573	-	-	-	-	-	-
2046	3,260	110	3,370	-	-	-	-	-	-
	\$ 255,052	\$ 115,161	\$ 370,213	\$ 89,366	\$ 26,618	\$ 115,984	\$ 2,799	\$ 267	\$ 3,066

(1) Excludes administrative fees of five percent of total debt service over the total loan period for the Water Quality Financing Administration debt.
(2) This amount includes obligations in the aggregate principal amount of \$52,387,000 which will be paid in fiscal years 2018 - 2028 with proceeds of U.S. Treasury obligations purchased by the County.
(3) Includes mandatory sinking fund redemption payments on term bonds rounded to the nearest dollar.

Rapidity of Long-Term Debt Principal Repayment

The following table analyzes how much of the County's long-term public improvement debt outstanding as of June 30, 2016 is scheduled to be repaid over 20 years. This excludes \$147.8 million in short-term construction financing currently outstanding.

Rapidity of Consolidated Public Improvement Debt Principal Repayment					
On or before Fiscal Year	Before Issuance of 2017 Bonds		On or before Fiscal Year	After Issuance of 2017 Bonds	
	Amount (\$000)	% of Outstanding		Amount (\$000)	% of Outstanding
2021	311,450	32.47%	2022	331,750	30.83%
2026	630,225	65.70%	2027	661,835	61.50%
2031	866,860	90.37%	2032	887,690	82.49%
2036	959,245	100.00%	2037	1,076,080	100.00%

The following table analyzes how much of the County's long-term water and sewer enterprise fund debt outstanding as of June 30, 2016 is scheduled to be repaid over a maximum of 30 years.

Rapidity of Metropolitan District Debt Principal Repayment					
On or before Fiscal Year	Before Issuance of 2017 Bonds		On or before Fiscal Year	After Issuance of 2017 Bonds	
	Amount (\$000)	% of Outstanding		Amount (\$000)	% of Outstanding
2021	50,845	21.33%	2022	53,530	20.14%
2026	99,495	40.92%	2027	101,905	38.34%
2031	146,920	60.81%	2032	150,775	56.73%
2036	191,105	78.21%	2037	195,165	73.44%
2041	228,570	93.55%	2042	232,775	87.59%
2046	242,755	100.00%	2047	265,760	100.00%

Long-Term Debt Ratios

The following table presents the County's net long-term public improvement debt per capita and ratios of net long-term public improvement debt to assessed value and to per capita personal income at the end of the last five fiscal years.

Long-Term Consolidated Public Improvement Debt Ratios						
Fiscal Year Ended June 30	Net Long-Term Debt (000)	Estimated Population (000) ⁽¹⁾	Assessed Value (000)	Per Capita	Net Long-Term Debt	
					As % of Assessed Value	As % of Personal Income ⁽²⁾
2016	\$959,245	317	47,641,613	3,030	2.0	4.26
2015	945,305	305	45,731,165	3,095	2.1	4.45
2014	906,780	302	44,552,142	3,001	2.0	4.41
2013	866,510	298	44,201,087	2,911	2.0	4.23
2012	830,430	294	45,177,520	2,822	1.8	4.08
2011	787,905	291	48,106,377	2,706	1.6	4.07

(1) Source: Howard County Department of Planning and Zoning.
(2) Source: Howard County Budget Office

The following table presents the County's debt service expenditures for long-term public improvement debt as a percentage of current revenues. The County policy is to limit debt service to 10% or less of current revenues.

Long-Term Debt Service as Percentage of Current Revenues					
Fiscal Year Ended June 30	Public Improvement Debt Principal (000)	Public Improvement Debt Interest (000)	Public Improvement Debt Service (000)	Current Revenues (000)	Debt Service as % of Current Revenues
2017 Budget	\$66,118	\$41,589	\$107,707	\$1,185,670	9.08
2016	65,702	39,911	105,612	1,168,111	9.04
2015	58,735	40,157	98,892	1,118,358	8.84
2014	58,415	38,620	97,035	1,065,544	9.11
2013	58,415	38,276	96,691	1,114,023	8.68
2012	56,630	34,951	91,581	1,049,964	8.72

Future Financing Plans

The County's debt policy is circumscribed by the legal debt margin for general obligation indebtedness established in the County Charter. In addition, the County's budget policy is reviewed annually by a committee of financially experienced residents that recommends the amount of debt that the County can afford. As of December 31, 2016, the County has authorized but unissued general obligation indebtedness of \$354.1 million for general county projects, \$361.5 million metropolitan district bonds, \$23.9 million Water Quality (State Revolving Loan Program), \$84.3 million Excise Tax bonds and \$50.0 million in TIF bonds. These amounts include bonds authorized to redeem the \$147.8 million in outstanding short-term construction financing debt. The County currently expects to authorize \$85 to \$105 million of public improvement bonds annually for new capital projects identified in the annual Capital Budget and annually issue approximately \$25 to \$50 million of Metropolitan District. Where direct benefits from capital improvements can be identified to specific users, the County intends to finance such improvements from user charges.

Government and Infrastructure

General

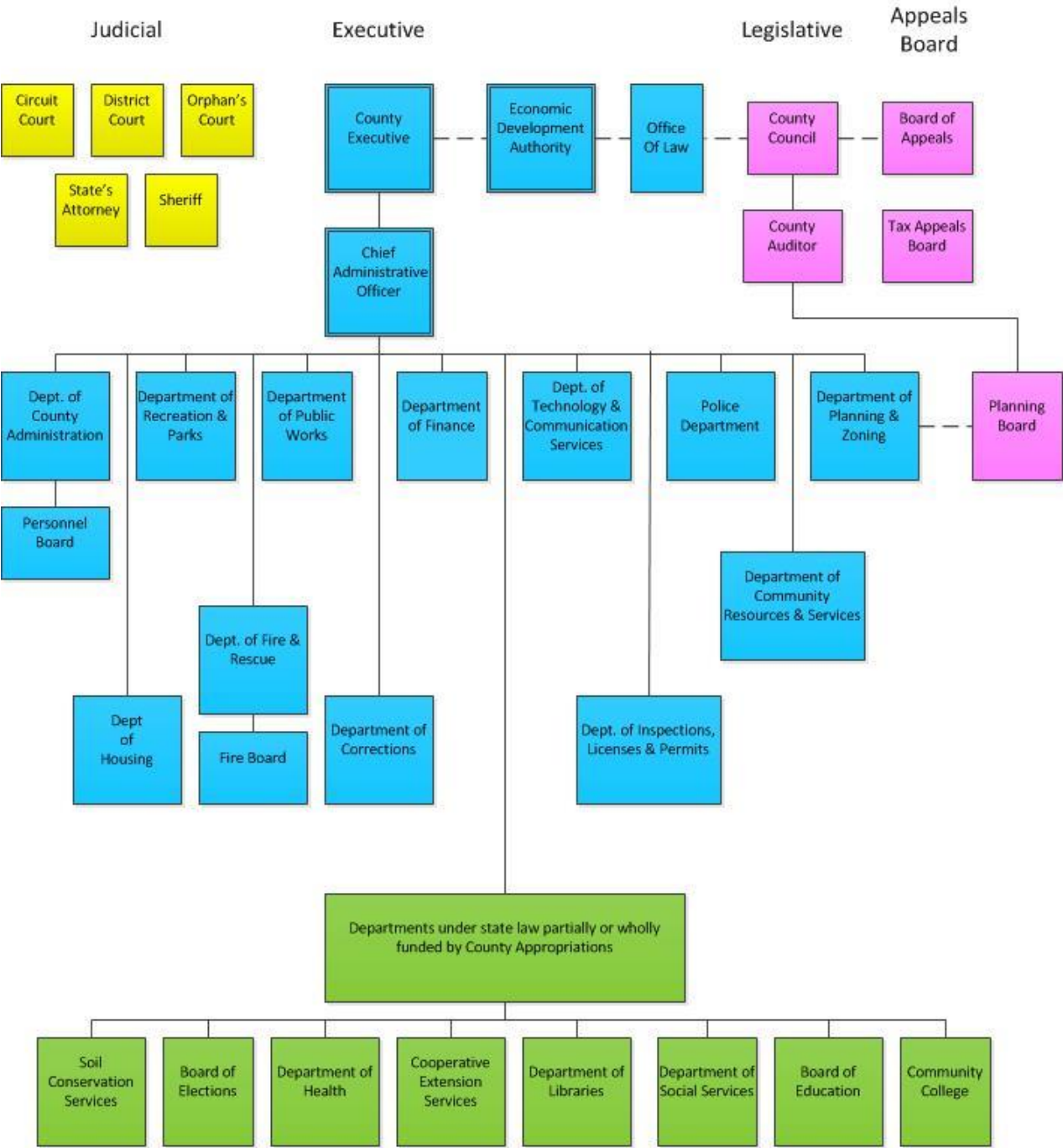
Under the County Charter adopted in 1968, the County's executive functions are vested in the elected County Executive, who is the chief executive officer of the County and is responsible for the proper and efficient administration of the affairs of the County. The Council, which consists of five members elected by district, is the County's legislative body. The County Executive is limited to two consecutive four-year terms, and Council members are limited to three consecutive four-year terms.

Each Council member has one vote, and a simple majority vote is sufficient to pass ordinary legislation. Emergency bills require the vote of two-thirds of the members of the Council as do Council actions to override a veto by the County Executive. A majority of the members of the Council constitute a quorum for the transaction of business, except that for emergency sessions two-thirds of the members of the Council are required. Except as otherwise provided in the County Charter, all laws stand enacted upon approval by the County Executive and take effect 60 days after their enactment, unless by affirmative vote of two-thirds of the members of the Council any such law is declared to be effective on a later date or is declared an emergency measure affecting the public health, safety and welfare, in which event it is effective from the date of its enactment. The Council elects a Chairperson and a Vice Chairperson from its membership at its first meeting in December of each year.

The Chief Administrative Officer performs such duties and exercises such general supervision over the offices and departments of the County government as the County Executive may direct and the Charter specifies. The Chief Administrative Officer acts as the chief budget officer, personnel officer, purchasing agent and central services officer of the County. In addition, the Chief Administrative Officer has been designated to perform the duties of the County Executive during the temporary inability of the County Executive to perform by reason of absence from the County or disability. County financial matters are administered through the Department of Finance by the Director of Finance. The Director of Finance is charged with the administration of the financial affairs of the County, which generally include the collection of State and County taxes, special assessments, Metropolitan District charges, fees and other revenues and funds of every kind due to the County; the enforcement of the collection of taxes in the manner provided by law; the custody and safekeeping of all funds and securities belonging to or by law deposited with, distributed to or handled by the County; 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 and advising on debt management; and such other functions as may be prescribed by directive of the County Executive or by legislative act of the Council.

The County Solicitor is appointed by the County Executive subject to confirmation by the Council. All other officials of the County government are appointed by, and serve at the pleasure of, the County Executive.

Howard County Government Organizational Chart



Executive, Administrative, Legislative and Education Officials

Executive

Allan H. Kittleman was elected Nov. 4, 2014 to serve as Howard County's 9th County Executive. From 2004 to 2014, Mr. Kittleman served in the Maryland General Assembly as the Senator representing District 9. From 1998 to 2004, Mr. Kittleman represented Council District 5 on the Howard County Council. Mr. Kittleman was a partner with Herwig & Humphreys, LLP before serving as Of Counsel at Godwin, Erlandson, Vernon & Daney, where his practice concentrated on representing employers in worker's compensation matters. Mr. Kittleman graduated from Atholton High School and the University of Maryland Baltimore County. In 1988, he earned his J.D. with honors from the University of Maryland Law School. During his tenure in the Maryland General Assembly, Mr. Kittleman was known as a bipartisan leader and tireless advocate for many legislative causes, including strengthening Maryland public schools, stimulating economic growth and increasing transparency in government.

Diane Wilson was appointed Chief of Staff to Howard County Executive Allan Kittleman on December 2, 2014. Before being appointed Chief of Staff, Ms. Wilson served as Senator Kittleman's Legislative Assistant, responsible for constituent and legislative issues relating to Howard and Carroll counties. Prior to working for Mr. Kittleman, Ms. Wilson served as Deputy Secretary for the Maryland Department of General Services where she managed a team of more than 600 specialists supporting goals and objectives related to statewide procurement, capital design and construction, acquisition and disposal of real estate, and facilities operations and maintenance of 56 state-owned buildings comprised of 6.5 million square feet of space. Ms. Wilson also served as a Real Estate Specialist for the Federal Emergency Management Agency, where she coordinated the FEMA five-year capital plan on all associated projects for nationwide space expansion in seven of 10 regional offices.

Administrative

Lonnie R. Robbins was appointed Chief Administrative Officer effective January 3, 2007 after serving as Deputy Chief Administrative Officer since 2004. Mr. Robbins has served as both a Senior Assistant County Solicitor and Assistant County Solicitor in the Howard County Office of Law. He has also worked as the procurement advisor for the Maryland State Board of Public Works, Administrator for Maryland State Department of General Services, and executive aide for the Office of Governor Harry R. Hughes. Mr. Robbins received his B.S. degree in Business and Public Administration from the University of Maryland and a J.D. degree from the University of Baltimore. Mr. Robbins is active in Howard County and Maryland State Bar Associations, Leadership Howard County and First Tee of Howard County.

Stanley J. Milesky was appointed Director of Finance effective September 12, 2011. Prior to that date Mr. Milesky was Howard County's Deputy Director of Finance for three years. Mr. Milesky previously served as the City of Baltimore's Chief of the Bureau of Treasury from November 2002 to May 2008. In that capacity, he oversaw all treasury and revenue collection activities on behalf of the City, including the issuance of municipal debt. Mr. Milesky was also employed by the Maryland Department of Transportation for over 33 years, where he served as the Acting Director of Finance and Administration for the Maryland Aviation Administration, and was responsible for financing of the capital expansion at Baltimore/Washington International Airport. During his tenure in the Office of the Secretary of the Maryland Department of Transportation, Mr. Milesky served as the Department's Manager of Cash and Debt Administration, and prior to that, as project director for the implementation of the Department's first comprehensive financial management information system. Mr. Milesky also served as the Director of Administration and Finance for the Maryland State Railroad Administration from 1987 to 1991. Mr. Milesky, a 1969 graduate of Baltimore Polytechnic Institute, earned a Bachelor of Science degree from Towson University in 1978 and in 1981 was awarded a Master of Public Administration degree from the University of Southern California.

Gary W. Kuc was appointed Howard County Solicitor effective July 1, 2015. Prior to that, Mr. Kuc was a Senior Assistant County Solicitor in the Howard County Office of Law for six years, during which time he advised both branches of County government on a variety of subjects, and represented Howard County before federal and State courts and various administrative bodies. Before joining the County's Office of Law, Mr. Kuc was a Senior Assistant Attorney General for the State of Maryland for five years, and handled complex civil litigation in the Civil Division of the Attorney General's Office. Prior to his public service, Mr. Kuc was in private practice, as an associate attorney and then partner at Whiteford, Taylor & Preston, LLP, for seven years, and as an associate attorney at Semmes, Bowen & Semmes for three years. Mr. Kuc also was a law clerk to the Honorable Irma S. Raker, Court of Appeals of Maryland. Mr. Kuc holds a Bachelor of Arts in Political Science, Public Service Emphasis, from the University of California, Santa Barbara, and a Juris Doctor, *Magna Cum Laude*, from the Catholic University of America. He is a member of the Maryland Bar, and is admitted to practice in the federal courts in Maryland and the U.S. Supreme Court.

Dr. Holly Sun became Howard County's Budget Administrator in January 2015. Dr. Sun comes from Prince George's County where she served as Deputy Director of the Office of Management and Budget, overseeing a budget of more than \$3 billion per year. She previously served as Budget Manager of the Maryland National Capital Park and Planning Commission, and has extensive experience managing revenues, operating budgets, and CountyStat. She has a PhD in Public Policy and Public Administration from George Washington University, and a Master in Public Policy from Duke University. She served on the Committee on Governmental Budgeting and Fiscal Policy of the Government Finance Officers Association (GFOA) for six years and is currently a member of the Board of Directors of Maryland GFOA, serving as the national GFOA representative.

Legislative

Dr. Calvin Ball was re-elected in 2014 to his third term serving District Two which includes portions of Columbia, ElkrIDGE, Ellicott City, Hanover and Jessup and currently serves as the Council's Vice Chair as well as the Council's MACo representative tracking and testifying on legislation that has an impact on Howard County while the Maryland General Assembly is in session. He made history in 2006 when elected youngest Council Chairperson in Howard County history. As a community advocate and elected official, Dr. Ball promotes economic and social justice and serves as a champion for all. Since taking office, he helped transition Howard County to a smoke-free community and establish healthier nutritional standards in our County buildings. Dr. Ball is also a strong advocate for revitalizing our older neighborhoods and has promoted innovative programs that reinvest in aging housing stock. He supports our seniors and those wishing to age in place. Dr. Ball is also an environmental stalwart and has sponsored legislation that protects our environment, enhances and encourages renewable energy and reduces our carbon footprint. Recognizing the value of minority-owned, women-owned, and disadvantaged-owned businesses play in our economy, he has supported, encouraged and enhanced MBE opportunities within the County contracting process. He also sponsored legislation establishing a living wage requirement for employees of contractors and subcontractors of Howard County. Building on his legislative leadership, Dr. Ball advocated for equal opportunities for hiring and promotion practices for women and minorities in Howard County. He established the first Money Matters Fair in Howard County, empowering residents make smart financial decisions and invest wisely. He initiated the first Men's Health & FitnessFest, promoting health and wellness in Howard County and established a partnership to host a Hope for Homeless 5k, where proceeds benefited our local Day Resource Center, managed by Grassroots and helps end homelessness. Overall, Dr. Ball remains dedicated to making our community a better, brighter place for future generations. Dr. Ball has been honored with numerous awards including: 2016 Richard C. McCauley Transformative Leader Award, the Michaeline R. Fedder Award for Public Health Legislator of 2015, the Marilyn J. Praisner Public Service Award, Daily Record's 2014 Very Important Professionals Successful by 40 Award, William Donald Schaeffer Helping People Award, Louis Goldstein Award for Democratic Spirit, the Kittleman Award for Legislative Leadership, and the Community Champion of the Year Award. Dr. Ball earned a Bachelor of Arts in Philosophy and Religion from Towson State University, a Master of Arts in Legal and Ethical Studies from the University of Baltimore, where he was nominated for the Spirit of Excellence Award, and a Doctor of Education from Morgan State University. He and his wife, Shani D. Ball, R.N., B.S.N., are the proud parents of two children who attend our Howard County Public Schools.

Greg Fox was elected to represent the 5th district (encompassing most of the western and southern portions of Howard County) in 2006. He served as Chairman of the Board of Licensed Commissioners from 2006 until 2009 and again from 2011 to 2015. Since 2008, he has also served on the National Association of Counties' Energy, Environment and Land Use Steering Committee and Energy Subcommittee. Greg Fox has been a resident of Howard County since 1990 where he has been active in various community activities including working for five years on the Howard County Public Works Board (the final year as vice-chair), participating as a member of the Howard County Task Force on Childcare, acting as spokesperson and moderator for the Take-A-Step Food Allergy Network, serving as Vice-President of the Howard County Republican Club, Board of Trustees for the National Children's Museum, coaching soccer, and being a member of the PTA at his children's schools. Greg is the Manager of Strategic Initiatives for Energy Solutions at Constellation. Currently, he focuses on Constellation's partnership with the NHL, efficiency and strategic opportunities for Constellation's national accounts and working with Constellation Technology Ventures group to commercialize product offerings. During his more than 27 years at Constellation Energy he has worked on developing utility conservation and load management programs, was instrumental in the development of a district cooling system that utilizes ice thermal storage, developed numerous energy conservation projects and approximately 20 MW of solar projects including the largest one at the time in Maryland (i.e., Maryland Clean Horizons – 16.1 MW at Mount Saint Mary's University), was key in the effort to securing the largest direct wind energy purchase by a local government entity (Washington Suburban Sanitary Commission) and was the lead developer in the first solar project for the State of Maryland Government utilizing a power purchase agreement. He received his mechanical engineering degree from Georgia Tech and his MBA Fellows from Loyola College of

Maryland's Executive Program where he was inducted into the Beta Gamma Sigma Honor Society for business students. Greg is a graduate of Leadership Howard County's Class of 2006 and a 2009 Graduate of the University of Maryland's Academy of Excellence in Local Governance. Greg's wife, Ilene, has been a public school teacher for 27 years and recently retired from her time as a Sunday school teacher after more than 20 years. They reside in Fulton. Their daughter, Delaney, is a junior at the University of Georgia and their son, Dylan, is a freshman at Georgia Tech.

Mary Kay Sigaty was re-elected to represent District 4 on the Howard County Council in November 2014. A Columbia resident since 1972, Mary Kay Sigaty has a long history of community involvement that currently includes serving as the Patuxent River Commissioner for Howard County and a former member of the Maryland State Department of Education's Fine Arts Education Advisory Panel. As a County Council member, she has had the honor to serve as the Chair of the Council, the Zoning Board and the Board of License Commissioners. She has also worked on issues ranging from youth involvement in local government to housing affordability, a living wage for Howard County workers to environmental sustainability and redevelopment of Downtown Columbia and Columbia's Village Centers. Mary Kay's past community involvement includes serving on the Howard County Board of Education, the Wilde Lake Village Board, the County Executive's Spending Affordability Committee, the National School Board Association's Federal Relations Network, as a director for the League of Women Voters, an advisory board member of the Women's Giving Circle of Howard County and as a member of the School Improvement Teams at Bryant Woods Elementary, Wilde Lake Middle and Wilde Lake High. Throughout this time, she has worked as an artist in the community, running a small business and participating as an Artist-in Residence for the Howard County Public Schools, teaching at the Columbia Center for the Arts and volunteering with the theatre departments at Wilde Lake and Marriotts Ridge High Schools. Her first career was in education. It included teaching at the Running Brook Children's Nursery in Columbia, the National Child Research Center in Washington and the Park School in Brooklandville. Mary Kay earned her undergraduate degree from Boston College and certification in Early Childhood Education from Towson University. She has a Masters Degree from Johns Hopkins University. She lives in Wilde Lake with her husband, Tom Graham. They have two daughters, who are both graduates of Wilde Lake High School.

Jen Terrasa was elected to the Howard County Council in November 2006 to represent Howard County's Third District, which includes Allview, North Laurel, Savage, Guilford, and portions of Jessup as well as the villages of Kings Contrivance and Owen Brown in Columbia. As a product of Howard County Public Schools and a resident of Howard County for over 40 years, Jen is deeply rooted in the community and genuinely committed to its future, having served the community in a number of roles. Before being elected to the Howard County Council, Jen was a community advocate, President of her homeowner's association, Vice-Chair and member of the Kings Contrivance Village Board, a member of the Howard County Planning Board, a family law attorney for The Women's Law Center of Maryland, and an adjunct professor at the University of Baltimore Law School. Jen served as a member of the Governor's Bicycle and Pedestrian Advisory Committee from 2012 to 2015, and has been a member of the Maryland Association of Counties Legislative Committee since 2006. A graduate of Oakland Mills High School, she holds a B.A. in Sociology from the University of Maryland at College Park and a J.D. from the University of Baltimore School of Law. Jen is proud to raise her three children, Tony, Kelsey and Joey in Howard County, where they can experience a vibrant quality of life in a diverse community. Jen is particularly proud of her work to help make Howard County a great place for families.

Jon Weinstein Chair, County Council, Howard County, representing District 1, since December 5, 2016 (vice-chair, Dec. 1, 2014 to Dec. 5, 2016). Member, Spending Affordability Advisory Committee, Howard County, 2008-10. Member, Board of License Commissioners, Howard County, 2014-; Zoning Board, Howard County, 2014-. Born in Bethpage, New York, October 28, 1967. Boston University, B.A. (international relations), 1989; American University, M.A. (international affairs), 1991. Served in U. S. Army Reserve, 1990-93. Program analyst, Advanced Marine Enterprises, 1991-96. Director, Business Engineering Services Team, Nichols Research Corporation, 1991-98. Vice-President, Canal Bridge Consulting, 1998-2003; CentreTEK Solutions, 2003-04. Executive consultant, InterImage, 2004-05. President and Founder, Line of Sight, LLC, 2005-. Volunteer, Hugh O'Brian Youth Foundation, 1983-2003, 2009-; Association of Change Management Professionals, 2011. Human Resources Development Advisory Board, McDaniel College, 2007-10. Volunteer coach and manager, Howard County Youth Programs, 2003-09. Advisory Board, Legacy Project, HopeWorks of Howard County, 2014-. Co-author, *Achieving Project Management Success in the Federal Government*, Management Concepts, April 2010; *The Government Manager's Guide to Project Management*, Management Concepts, Aug. 2013. Robert H. Kittleman Award for Legislative Leadership, Howard County Association for Realtors, 2016. Married; two sons.

Craig Glendenning was appointed County Auditor effective September 4, 2012. Mr. Glendenning was previously the Assistant County Auditor with the Anne Arundel County Auditor's Office, and prior to that time held positions within the Maryland State Office of Legislative Audits. Mr. Glendenning is a Certified Public Accountant in the State of Maryland, and is a member of the Maryland Government Finance Officers Association, the American Institute of Certified Public Accountants, the Institute of Internal Auditors, and the Association of Local Government Auditors. Mr. Glendenning has more than 20 years of governmental auditing experience.

Education

Dr. Renee A. Foose was named superintendent of the Howard County Public School System on July 1, 2012. She leads a school district with more than 55,600 students, 8,200 employees, and 83 schools and facilities; and manages a \$808.4 million budget.

Dr. Foose has spent the past two decades serving the state of Maryland, including 15 years in Maryland public schools. Before joining HCPSS, Dr. Foose served in various leadership roles in both Baltimore and Montgomery counties including Deputy Superintendent, Associate Superintendent, Director of School Performance, Principal, and Assistant Principal. She also served as a school administrator in Washington and Frederick Counties, and began her career as a high school science teacher. Before beginning her career in education, Dr. Foose proudly served as a Maryland State Trooper for six years. Dr. Foose earned a doctorate of education at the University of Delaware, a Master of Business Administration and Master of Science from Loyola University, and a Bachelor of Science from Towson University. A frequent speaker and contributor to the national educational dialogue, Dr. Foose has been named a Maryland Innovator of the Year by the Daily Record and selected for its Most Admired CEO award. She was also identified as one of "50 Women to Watch" by The Baltimore Sun and earned the Brava! Award from SmartCEO.

Responsibilities and Services

County and Board of Education Employees

The following table presents the number of County (including Library, Community College and Housing Commission) and Board of Education full-time and permanent part-time employees for the last five fiscal years as authorized in the County budget.

County and Board of Education Employees				
Fiscal Year	Public Safety	Other County	Board of Education	Total
2017	1,298	2,676	7,826	11,799
2016	1,285	2,629	7,710	11,623
2015	1,296	2,622	7,693	11,611
2014	1,262	2,514	7,666	11,442
2013	1,267	2,407	7,553	11,227

The County has experienced no work stoppages due to labor difficulties and considers its relationship with employees to be satisfactory. The County currently has collective bargaining with the following exclusive representatives and their bargaining units: (1) American Federation of State, County and Municipal Employees ("AFSCME"), which represents correctional officers and correctional dietary officers of the County's Detention Center (Local 3080), a separate local representing blue collar workers of various County departments (Local 3085), Local 3888 representing blue collar supervisors of various County departments, and Local 1810 which represents employees in specific clerical and white collar classifications of various County departments; (2) International Association of Firefighters Local 2000, representing firefighters below the rank of captain; (3) Howard County Police Officers' Association Lodge 21, representing sworn police officers below the rank of sergeant; (4) Howard County Police Supervisors' Association Lodge 143, representing sergeants, and (5) Howard County Public Safety Dispatchers Association, which represents 911 dispatchers. The County has successfully negotiated contracts with unions which will expire on June 30, 2018 (Dispatchers, Local 3080, Local 3085, Local 3888 and Local 1810). Lodge 21, Lodge 143, and Local 2000 have extended collective bargaining agreements through June 30, 2017 and are currently in the process of negotiations for fiscal year 2018.

Most Board of Education employees are represented by a bargaining unit. The Howard County Education Association, affiliated with the Maryland State Education Association and the National Education Association, represents teachers and other certificated non-supervisory personnel. The Howard County Education Association-Education Support Professionals (“HCEA ESP”) represents non-certificated non-supervisory personnel such as clerical, secretarial, instructional, student, food and nutrition service, health, and security assistants, educational interpreters, registered nurses and central office technical staff. The American Federation of State, County and Municipal Employees (AFSCME - Local 1899) represents non-certificated non-supervisory personnel such as custodial, grounds, maintenance and warehouse staff. The Howard County Administrators Association (HCAA) represents certificated supervisory personnel such as school-based administrators, leadership interns, athletics and activities managers, and instructional facilitators.

Board of Education of Howard County

The Board of Education is a Component Unit of the County. The educational policies, procedures and programs of the public schools in the County are the responsibility of the Board of Education, a seven-member elected body, working with the County Superintendent of Schools appointed by the Board of Education. The County program is governed by the State Board of Education. Daily functions within the schools are the responsibility of the County Superintendent of Schools and her staff.

For the 2016-2017 school year, the Board of Education exercised responsibility for 41 elementary schools, 20 middle schools, 12 high schools, and three education centers that accommodate approximately 55,600 students. The teacher-to-student ratio is presented in the following table.

Teacher to Student Ratio	
Kindergarten	1 professional to 22 students
Grades 1-2	1 professional to 20 students
Grades 3-5	1 professional to 26 students
Middle school	1 professional to 21 students
High school	1.4 professional to 28 students

The mission of the Howard County Public School System is to cultivate a vibrant learning community that prepares students to thrive in a dynamic world. The HCPSS vision is that every student is inspired to learn and empowered to excel. The mission and vision are supported by four goals: that (1) every student achieves academic excellence in an inspiring, engaging, and supportive environment; (2) every staff member is engaged, supported, and successful; (3) families and the community are engaged and supported as partners in education, and (4) schools are supported by world-class organizational practices. The public school system in the County offers a comprehensive education program, kindergarten through grade 12, with pre-kindergarten programs available in some schools. Academic support services and gifted programs are available in all schools and in all grades. Career Academies providing advanced learning opportunities spanning 20 career fields are offered in every high school and at a centralized academy center. Special education services are provided for identified students from birth through age 21.

Howard Community College

Howard Community College is a public community college serving nearly 30,000 credit and noncredit students at its main campus in Columbia, Maryland, and in other locations. Since 1970, the college has been helping build the workforce of the future by educating the students who will contribute to the businesses and organizations within Howard County.

Howard Community College offers associate degrees and certificates built around such academic areas as arts, humanities, health sciences, engineering, business, and cybersecurity. With an associate degree or related coursework, students have the opportunity to transfer to a four-year college or university to complete a baccalaureate degree. In addition, students can attend the college to sharpen job skills, prepare for a new career, pursue professional

training, or explore personal interests. The college offers flexible scheduling with day, evening, and weekend courses, as well as online, hybrid, and accelerated learning formats.

Howard Community College is governed by a board of trustees appointed by the Governor of Maryland. The College is a component unit of the County. For FY17, the college's unrestricted budget reflects the following sources: 38 percent from tuition and fees, 28 percent from the County, 15 percent from the State, and 19 percent from auxiliary operations and other sources. The college is a Component Unit of the County.

Howard County Library System

An educational institution and allied agency alongside Howard County Public School System and Howard Community College, Howard County Library System (HCLS) delivers high-quality public education for all ages. HCLS' curriculum comprises three pillars: (1) Self-Directed Education through a collection of one million items in print, audio and electronic formats, and thousands of specialized online research tools, (2) Research Assistance & Instruction for individuals and groups through classes taught by HCLS instructors and, (3) Instructive & Enlightening Experiences through cultural and community center concepts; partnerships such as A+ Partners in Education, Choose Civility, Well & Wise; and signature events including notable author appearances, HCLS Spelling Bee, Battle of the Books, and HiTech, HCLS' STEM education initiative.

A component unit of the County, HCLS is governed by a seven-member Board of Trustees. The HCLS Board forwards nominees to the County Executive, who appoints Trustees subject to approval by the County Council. HCLS' Operating Budget is funded by the County (89%), HCLS/grants (7%), and the Maryland State Department of Education (4%). Capital projects are funded chiefly by the County, supplemented with grant funding from the Maryland State Department of Education.

Students of all ages, means and backgrounds visited HCLS' six branches 2.2 million times in FY16 to borrow 7.9 million items and conduct research. Attendance at HCLS' classes and events totaled 308,000, and research assistance interactions reached 2 million. A recognized leader in the state and nation for excellence in education for all, HCLS' per capita borrowing stands in the top 10 nationally.

Public Safety

The County Department of Police, administered by the Chief of Police, is responsible for enforcing State and County laws, rules, and regulations. The Police Department employs 665 persons (which includes 471 sworn officers, 194 civilian employees, 34 school crossing guards) and has a fleet of 538 vehicles utilized by sworn and civilian employees. These vehicles include: two armored personnel carriers, one command post, six motorcycles, two electric motorcycles, two tactical support vehicles, a bus and a helicopter. The number of officers per 1,000 residents is approximately 1.5. Additionally, the Department has 11 Volunteer Auxiliary Officers and 8 Volunteer Mounted Horse Patrol (non-sworn).

Howard County Department of Fire and Rescue Services partners highly-trained career and volunteer personnel to provide 24/7 emergency services to citizens, businesses and visitors in and around Howard County at the direction of a Chief who is appointed by the County Executive. These services include fire suppression and investigation, emergency medical service (both basic and advanced life support) technical rescue and hazardous materials mitigation. The Department operates from 12 stations located throughout the County, seven of which are also home to the County's six volunteer corporations.

In 2016, the Department responded to nearly 35,000 incidents, approximately 75% of which were medical calls. In addition, the Department has developed and manages a wide variety of community risk reduction programs that include a localized Fire Code, commercial and residential fire and life safety inspection services, a highly-successful community CPR program which includes curriculum in the public school system, a newly implemented Bleeding Control program, a Crowd Manager program, a 'Safety House' elementary education fire prevention program, and a targeted fire and fall safety program for seniors.

The Department is also designated by County Code as the lead agency for the provision of county-wide emergency management planning, preparedness, and response, which it does through the Office of Emergency Management.

Planning and Zoning

The Howard County Department of Planning and Zoning is responsible for comprehensive planning for growth, development and conservation in the County. To accomplish this, the Department is involved in diverse activities: comprehensive planning for growth management; preparation of growth projection and plans for public services; enhancement of existing communities and redevelopment of older commercial-industrial areas; agricultural and historic preservation, environmental planning; and regulation of development through the administration of zoning and subdivision regulations.

The County's General Plan, *PlanHoward 2030*, adopted in 2012, focuses on sustainability in terms of our environment, our economy and quality of life in our communities. *PlanHoward 2030* retains and builds on the strong growth management system that was adopted following the 1990 General Plan.

The rural western 60 percent of the County is zoned to protect agricultural and environmental resources, promote the agricultural economy, and cluster limited residential development. In the urban, eastern 40 percent of the County, policies encourage higher intensity employment and mixed-use redevelopment of Downtown Columbia and the U.S. Route 1 and Route 40 corridors, and increased multi-family housing. Moderate income housing is required in residential zoning districts. Mixed-use zoning on Route 1 has stimulated nine pioneer developments with over 4,000 units of housing, as well as commercial uses. To create an urban center for the County, the Downtown Columbia plan promotes redevelopment of parking lots and other underutilized land to add 5,500 new residences, 600 new hotel rooms, 1.25 million square feet of retail and 4.3 million square feet of office space.

Adequate Public Facilities regulations, adopted in 1992, require the testing of proposed development for adequacy of schools and roads as a condition of plan approval. Milestones, incorporated into the legislation, require properties to move in an orderly and predictable manner through the development process. The County, in turn, adopts a six-year plan for its infrastructure, particularly schools and roads, to serve this pace of development. Based on the *PlanHoward 2030* and the County's Adequate Public Facilities legislation, residential development outside of Downtown Columbia is restricted to 1,850 units per year. A cap of 100 units per year limits rural subdivision, combined with an ambitious agricultural land preservation program, redirects rural growth pressure into the County's eastern Planned Service Area for Public Water and Sewer. The County has numerous community planning and corridor revitalization initiatives underway to maintain the quality of life and property values in older residential neighborhoods, as well as promoting revitalization and redevelopment of older corridors and commercial centers.

As the transition from greenfield development to grayfield redevelopment continues, the County will be refining policies and developing new strategies for accommodating continuing business and housing growth in ways that sustain and enhance our quality of life, our economy and our natural and built environments.

Recreation & Parks

The County Department of Recreation & Parks, administered by its Director, is responsible for the organization and conduct of recreational programs and the development and operation of parks and other recreational facilities in the County. County parks and programs are estimated to serve over two million visitors each year. In 2012 the County's Land Preservation and Recreation Plan was completed and adopted by the County Council and the County Executive. The Plan will be updated and completed in June 2017. The plan surveys current and expected needs for park facilities and recreation programs, outlines goals and offers strategies for implementation. Land acquisition for recreation areas and natural resource preservation is a critical element of the Plan. Land is purchased using federal, state and local dollars. The County Department of Recreation & Parks currently manages over 9,378 acres of land, three community centers, an athletic center, a nature center, an 18-hole golf course, an indoor pool and 26 historic sites. The Department is one of only 153 Recreation and Parks agencies accredited through the National Recreation and Parks Association's Commission for Accreditation of Park and Recreation Agencies.

Community Resources and Services

As the human service arm of County Government, the Department of Community Resources and Services, consists of the Office of ADA Coordination, Office on Aging and Independence, Office of Children and Families, Office of Local Children's Board, Office of Consumer Protection, Office of Community Partnerships and the Office of Veterans and Military Families. It serves as the lead agency for the county's Continuum of Care for homeless services; manages the Community Service Partnership program, which provides county funding to non-profit human service agencies;

and administers federal, state and private source grants that support services to individuals and families in the community, including older adults, youth and homeless persons. The Department also serves as the lead agency for mass care and shelter, and manages donations in the events of disaster. In collaboration with local private and public agencies, it plays an integral role in strengthening the effectiveness and efficiency of the county's overall human service delivery system. Staff support is provided to the Board to Promote Self-Sufficiency, Commission on Aging and Independence, Commission on Disability Issues, Commission for Women, Consumer Affairs Advisory Board, Local Children's Board, Transition Council, Human Trafficking Coordinating Council and the Veterans Commission.

Public Works

The County Department of Public Works, administered by its Director through five bureaus, is responsible for the programming, design, construction, operation and maintenance of public works facilities in accordance with the County's General Plan. The department also provides for the administration, enforcement and inspection of site development construction activities.

The Bureau of Engineering is responsible for the design, inspection and construction of public works projects. The bureau also prepares engineering water and sewer plans and develops and implements the water and sewer program in the County capital budget. The Bureau of Engineering also acts as the County's agent in all functions related to the construction of roads, bridges, water, sewer, storm drainage, traffic control and underground private utilities in the public right of way. This Bureau has been designated the responsibility of ensuring that Public Works' projects are constructed according to standards established by Howard County. These projects include both developer and capital type facilities such as storm drains, water systems, sewer facilities, roadways and public parks. The Bureau manages all Underground Utility Permits and is the enforcement authority under the Grading Permits for erosion and sediment control.

The Bureau of Facilities is responsible for maintaining the daily operations of all County-owned facilities which fall under the direction of the Director of Public Works. This responsibility includes building service and maintenance, technical expertise in the development of new facilities, control of energy use and costs, control of building service contracts, i.e. custodial services and corresponding costs to the County, and providing security guards and systems where necessary.

The Bureau of Highways is responsible for maintenance and repair of all County-owned roadways, bridges, drainage facilities, and other public roadway infrastructure. The bureau responsibilities also include tree care, snow removal, traffic signals operation and street signs.

The Bureau of Utilities is responsible for the operation, maintenance and construction of the County's water and sewer system within the Metropolitan District and Shared Sewerage Disposal Facilities. This bureau is operated as a public utility and is financially a self-supporting operation. Financial information regarding the system is shown under "Financial Information, Water and Sewer Enterprise Fund" herein.

The Bureau of Environmental Services is responsible for an integrated solid waste management system and watershed management efforts in accordance with local, state, and federal laws. The integrated solid waste management system includes curbside trash and recycling collection; the County's Alpha Ridge Solid Waste Management Center including the landfill, transfer station, residential drop-off center, and recycling center; and the contracts associated with the collections, processing, and disposal of the solid waste and recyclables. The watershed management program includes inspection and oversight of maintenance of existing stormwater management facilities, floodplain studies, an illicit discharge elimination program, stream restorations, and retrofitting stormwater management facilities. All programs include education and outreach.

Water and Sewer System

The Metropolitan District is located in the eastern part of the County and encompasses over one third of the County's area. It functions as a single sanitary district for both water and sewer purposes. The County provides water and sewer services to 98.9 percent of the County residents located in areas of heavy residential and commercial population within the Metropolitan District. Little public water or sewer service is provided to County residents residing outside the Metropolitan District.

The County neither owns nor operates any water supply treatment facilities. Instead, it has entered into agreements with the City of Baltimore and the Washington Suburban Sanitary Commission for the purchase of water. The County

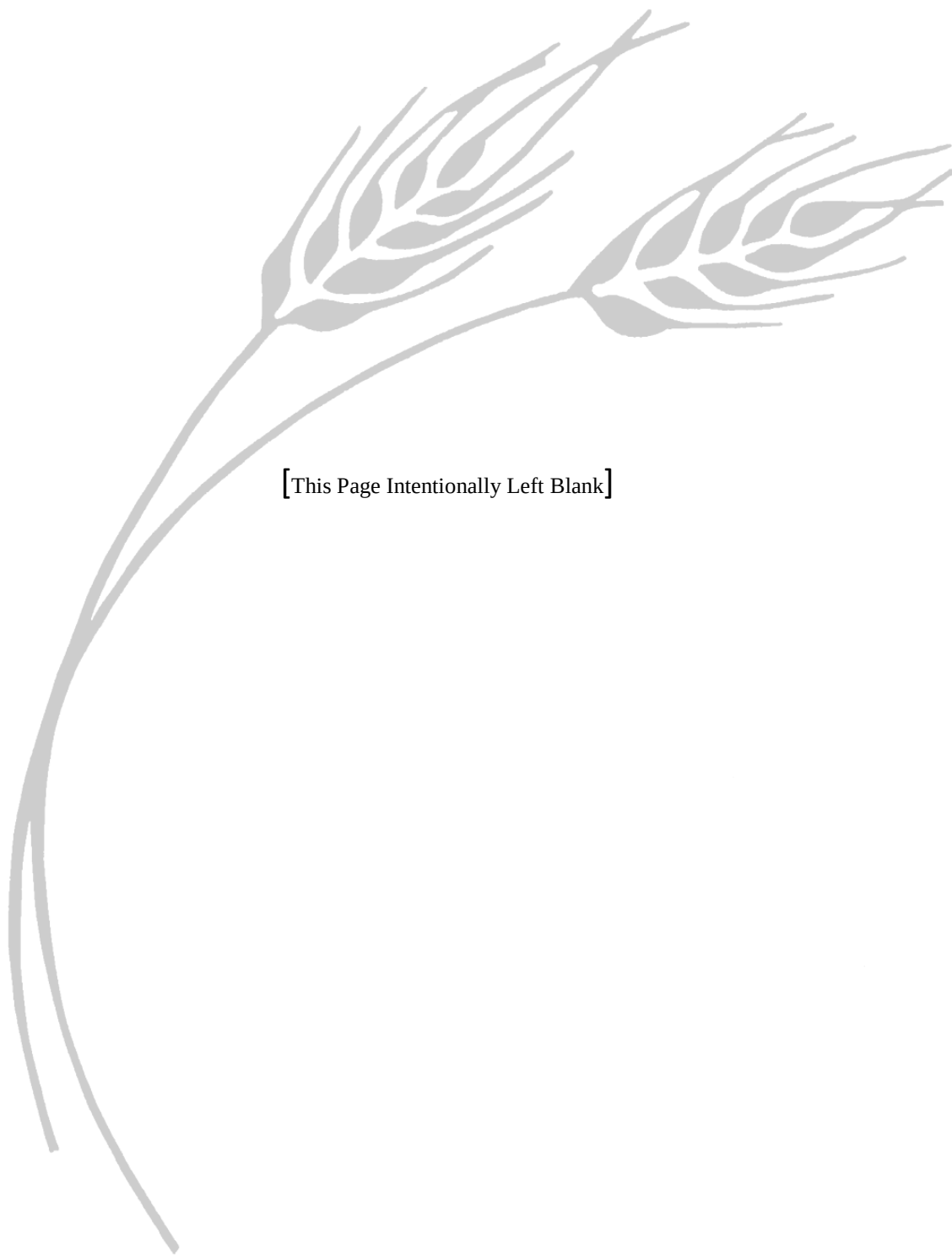
purchases 90 percent of its potable water from Baltimore City and 10 percent from the Washington Suburban Sanitary Commission. Commitments from the County’s water suppliers total over 41.5 million gallons per day (mgd) average daily flow and 55.5 mgd maximum daily flow. Improvements to the distribution system and storage facilities are under construction or included in the capital program in order to increase the service area within the Metropolitan District. A joint effort is under way to provide additional water to the County from its water suppliers. While the County’s water system is being expanded to meet future demands, the County Department of Public Works closely monitors its water capacity.

The County is located in and served by two major watersheds: the Patapsco River watershed and the Patuxent River watershed. The sewer system is designed so that sewage from the northeastern part of the Metropolitan District flows into the Patapsco River watershed through four connections that lead to the Patapsco Treatment Plant in Baltimore City. Sewage from the southwestern part of the Metropolitan District flows into the Patuxent River watershed to the Little Patuxent Water Reclamation Plant. The latter plant is located east of the community of Savage in the County, and provides tertiary treatment. A \$100+ million expansion/upgrade to the Little Patuxent Water Reclamation Plant was completed in 2012. The following table summarizes the overall sewage treatment capacity for the County:

County Sewage Treatment Capacity

Watershed	Current Flow (mgd)	Current Treatment Capacity (mgd)	Projected Treatment Capacity (mgd)
Patuxent	20.6	29.0	29.0
Patapsco	6.1	11.6	12.4

The County’s rate of development requires effective management of the allocation of water and sewer capacity. The County policy allocates service on a “first-come, first-served” basis. This policy commits capacity only to parcels ready to be developed, allowing more orderly development with known allocation priorities and recovery of costs in a more orderly and timely manner. All County sewage treatment facilities meet current State Department of the Environment standards, and State approval is being obtained for the sewage treatment facility expansion.

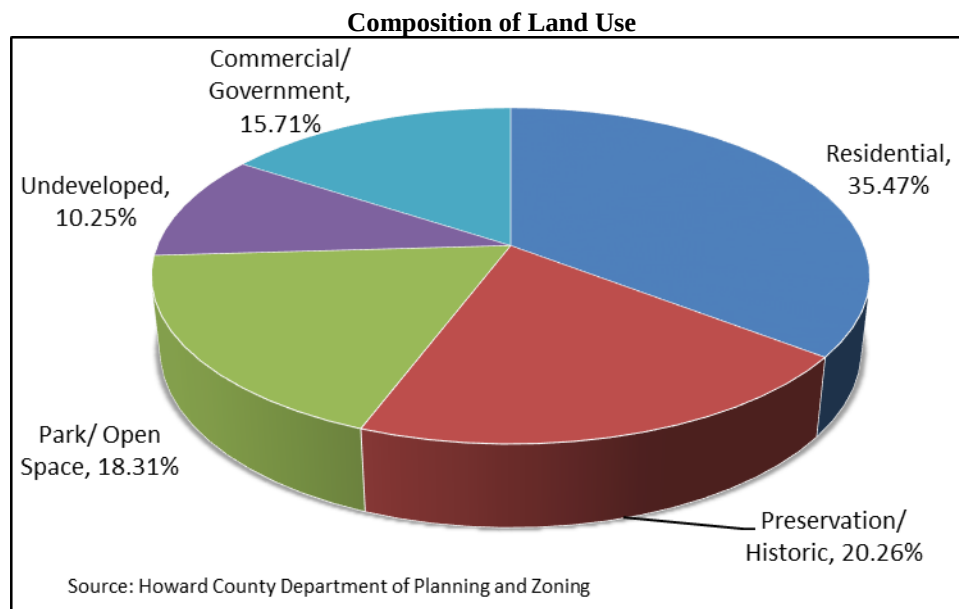


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Economy and Demography

Size and Land Use

The County is 251 square miles in area, making it the second smallest in the State. The chart below presents the composition of land use in the County as of September 30, 2016.



Population

The County experienced rapid population growth beginning in the late 1960s with the development of the new town of Columbia. The rate of growth has slowed over the last decade with the maturation of Columbia. The County's population density has increased from 247 persons per square mile in 1970 to 1,249 per square mile in 2015. The following table presents data on the population of the County and the State in the years 1970, 1980, 1990, 2000, 2010, and 2015.

Population				
	Howard County	County Density Per Square Mile	State of Maryland	County as % of State
2015	313,414	1,249	6,006,401	5.2
2010	287,085	1,144	5,773,552	5.0
2000	247,842	987	5,296,486	4.7
1990	187,328	746	4,781,468	3.9
1980	118,570	472	4,216,446	2.8
1970	61,910	247	3,923,897	1.6

Source: Maryland State Data Center, Department of Planning

A large part of the County's recent growth has been the result of domestic and international migration. The following table presents population growth by component of change for selected larger counties and the State from 2006 to 2015. Compared to the counties listed and the State, Howard County has had the greatest percentage increase in population.

Net Migration

Place of Residence	2006 to 2015				Total Population		
	Natural Increase	Domestic Migration	International Migration	Total	2006	2015	Percent Change
Howard County	17,174	11,442	13,005	41,621	271,793	313,414	15.3%
Anne Arundel County	34,146	2,294	10,057	46,497	517,698	564,195	9.0%
Baltimore County	23,119	(12,269)	26,545	37,395	793,733	831,128	4.7%
Montgomery County	67,331	(48,230)	94,523	113,624	926,492	1,040,116	12.3%
Prince George's County	81,607	(79,545)	55,376	57,438	852,097	909,535	6.7%
State of Maryland	299,367	(157,232)	236,899	379,034	5,627,367	6,006,401	6.7%

Source: U.S. Department of Commerce, Bureau of Census, Population Division

The following table presents data on the age and sex composition of the County's population for the years 2006 and 2015.

Age and Sex Distribution

2006					2015				
Age Group	Male	%	Female	%	Age Group	Male	%	Female	%
Under 5	9,236	6.9%	8,316	6.0%	Under 5	9,248	6.2%	8,833	5.7%
5-19	29,850	22.3%	28,966	20.9%	5-19	33,560	22.5%	31,456	20.3%
19-44	46,984	35.1%	48,785	35.2%	19-44	47,879	32.1%	49,896	32.2%
45-64	37,614	28.1%	39,361	28.4%	45-64	42,510	28.5%	45,093	29.1%
Over 65	10,173	7.6%	13,166	9.5%	Over 65	15,960	10.7%	19,680	12.7%
Total*	133,858	100.0%	138,594	100.0%	Total*	149,157	100.0%	154,958	100.0%

*May not total 100 due to margin of error

Source: U.S. Department of Commerce, Bureau of the Census, American Community Survey, 2011 - 2015

Education

Students in the County's schools consistently perform better in State-wide functional tests than most of their peers. The following table presents the percentage of proficiency or better for eighth graders in reading comprehension, mathematics and science in selected counties and the State for the 2016 school year.

Eighth Grade Scores in Comprehensive Tests of Basic Skills

Tests	Howard County	Anne Arundel County	Baltimore County	Montgomery County	Prince George's County	State of Maryland
English	91.5	86.2	80.9	85.7	68.8	80.9
Algebra	94.4	90.2	82.6	89.5	67.2	83.7
Science	78.4	76.0	63.1	71.1	48.9	65.0

Source: Maryland Department of Education, 2016 Maryland Report Card

The following table presents comparative figures concerning the number of County public high school graduates in recent years and their plans for additional education.

Plans of Public High School Graduates				
Year of Graduation	Total Number of Graduates	Continuing Education ⁽¹⁾	Entering Workforce ⁽²⁾	Other ⁽³⁾
2016	3,764	92.60 %	4.74 %	2.66 %
2015	3,980	93.62 %	6.30 %	0.08 %
2014	3,867	92.40 %	5.01 %	2.59 %
2013	3,374	93.51 %	3.53 %	2.96 %
2012	3,374	93.51 %	3.53 %	2.96 %

Source: Maryland Department of Education, 2012 - 2016 Maryland Report Cards
 (1) Includes full-time college, trade and business school.
 (2) Includes military.
 (3) Includes non-respondents.

The County's residents are among the best educated in the region. The following table presents the percentage of residents who are high school graduates or higher and college graduates or higher.

County	% High School Graduate or Higher	% College Graduate or Higher
Howard County, Maryland	95.2	60.6
Anne Arundel County, Maryland	91.6	38.3
Baltimore County, Maryland	90.6	36.6
Montgomery County, Maryland	91.2	57.9
Prince George's County, Maryland	85.6	31.1
State of Maryland	89.4	37.9
United States	86.7	29.8

Source: U.S. Department of Commerce, Bureau of Census, American Community Survey, 2011 - 2015

The County consistently spends more per pupil on its students than school systems in most other parts of the State. The following table presents the budgeted expenses per pupil in the public schools in selected counties and the State for the indicated school years.

Budgeted Expenses Per Pupil						
School Year	Howard County	Anne Arundel County	Baltimore County	Montgomery County	Prince George's County	State of Maryland
2014-2015	\$ 14,345	\$ 12,198	\$ 12,405	\$ 13,994	\$ 13,350	\$ 13,036
2013-2014	14,025	12,178	12,323	14,012	12,880	12,893
2012-2013	13,622	11,860	12,179	13,865	12,911	12,685
2011-2012	13,431	11,630	11,861	13,525	12,292	12,410
2010-2011	13,530	11,710	12,084	13,874	12,314	12,491
2009-2010	13,181	11,522	12,161	14,159	12,641	12,437
2008-2009	13,329	11,484	11,515	14,067	12,476	12,268

Source: Maryland Department of Education, Fact book

Income

The County's median household income is the highest in Maryland and third highest in the nation. The following table presents the median household income for selected counties in the State in 2015.

Median Household Income	
Howard County	\$ 110,238
Anne Arundel County	89,860
Baltimore County	67,095
Montgomery County	99,435
Prince George's County	74,260

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

The following table presents the top 10 affluent counties in the nation by their national ranking for median household income.

National Rankings by Median Household Income		
Rank	County, State	Median Household Income
1	Loudoun County, Virginia	\$ 123,453
2	Fairfax County, Virginia	112,552
3	Howard County, Maryland	110,238
4	Arlington County, Virginia	105,763
5	Hunterdon County, New Jersey	105,444
6	Douglas County, Colorado	102,964
7	Somerset County, New Jersey	100,667
8	Morris County, New Jersey	100,214
9	Nassau County, New York	99,465
10	Montgomery County, MD	99,435

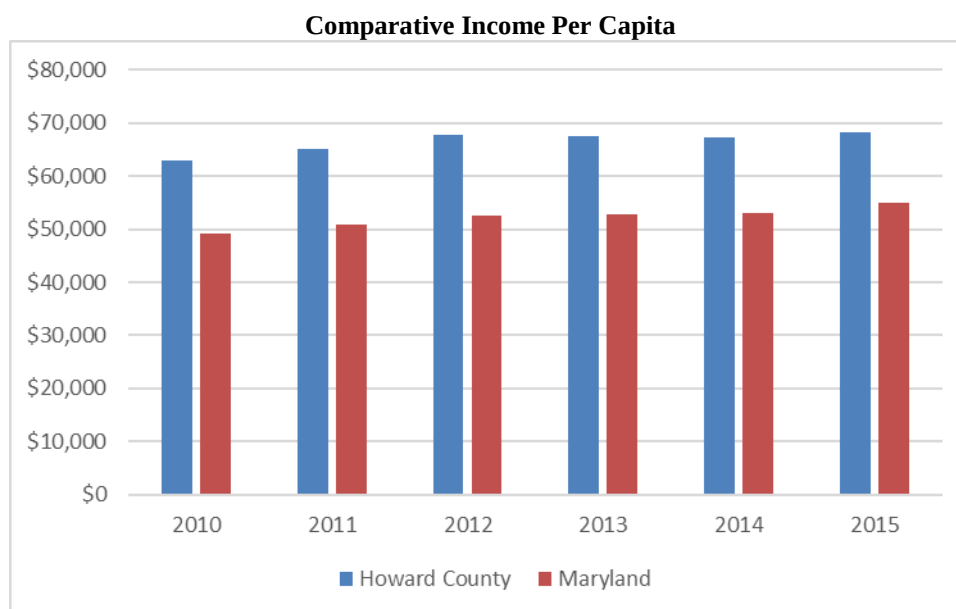
Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

A comparison of County and Maryland personal income for the past five years available is presented in the following table.

Personal Income					
	Howard County Personal Income	Change from Previous Year	Maryland Personal Income	Change from Previous Year	Howard County Proportion
Year	(\$000,000)		(\$000,000)		
2015	21,489	3.6%	329,536	3.7%	6.5%
2014	20,744	0.7%	317,627	1.4%	6.5%
2013	20,600	1.3%	313,265	1.3%	6.6%
2012	20,338	6.1%	309,274	4.3%	6.6%
2011	19,171	5.6%	296,563	4.3%	6.5%

Source: Dr. Richard Clinch, Jacob France Institute

The chart below presents the per capita income for the County and the State from 2010 through 2015.



Source: Maryland Department of Planning, State Data Center

Poverty is less of a problem in the County than in other counties in the Baltimore-Washington metropolitan region. The following table presents the percentage of the population living below the poverty level for selected jurisdictions in 2015.

Population Below Poverty Level	
County	Percentage Below Poverty Level
Howard County	5.2%
Anne Arundel County	5.9%
Baltimore County	9.4%
Montgomery County	6.7%
Prince George's County	9.6%
State of Maryland	10.0%
United States	15.5%

Source: U.S. Department of Commerce, Bureau of the Census, American Community Survey, 2011 - 2015

Housing

The County's housing stock predominately consists of owner-occupied single-family houses. The following table presents the distribution of housing in the County by type of structure as of 2014.

Distribution of Housing by Type		
Type of Structure	Number	Percent
Single-Family	87,642	76.0%
Multi-Family	27,676	24.0%
Total	115,318	100.0%

Source: County Department of Planning and Zoning

The following table presents the average and median sales price of housing in selected counties and the State in calendar year 2016.

Sales Price of Housing		
County	Average Price	Median Price
Howard County	\$426,816	\$387,725
Anne Arundel County	361,780	308,382
Baltimore County	258,558	217,721
Montgomery County	503,261	404,536
Prince George's County	258,157	249,534
Maryland	309,502	267,431

Source: Maryland Association of Realtors, 2016.

The following table presents the distribution of housing by year of construction in selected counties in the State through 2015.

Age of Housing					
County	Year Structure Built				
	1939 or earlier	1940 to 1979	1980 to 1989	1990 to 1999	2000 or later
Howard County	1.6	29.9	26.6	22.6	19.3
Anne Arundel County	5.4	44.4	16.6	17.7	15.8
Baltimore County	8.9	53.0	14.5	13.9	9.7
Montgomery County	4.6	48.4	21.3	12.4	13.2
Prince George's County	4.7	55.5	13.9	13.7	12.2

Source: U.S. Department of Commerce, Bureau of the Census, American Community Survey, 2011-2015

The following table presents data regarding the size of housing in selected counties in the State in 2015.

Size of Housing			
County	Percentage of Housing with		Median Number of Rooms
	Four to Seven Rooms	Eight or More Rooms	
Howard County	48.5%	43.4%	7.0
Anne Arundel County	59.0%	34.7%	6.6
Baltimore County	63.5%	27.7%	6.1
Montgomery County	48.9%	37.7%	6.4
Prince George's County	56.4%	31.5%	6.1

Source: U.S. Department of Commerce, Bureau of the Census, American Community Survey, 2011 - 2015

The following table presents new construction and renovation activity throughout the County from 2011 through 2016, as illustrated by the number of building permits issued and their estimated cost.

Building Permits						
Calendar Year	Commercial		Residential		Non-Taxable	
	Permits Issued	Estimated Construction Cost (000)	Permits Issued	Estimated Construction Cost (000)	Permits Issued	Estimated Construction Cost (000)
2016	748	\$240,854	3,820	\$523,634	16	\$66,562
2015	1,394	294,549	5,943	384,212	50	44,466
2014	1,360	244,937	4,535	362,896	105	37,220
2013	1,520	376,855	5,139	466,243	66	64,788
2012	1,260	194,907	4,347	314,751	77	103,901
2011	880	132,387	3,758	322,021	146	114,492

Source: Howard County Department of Inspections, Licenses and Permits

Economy

Jobs in the County

In the past four decades the County has changed from a farming community into a community of urban, suburban and rural components. This is due, in part, to the County's close proximity to the cities of Washington, D.C. and Baltimore, as well as to the County's active promotion of economic development. The following table presents full- and part-time jobs located in the County and the State, regardless of worker's place of residence. The first segment of the Services category, Trade, Transportation, and Utilities, includes utilities, wholesale and retail, couriers and transit. The fourth, Professional and Business, includes professional and technical services, management and administrative services and waste management and remediation services.

Jobs in County and State

Employment Categories	Howard County		State of Maryland	
	2016	2012	2016	2012
Construction	11,531	9,522	161,189	143,303
Manufacturing	7,806	7,057	103,914	109,068
Natural Resources and Mining	340	769	6,836	6,926
Services				
Trade, Transp. and Utils.	34,975	33,177	458,681	444,972
Information	3,245	3,636	37,466	39,804
Financial Activities	9,806	8,799	139,602	137,521
Professional and Business	45,402	42,608	442,010	409,726
Education and Health	18,255	15,661	424,772	400,436
Leisure and Hospitality	15,741	14,225	280,170	244,213
Other	4,529	4,651	90,962	89,983
Government	17,137	18,877	496,265	488,202
Other	-	-	-	11
Total	168,767	158,982	2,641,867	2,514,165

Source: Maryland Department of Labor, Licensing and Regulation

Workers Living in the County

The following table presents employment statistics, by employee's place of residence, for the County and the State in December of the last five years.

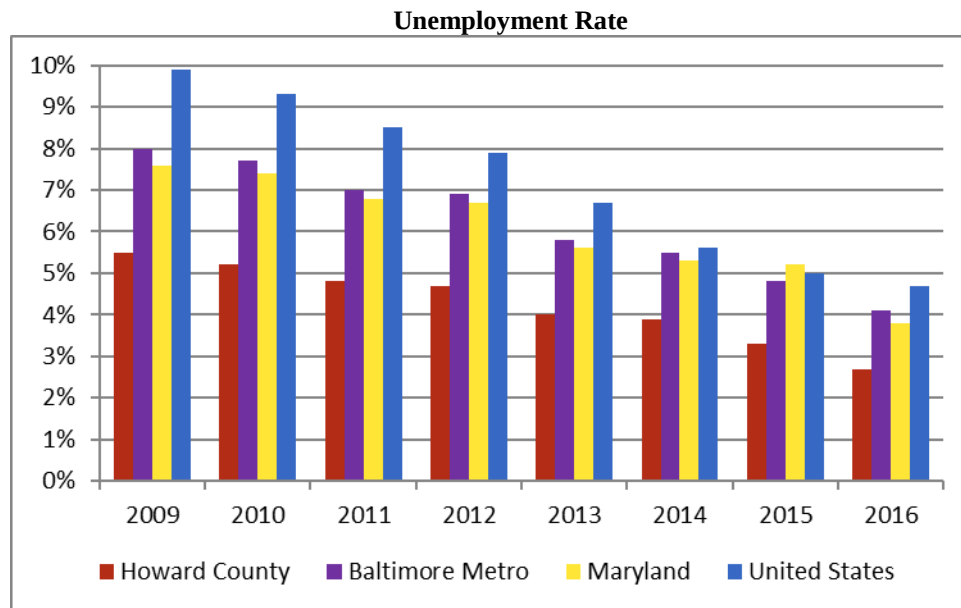
Employment by Residence

Year	Howard County		State of Maryland	
	Employment	Labor Force	Employment	Labor Force
2016	173,212	178,082	3,074,537	3,197,318
2015	169,442	175,173	3,002,586	3,149,196
2014	169,530	176,679	2,921,393	3,095,989
2013	166,458	173,461	2,915,715	3,091,281
2012	161,789	169,778	2,906,738	3,113,457

Source: Maryland Department of Labor, Licensing and Regulation

Unemployment

The chart below compares the unemployment rates in the County in December of the last eight years with the rates in the Baltimore metropolitan region, Maryland and the United States.



Local Firms and Employers

Listed below are the County's ten largest private employers in 2016.

Ten Largest Private employers

Employer	Products or Activities	Employment	
Johns Hopkins University Applied Physics Laboratory	Research & Development Systems Engineering	5,545	3.37%
Howard County General Hospital	Medical Services	1,765	1.07%
Verizon	Telecommunications	1,700	1.03%
Howard Community College	Higher Education	1,400	0.85%
Lorien Health Systems	Nursing Care	1,190	0.72%
W.R. Grace & Co.	HQ/Chemical R&D	1,100	0.67%
Coastal Sunbelt Produce	Produce Processing	1,050	0.64%
Wells Fargo	Securities Administration	840	0.51%
MICROS Systems	HQ/Software Development	810	0.49%
Leidos	Engineering Services	760	0.46%

Source: Maryland Department of Commerce, 2016.

Listed below are representative examples of other major private employers located in the County and the number of persons each employed in 2016. This list is presented for the purposes of demonstrating the diversity of employment opportunities in the County and is not intended to be a ranking of employers or an exhaustive list of all major private employers in the County.

Other Major Private Employers

Employer	Products or Activities	Employment	Employed Residents
Dreyer's Grand Ice Cream	Frozen Desserts	735	0.45%
Sysco Food Services	Food Products Distribution	680	0.41%
Maxim Healthcare Services	Medical Staffing & Wellness Services	675	0.41%
The Columbia Association	Nonprofit Civic Organization	601	0.37%
Ascend One	HQ/Consumer Debt Management Counseling	511	0.31%
Enterprise Community Partners	HQ/Community Development	505	0.31%
Quality Software Services	Healthcare Informatics	500	0.30%
Humanim	Services for the Disabled	460	0.28%
Northrop Grumman	Engineering Services	395	0.24%
Cisco/Sourcefire	Information Technology	350	0.21%

Source: Maryland Department of Commerce, 2016.

Economic Development

The County is a major commercial center for the Washington-Baltimore region, with over 1,750 properties offering 71.6 million square feet of space to over 9,050 businesses. Several of the largest office and business parks in the Washington-Baltimore region are located in the County, including Columbia Gateway with 600 acres, Maryland Wholesale Food Center with 400 acres and Rivers Corporate Park with 350 acres. The county is also home to Emerson Corporate Commons with 570 acres and Maple Lawn with 506 acres, both mixed-use developments with over 3 million square feet of office space.

The following table presents statistics for the industrial and commercial space available in the metropolitan area of the County through the fourth quarter of 2016.

Industrial and Commercial Space

Type of Space	Number of Buildings	Total Square Footage (000)	Total Available Square Footage (000)	Vacancy Rate	2016 Sq. Ft. Absorption (000)
Flexible	228	11,597	858	7.4%	(21)
Industrial	399	32,739	2,385	7.3%	1,331
Office	542	18,629	1,444	7.8%	290
Retail	712	12,153	236	1.9%	65
Total	1,881	75,117	4,923	6.6%	1,665

Source: CoStar Realty Inc.

Retail Sales

The fourth-largest shopping center in the region, the Mall in Columbia, is located in the County. At 1.4 million square feet, the Mall in Columbia features 202 stores and restaurants, including five major department stores and a 14-screen movie theater. Ten village centers throughout Columbia feature over 1.0 million square feet of retail space. Other shopping centers in the County in excess of 100,000 square feet are Columbia Crossing, Long Gate Shopping Center, Chatham Station Shopping Center, Dobbin Center, Normandy Shopping Center, Savage Mill, Enchanted Forest

Shopping Center, Snowden Square, Gateway Overlook I and Gateway Overlook II. These centers offer over 4 million additional square feet of leasable space.

Columbia

Howard Research and Development Corporation (“HRD”) began the development of Columbia with initial land purchases in 1962. Today, Columbia is an unincorporated city built on 14,000 acres in the east-central portion of the County. Columbia has 99,615 residents, 5,500 businesses and 91,000 local jobs located in over 23 million square feet of commercial office, industrial and research and development buildings. Ten village centers, each providing a variety of day-to-day shopping needs and community and professional facilities and services, are now in operation. In addition, the Mall in Columbia, Columbia Crossing, Dobbin Center, Snowden Square and Long Gate provide 3.5 million square feet of retail stores, shops and restaurants. The redevelopment of the Wilde Lake Village Center is nearly complete, a \$25 million redevelopment of the Hickory Ridge Village Center was just announced and planning for the Long Reach Village Center has begun. HRD has also started a \$2.2 billion 20-year re-development of downtown Columbia surrounding the Mall in Columbia that will include 5,500 residential units, 1.25 million sq. ft. of retail space, 4.3 million sq. ft. of office space and a hotel.

If Columbia were to become a municipality, the Maryland Constitution provides that the County’s assessable base would not be affected. Services provided by the Columbia Association for Columbia residents, which include primarily provision of recreational facilities and maintenance of open space areas, are separate and distinct from the services provided by the County and are paid for through separate assessments made annually by the Columbia Association against residential and commercial property located in Columbia and facility user fees.

As of December 31, 2016, the Columbia Association had long-term debt of \$26.7 million in aggregate principal amount. As additional facilities are constructed, the amount of debt of the Columbia Association may increase. The interest on the Columbia Association’s debt is not tax-exempt. Payments on such property assessments are not deductible for federal income tax purposes, and liens for such property assessments are subordinate to liens for State and County real property taxes.

Legal and Miscellaneous

Approval of Legal Proceedings

All legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of McKennon Shelton & Henn LLP, Bond Counsel. Delivery of the Bonds is conditioned upon delivery by Bond Counsel of opinions substantially in the forms included in Appendix A of this Official Statement.

Tax Matters

The following is only a general summary of certain provisions of the Internal Revenue Code of 1986, as amended (the “Code”) as enacted and in effect on the date hereof and does not purport to be complete; holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code (and any proposed or subsequently enacted amendments to the Code) in their particular circumstances.

Maryland Income Taxation

In the opinion of Bond Counsel, under existing statutes, regulations and decisions, the interest on the Bonds, and profit realized in the sale or exchange of the Bonds will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds, their transfer or the interest thereon. Under existing law, 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. Purchasers of the Bonds should consult their own tax advisors with respect to the taxable status of the Bonds in jurisdictions other than the State of Maryland.

Federal Income Taxation

In the opinion of Bond Counsel, assuming compliance with certain covenants described herein and under existing statutes, regulations, and decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes.

Under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the Bonds in order that the interest thereon be excludable from gross income. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the issue of bonds of which the Bonds are a part be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the issue of bonds of which the Bonds are a part; and (iii) other requirements applicable to the use of the proceeds of the issue of bonds of which the Bonds are a part and the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds.

Further, under existing statutes, regulations and decisions, Bond Counsel is of the opinion that interest on the Bonds is not includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to tax will be required to increase its alternative minimum taxable income by 75% of the amount by which its “adjusted current earnings” exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, “adjusted current earnings” could include, among other items, interest income on the Bonds. In addition, interest income on the Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

In rendering its opinion, Bond Counsel will rely, without independent investigation on the representations of certain officials of the County made on behalf of the County in its Tax and Section 148 Certificate with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Bonds.

Additional Federal Tax Considerations

There are other federal tax consequences of ownership of obligations such as the Bonds under certain circumstances, including the following: (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax-exempt obligations, as well as interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations and interest expense of financial institutions allocable to tax-exempt interest; (ii) for property and casualty insurance companies, the amount of the deduction for losses incurred must be reduced by 15% of the sum of tax-exempt interest income and the deductible portion of dividends received by such companies; (iii) interest income that is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, social security or railroad retirement benefits are includable in gross income for federal income tax purposes; (iv) for S corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, which includes interest on tax-exempt obligations such as the Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status; and (v) net gain realized upon the sale or other disposition of the Bonds generally must be taken into account when computing the 3.8% Medicare tax with respect to net investment income imposed on certain high income individuals and specific trusts or estates.

Tax Accounting Treatment of Discount Bonds

Certain maturities of the Bonds may be issued at an initial public offering price which is less than the amount payable on such Bonds at maturity (the "Discount Bonds"). The difference between the initial offering price at which a substantial amount of the Discount Bonds of each maturity was sold, and the principal amount of such Discount Bonds payable at maturity constitutes original issue discount. In the case of any holder of Discount Bonds, the amount of such original issue discount that is treated as having accrued with respect to such Discount Bonds is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption or repayment at maturity). For federal income tax purposes (a) any holder of a Discount Bond will recognize gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (i) the amount received upon such disposition and (ii) the sum of (1) the holder's original cost basis in such Discount Bond, and (2) the amount of original issue discount attributable to the period during which the holder held such Discount Bond, and (b) the amount of the basis adjustment described in clause (a)(ii)(2) will not be included in the gross income of the holder.

Original issue discount on Discount Bonds will be attributed to permissible compounding periods during the life of any Discount Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Discount Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Discount Bonds and must begin or end on the date of such payments. Such yield then is used to determine an amount of accrued interest for each permissible compounding period. For this purpose, interest is treated as compounding periodically at the end of each applicable compounding period. The amount of original issue discount that is treated as having accrued in respect of a Discount Bond for any particular compounding period is equal to the excess of (a) the product of (i) the yield for the Discount Bond (adjusted as necessary for an initial short period) divided by the number of compounding periods in a year multiplied by (ii) the amount that would be the tax basis of such Discount Bond at the beginning of such period if held by an original purchaser who purchased at the initial public offering price, over (b) the amount actually payable as interest on such Discount Bond during such period. For purposes of the preceding sentence the tax basis of a Discount Bond, if held by an original purchaser, can be determined by adding to the initial public offering price of such Discount Bond the original issue discount that is treated as having accrued during all prior compounding periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then interest which would have accrued for that compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Holders of Discount Bonds should note that, under the tax regulations, the yield and maturity of a Discount Bond is determined without regard to commercially reasonable sinking fund payments, and any original issue discount remaining unaccrued at the time that a Discount Bond is redeemed in advance of stated maturity will be treated as taxable gain.

Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable on the occurrence of certain contingencies. The prices or yields furnished by the successful bidder for the Bonds as shown on the inside cover of this Official Statement may not reflect the initial issue prices for the purposes of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount Bonds but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Discount Bonds. In addition, prospective corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Discount Bonds under the alternative minimum tax or the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the alternative minimum tax or the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount. Purchasers with questions concerning the detailed tax consequences of transactions in the Discount Bonds should consult their tax advisors.

Purchase, Sale and Retirement of Bonds

Except as noted below in the case of market discount, the sale or other disposition of a Bond will normally result in capital gain or loss to its holder. A holder's initial tax basis in a Bond will be its cost.

Upon the sale or retirement of a Bond, for federal income tax purposes, a holder will recognize capital gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the tax basis in such Bond, determined by adding to the original cost basis in such Bond the amount of original issue discount that is treated as having accrued as described above under “*Tax Matters — Tax Accounting Treatment of Discount Bonds.*” Such gain or loss will be a long-term capital gain or loss if at the time of the sale or retirement the Bond has been held for more than one year. Present law taxes both long and short-term capital gains of corporations at the rates applicable to ordinary income. For noncorporate taxpayers, however, short-term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

Market Discount

If a holder acquires a Bond after its original issuance at a discount below its principal amount (or in the case of a Bond issued at an original issue discount, at a price that produces a yield to maturity higher than the yield to maturity at which such Bond was first issued), the holder will be deemed to have acquired the Bond at “market discount,” unless the amount of market discount is *de minimis*, as described in the following paragraph. If a holder that acquires a Bond with market discount subsequently realizes a gain upon the disposition of the Bond, such gain shall be treated as taxable interest income to the extent such gain does not exceed the accrued market discount attributable to the period during which the holder held such Bond, and any gain realized in excess of such market discount will be treated as capital gain. Potential purchasers should consult their tax advisors as to the proper method of accruing market discount.

In the case of a Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of the Bond's stated redemption price at maturity over the holder's cost of acquiring the Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires the Bond and its maturity date. In the case of a Bond issued with original issue discount, market discount will be *de minimis* if the excess of the Bond's revised issue price over the holder's cost of acquiring the Bond is less than 0.25% of the revised issue price multiplied by the number of complete years between the date the holder acquires the Bond and its stated maturity date. For this purpose, a “revised issue price” is the sum of (i) its original issue price and (ii) the aggregate amount of original issue discount that is treated as having accrued with respect to the Bond during the period between its original issue date and the date of acquisition by the holder.

Amortizable Bond Premium

A Bond will be considered to have been purchased at a premium if, and to the extent that, the holder's tax basis in the Bond exceeds the amount payable at maturity (or, in the case of a Bond callable prior to maturity, the amount payable on the earlier call date). Under tax regulations applicable to the Bonds, the amount of the premium would be determined with reference to the amount payable on that call date (including for this purpose the maturity date) which produces the lowest yield to maturity on the Bonds. The holder will be required to reduce his tax basis in the Bond for purposes of determining gain or loss upon disposition of the Bond by the amount of amortizable bond premium that accrues, determined in the manner prescribed in the regulations. Generally, no deduction (or other tax benefit) is allocable in respect of any amount of amortizable bond premium on the Bonds.

Legislative Developments

Legislative proposals recently under consideration or proposed after issuance and delivery of the Bonds could adversely affect the market value of the Bonds. Further, if enacted into law, any such proposal could cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation and could otherwise alter or amend one or more of the provisions of federal tax law described above or their consequences. Prospective purchasers of the Bonds should consult with their tax advisors as to the status and potential effect of any proposed legislative proposals, as to which Bond Counsel expresses no opinion.

Ratings

Fitch Ratings, Moody's Investors Service 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 any rating may be obtained from the appropriate rating agency. The County furnished to each rating agency the information contained in a preliminary Official Statement and other materials and information. Generally, rating agencies base their ratings on such materials and information, as well as their own investigations, studies and assumptions. Each rating may be changed at any time and no assurance can be given that it will not be revised downward or withdrawn by the applicable rating agency if, in the judgment of such rating agency, circumstances should warrant such action. Any such downward revision or withdrawal of any rating could have an adverse effect on the market price of the Bonds.

Litigation

The County is a party to numerous legal proceedings of the type that normally occur in governmental operations. The pending legal proceedings are not, in the opinion of the County Solicitor, likely to have a material adverse impact on the County's financial condition. In addition, the County is currently reviewing and adjusting a number of claims through its self-insurance program. In the opinion of the County Solicitor, none of these pending matters is likely to have a material adverse impact on the County's financial condition, nor should there be any substantial recovery against the County in amounts in excess of reserved funds.

On May 18, 2015, the United States Supreme Court decided *Comptroller of the Treasury of Maryland v. Wynne*, (No. 13-485), holding that Maryland's personal income tax structure, which allowed counties to collect personal income taxes from residents on income earned in other states where the income was subject to tax by that state, violates the Commerce Clause. The total fiscal impact on the County is still being assessed but the decision will have a direct impact on the County in both covering historical liabilities resulting from refund claims by certain taxpayers and from a loss of revenues in the future. As of January 2017, the County has incurred verified accumulative historical liabilities of approximately \$8.0 million based on refund claims approved and processed by the State Comptroller's Office. This number will increase as more requests for refunds are processed by the State Comptroller's Office. For those historical liabilities, the State will initially provide the refunds to the taxpayers and then the County has the option to either pay back the State the full amount in one lump sum or through nine quarterly installments, commencing in November 2020 (FY 2021). The County has assigned \$3.05 million of the June 30, 2015 fund balance for refunds resulting from the Wynne case.

Under Maryland law, taxpayers are generally eligible for interest on certain tax refunds calculated at an annual rate of interest equal to the greater of (i) three percentage points above the average prime rate of interest or (ii) 13%. In 2014, the Maryland General Assembly adopted legislation that set the annual interest rate for an income tax refund that is a result of the final decision under the *Wynne* case to a percent equal to the average prime rate of interest. This legislation substantially lowers the interest rate on tax refunds due as a result of the *Wynne* decision. Further, the legislation was intended to be effective retroactively. On November 13, 2015, lawyers for Michael J. Holzheid filed a class action complaint, *Michael J. Holzheid v. Comptroller of the Treasury of Maryland, et al*, in the Circuit Court

for Baltimore City challenging the state legislation. Other taxpayers may also file claims or appeals challenging the state legislation. If such claims or appeals are successful, the estimated amount of interest on refunds owed by the County would increase.

In addition, the County estimates its loss in income revenues to be approximately \$700,000 to \$1.5 million per year going forward.

Independent Auditors

The basic financial statements of Howard County, Maryland for the year ended June 30, 2016 have been audited by CohnReznick, independent certified public accountants, to the extent stated in their report. The independent accountants were not requested to review or update such financial statements or their report in connection with the issuance of the Bonds. Such report speaks only as of its date and is available at www.howardcountymd.gov/Departments/Finance/Financial-Information/Audits.

Financial Advisor

Davenport & Company LLC of Towson, Maryland, has acted as financial advisor to the County in connection with the issuance of the Bonds. Davenport & Company LLC is not obligated to undertake, and has neither undertaken an independent verification of, or assumed responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

Verification of Mathematical Computations

The arithmetical accuracy of certain computations included in the schedules provided by the Financial Advisor on behalf of the County relating to (a) computation of forecasted receipts of principal and interest on the Government Obligations and cash held uninvested in the Escrow Deposit Fund and the forecasted payments of principal, redemption premium (if any) and interest on the Refunded Bonds, and (b) computation of the yields on the Bonds and such Government Obligations was examined by Precision Analytics Inc. Such computations were based solely upon assumptions and information supplied by the Financial Advisor on behalf of the County. Samuel Klein and Company, Certified Public Accountants has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and accordingly, has not expressed an opinion on the date used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

Sales at Public Bidding

The Bonds were offered for sale by the County at public bidding on April 11, 2017, in accordance with the official Notices of Sale. Bank of America Merrill Lynch was awarded the CPI Bonds at a price of \$148,132,801.78, Citigroup Global Markets Inc. was awarded the Refunding CPI Bonds at a price of \$169,372,420.75, and Barclays Capital Inc. was awarded the Metropolitan District Bonds at a price of \$86,542,353.00. The initial public reoffering prices set forth on the inside cover page are based on information furnished to the County by the successful bidder and may be changed by the successful bidder. The successful bidder may reoffer and sell the Bonds that it has purchased to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the reoffering prices set forth on the cover page. Any other information concerning the terms of reoffering of the Bonds of each series, if any, including yields or prices, should be obtained from the successful bidder therefor and not from the County.

Certificate of County Officials

Simultaneously with or before delivery of and payment for the Bonds, the County will furnish to the purchasers of the Bonds a certificate of the County Executive, the Chief Administrative Officer and the Director of Finance that will state that, to the best of their knowledge and belief, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of 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 hereto).

Miscellaneous

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any estimates will be realized. 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.

The execution and delivery of this Official Statement have been approved by Howard County, Maryland.

HOWARD COUNTY, MARYLAND

By: /s/ Allan H. Kittleman
ALLAN H. KITTLEMAN
County Executive

and

By: /s/ Stanley J. Milesky
STANLEY J. MILESKY
Director of Finance

Appendix A

Form of Bond Counsel Opinions

[Closing Date]

County Executive and County Council
of Howard County, Maryland
3430 Court House Drive
Ellicott City, Maryland 21043

County Executive and Council Members:

We have examined a record of proceedings relating to the issuance by Howard County, Maryland (the “County”) of its Consolidated Public Improvement Project Bonds, 2017 Series A (the “Bonds”).

The Bonds are dated on their date of delivery and are issued in fully registered in form in the denomination of \$5,000 each or any integral multiple thereof. The Bonds are consolidated and issued pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement) (collectively, the “Enabling Law”), Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement) (the “Consolidating Act”), the County Charter (the “Charter”), certain bond enabling ordinances of the County Council of the County (the “Enabling Ordinances”), Council Bill No. 48-2011 enacted during the 2011 Legislative Session, Council Bill No. 32-2012 enacted during the 2012 Legislative Session, Council Bill No. 42-2013 enacted during the 2013 Legislative Session, Council Bill No. 01-2015 enacted during the 2015 Legislative Session, Council Bill No. 50-2015 enacted during the 2015 Legislative Session and Council Bill No. 61-2016 enacted during the 2016 Legislative Session (collectively, the “Bond Ordinance”), and Executive Order No. 2017-04, executed and delivered on April 7, 2017 (the “Executive Order”).

In rendering this opinion, we have relied without investigation on the County’s Tax and Section 148 Certificate dated this date made on behalf of the County by officers thereof with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Bonds.

With respect to the executed and authenticated Bond that we have examined, and the Bonds similarly executed and identical thereto in form except for numbers, interest rates, denominations, and maturities, and under existing statutes, regulations, and decisions, we are of the opinion that:

(a) The County is a validly created and existing body politic and corporate and political subdivision of the State of Maryland, possessing authority under the Enabling Law, the Charter, the Consolidating Act, the Enabling Ordinances, the Bond Ordinance and the Executive Order to issue the Bonds.

(b) The Bonds are valid and legally binding obligations of the County to which its full faith and credit and taxing power are pledged, and for the payment of which the County is empowered and directed to levy ad valorem taxes unlimited as to rate and amount upon all real and tangible personal property and certain intangible personal property subject to assessment for unlimited County taxation.

(c) To provide for the payment of the principal of and interest on the Bonds, the County has covenanted to levy or cause to be levied ad valorem taxes upon all the assessable property within the corporate limits of the County, 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.

(d) Interest on the Bonds, and profit realized in their sale or exchange, will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

(e) Assuming compliance with certain covenants referred to herein, interest on the Bonds will be excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), there are certain restrictions that must be met subsequent to the

delivery of the Bonds, including restrictions that must be complied with throughout the term of the issue of bonds of which the Bonds are a part in order that the interest thereon be excludable from gross income. These include (i) a requirement that certain investment earnings received from the investment of the proceeds of the issue of bonds of which the Bonds are a part be rebated (or that certain payments in lieu of rebate be made) to the United States of America under certain circumstances; (ii) other requirements applicable to the investment of the proceeds of the issue of bonds of which the Bonds are a part; and (iii) requirements applicable to the use of the proceeds of the issue of bonds of which the Bonds are a part and the use of the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the issue of bonds of which the Bonds are a part and to take such other actions as may be required to maintain the excludability of interest on the Bonds from gross income for federal income tax purposes.

(f) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to tax may be required to increase its alternative minimum taxable income by 75% of the amount by which its “adjusted current earnings” exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, “adjusted current earnings” would include, among other items, interest income from the Bonds. In addition, interest income on the Bonds will be subject to the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States of America.

We express no opinion with respect to any other federal or state tax consequences under the present law or any proposed legislation resulting from the receipt of interest on, or the acquisition or disposal of the Bonds.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

County Executive and County Council
of Howard County, Maryland
3430 Court House Drive
Ellicott City, Maryland 21043

County Executive and Council Members:

We have examined a record of proceedings relating to the issuance by Howard County, Maryland (the “County”) of its Consolidated Public Improvement Refunding Bonds, 2017 Series B (the “Bonds”).

The Bonds are dated on their date of delivery and are issued in fully registered in form in the denomination of \$5,000 each or any integral multiple thereof. The Bonds are consolidated and issued pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement) (collectively, the “Enabling Law”), Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement) (the “Refunding Act”), Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement) (the “Consolidating Act”), the County Charter (the “Charter”), certain bond enabling ordinances of the County Council of the County (the “Enabling Ordinances”), Council Bill No. 48-2011 enacted during the 2011 Legislative Session, Council Bill No. 32-2012 enacted during the 2012 Legislative Session, Council Bill No. 42-2013 enacted during the 2013 Legislative Session, Council Bill No. 01-2015 enacted during the 2015 Legislative Session, Council Bill No. 50-2015 enacted during the 2015 Legislative Session and Council Bill No. 61-2016 enacted during the 2016 Legislative Session (collectively, the “Bond Ordinance”), Council Bill No. 62-2016 enacted by the County Council and effective on October 12, 2016 (the “Refunding Ordinance”), and Executive Order No. 2017-04, executed and delivered on April 7, 2017 (the “Executive Order”).

In rendering this opinion, we have relied without investigation on the County’s Tax and Section 148 Certificate dated this date made on behalf of the County by officers thereof with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Bonds.

With respect to the executed and authenticated Bond that we have examined, and the Bonds similarly executed and identical thereto in form except for numbers, interest rates, denominations, and maturities, and under existing statutes, regulations, and decisions, we are of the opinion that:

(a) The County is a validly created and existing body politic and corporate and political subdivision of the State of Maryland, possessing authority under the Enabling Law, the Charter, the Consolidating Act, the Refunding Act, the Enabling Ordinances, the Bond Ordinance, the Refunding Ordinance and the Executive Order to issue the Bonds.

(b) The Bonds are valid and legally binding obligations of the County to which its full faith and credit and taxing power are pledged, and for the payment of which the County is empowered and directed to levy ad valorem taxes unlimited as to rate and amount upon all real and tangible personal property and certain intangible personal property subject to assessment for unlimited County taxation.

(c) To provide for the payment of the principal of and interest on the Bonds, the County has covenanted to levy or cause to be levied ad valorem taxes upon all the assessable property within the corporate limits of the County, 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.

(d) Interest on the Bonds, and profit realized in their sale or exchange, will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

(e) Assuming compliance with certain covenants referred to herein, interest on the Bonds will be excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the issue of bonds of which the Bonds are a part in order that the interest thereon be excludable from gross income. These include (i) a

requirement that certain investment earnings received from the investment of the proceeds of the issue of bonds of which the Bonds are a part be rebated (or that certain payments in lieu of rebate be made) to the United States of America under certain circumstances; (ii) other requirements applicable to the investment of the proceeds of the issue of bonds of which the Bonds are a part; and (iii) requirements applicable to the use of the proceeds of the issue of bonds of which the Bonds are a part and the use of the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the issue of bonds of which the Bonds are a part and to take such other actions as may be required to maintain the excludability of interest on the Bonds from gross income for federal income tax purposes.

(f) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to tax may be required to increase its alternative minimum taxable income by 75% of the amount by which its “adjusted current earnings” exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, “adjusted current earnings” would include, among other items, interest income from the Bonds. In addition, interest income on the Bonds will be subject to the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States of America.

We express no opinion with respect to any other federal or state tax consequences under the present law or any proposed legislation resulting from the receipt of interest on, or the acquisition or disposal of the Bonds.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

[Closing Date]

County Executive and County Council
of Howard County, Maryland
3430 Court House Drive
Ellicott City, Maryland 21043

County Executive and Council Members:

We have examined a record of proceedings relating to the issuance by Howard County, Maryland (the “County”) of its Metropolitan District Project and Refunding Bonds, 2017 Series C (the “Bonds”).

The Bonds are dated on their date of delivery and are issued in fully registered in form in the denomination of \$5,000 each or any integral multiple thereof. The Bonds are consolidated and issued pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement) (collectively, the “Enabling Law”), Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement) (the “Refunding Act”), the County Charter (the “Charter”), Chapter 991 of the Acts of the General Assembly of Maryland of 1943, as amended, Chapter 609 of the Acts of the General Assembly of Maryland of 1945, as amended, Chapter 369 of the Acts of the General Assembly of Maryland of 1963, as amended and Chapter 356 of the Acts of the General Assembly of Maryland of 1965, as amended (collectively, the “Acts”), certain bond enabling ordinances of the County Council of the County (the “Enabling Ordinances”), Council Bill No. 48-2011 enacted during the 2011 Legislative Session, Council Bill No. 32-2012 enacted during the 2012 Legislative Session, Council Bill No. 42-2013 enacted during the 2013 Legislative Session, Council Bill No. 01-2015 enacted during the 2015 Legislative Session, Council Bill No. 50-2015 enacted during the 2015 Legislative Session and Council Bill No. 61-2016 enacted during the 2016 Legislative Session (collectively, the “Bond Ordinance”), Council Bill No. 62-2016 enacted by the County Council and effective on October 12, 2016 (the “Refunding Ordinance”), and Executive Order No. 2017-04, executed and delivered on April 7, 2017 (the “Executive Order”).

In rendering this opinion, we have relied without investigation on the County’s Tax and Section 148 Certificate dated this date made on behalf of the County by officers thereof with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Bonds.

With respect to the executed and authenticated Bond that we have examined, and the Bonds similarly executed and identical thereto in form except for numbers, interest rates, denominations, and maturities, and under existing statutes, regulations and decisions, we are of the opinion that:

(a) The County is a validly created and existing body politic and corporate and political subdivision of the State of Maryland, possessing authority under the Enabling Law, the Refunding Act, the Charter, the Acts, the Enabling Ordinances, the Bond Ordinance, the Refunding Ordinance and the Executive Order to issue the Bonds.

(b) The Bonds are valid and legally binding obligations of the County to which its full faith and credit and taxing power are pledged, payable primarily from ad valorem taxes, unlimited in rate and amount, which the County is empowered to levy upon all taxable property within the Metropolitan District of the County, together with benefit assessments and other available funds, but if not so paid, are payable as to both principal and interest, as general obligations, ultimately from ad valorem taxes, unlimited in rate and amount, which the County is empowered to levy upon all real and tangible personal property and certain intangible personal property subject to assessment for unlimited County taxation.

(c) Interest on the Bonds, and profit realized from their sale or exchange will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

(d) Assuming compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the issue of bonds of which the Bonds are a part, in order that the interest thereon be excludable from gross income. These include (i) a requirement that certain investment earnings received from the investment of the proceeds of the issue of bonds of which the Bonds are a part be rebated (or that certain payments in lieu of rebate be made) to the United States of America under certain circumstances; (ii) other requirements applicable to the investment of the proceeds of the issue of bonds

of which the Bonds are a part; and (iii) requirements applicable to the use of the proceeds of the issue of bonds of which the Bonds are a part and the use of the facilities financed with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the issue of bonds of which the Bonds are a part and to take such other actions as may be required to maintain the excludability of interest on the Bonds from gross income for federal income tax purposes. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(e) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to such tax will be required to increase its alternative minimum taxable income by 75% of the amount by which its “adjusted current earnings” exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, “adjusted current earnings” would include, among other items, interest income from the Bonds. In addition, interest income on the Bonds will be subject to the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States.

We express no opinion with respect to any other federal or state tax consequences under the present law or any proposed legislation resulting from the receipt of interest on, or the acquisition or disposal of the Bonds.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

Continuing Disclosure Agreement

This **CONTINUING DISCLOSURE AGREEMENT** (the “Disclosure Agreement”) is executed and delivered by Howard County, Maryland (the “County”) in connection with the issuance of its Consolidated Public Improvement Project Bonds, 2017 Series A, its Consolidated Public Improvement Refunding Bonds, 2017 Series B and its Metropolitan District Project and Refunding Bonds, 2017 Series C (together, the “Bonds”). The County, intending to be legally bound hereby and in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement.

This Disclosure Agreement is being executed and delivered by the County for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions.

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

“**Dissemination Agent**” shall mean the County, acting as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County.

“**EMMA**” shall mean Electronic Municipal Market Access System maintained by the MSRB. For more information on EMMA, see www.emma.msrb.org.

“**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, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“**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.

“**State**” shall mean the State of Maryland.

Section 3. Provision of Annual Financial Information, Operating Data and Audited Information.

(a) The County shall provide to the MSRB annual financial information and operating data to be updated as of the end of the preceding fiscal year and made available within 275 days after the end of the County’s fiscal year.

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

(c) The presentation of the financial information referred to in paragraph (a) and in paragraph (b) shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the final official statement for the Bonds, provided that the County may modify the accounting principles utilized in the presentation of financial information by amending this Disclosure

Agreement pursuant to the provisions of Section 7 hereof. Changes in Generally Accepted Accounting Principles, where applicable to financial information to be provided by the County, shall not require the County to amend this Disclosure Agreement.

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

Section 4. Reporting of Significant Events.

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of Bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the County; *
- (13) appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (14) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(b) In a timely manner, not in excess of ten business days after the occurrence of an event listed in Section 4(a) above, the County shall file a notice of such occurrence with the MSRB.

* For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County

Section 5. Filing with EMMA.

Unless otherwise required by the MSRB, all filings with the MSRB shall be made with EMMA and shall be accompanied by indentifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation.

The County obligations under this Disclosure Agreement shall terminate upon the payment in full of all of the Bonds either at their maturity or by early redemption. In addition, the County may terminate its obligations under this Disclosure Agreement if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of Securities and Exchange Commission Rule 15c2-12.

Section 7. Amendment.

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

Section 8. Additional Information.

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

Section 9. Dissemination Agent.

The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

Section 10. Law of Maryland.

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

Section 11. Limitation of Forum.

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

Section 12. Limitation on Remedies.

The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under the Disclosure Agreement, and the County shall be given 15 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to the Director of Finance at 3540 Court House Drive, Ellicott City, Maryland 21043 or at such alternate address as shall be specified by the County with disclosures made pursuant to Section 4(a) or 4(b) hereof or a notice of occurrence of a Listed Event.

Section 13. Relationship to Bonds.

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

Section 14. Beneficiaries.

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

IN WITNESS WHEREOF this Continuing Disclosure Agreement is being executed on behalf of Howard County, Maryland by the Director of Finance, as of this 25th day of April, 2017.

HOWARD COUNTY, MARYLAND

By: _____
Stanley J. Milesky
Director of Finance

Appendix C

Bond Amortization Tables

\$133,925,000 Consolidated Public Improvement Project Bonds, 2017 Series A

<u>Date</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>	<u>Semiannual Interest</u>	<u>Semiannual Debt Service</u>	<u>Annual Debt Service</u>
8/15/2017			\$ 1,759,719	\$ 1,759,719	
2/15/2018	\$ 5,205,000	5.000%	2,879,541	8,084,541	\$ 9,844,260
8/15/2018			2,749,416	2,749,416	
2/15/2019	4,345,000	5.000%	2,749,416	7,094,416	9,843,831
8/15/2019			2,640,791	2,640,791	
2/15/2020	4,560,000	5.000%	2,640,791	7,200,791	9,841,581
8/15/2020			2,526,791	2,526,791	
2/15/2021	4,790,000	5.000%	2,526,791	7,316,791	9,843,581
8/15/2021			2,407,041	2,407,041	
2/15/2022	5,030,000	5.000%	2,407,041	7,437,041	9,844,081
8/15/2022			2,281,291	2,281,291	
2/15/2023	5,280,000	5.000%	2,281,291	7,561,291	9,842,581
8/15/2023			2,149,291	2,149,291	
2/15/2024	5,545,000	5.000%	2,149,291	7,694,291	9,843,581
8/15/2024			2,010,666	2,010,666	
2/15/2025	5,820,000	5.000%	2,010,666	7,830,666	9,841,331
8/15/2025			1,865,166	1,865,166	
2/15/2026	6,115,000	5.000%	1,865,166	7,980,166	9,845,331
8/15/2026			1,712,291	1,712,291	
2/15/2027	6,420,000	5.000%	1,712,291	8,132,291	9,844,581
8/15/2027			1,551,791	1,551,791	
2/15/2028	6,740,000	5.000%	1,551,791	8,291,791	9,843,581
8/15/2028			1,383,291	1,383,291	
2/15/2029	7,075,000	3.000%	1,383,291	8,458,291	9,841,581
8/15/2029			1,277,166	1,277,166	
2/15/2030	7,290,000	5.000%	1,277,166	8,567,166	9,844,331
8/15/2030			1,094,916	1,094,916	
2/15/2031	7,655,000	4.000%	1,094,916	8,749,916	9,844,831
8/15/2031			941,816	941,816	
2/15/2032	7,960,000	3.000%	941,816	8,901,816	9,843,631
8/15/2032			822,416	822,416	
2/15/2033	8,200,000	4.000%	822,416	9,022,416	9,844,831
8/15/2033			658,416	658,416	
2/15/2034	8,525,000	3.250%	658,416	9,183,416	9,841,831
8/15/2034			519,884	519,884	
2/15/2035	8,805,000	3.375%	519,884	9,324,884	9,844,769
8/15/2035			371,300	371,300	
2/15/2036	9,100,000	4.000%	371,300	9,471,300	9,842,600
8/15/2036			189,300	189,300	
2/15/2037	9,465,000	4.000%	189,300	9,654,300	9,843,600
TOTAL	\$133,925,000		\$62,945,329	\$196,870,329	\$196,870,329

\$140,385,000 Consolidated Public Improvement Refunding Bonds, 2017 Series B

Date	Principal Maturity	Interest Rate	Semiannual Interest	Semiannual Debt Service	Annual Debt Service
8/15/2017			\$2,144,771	\$2,144,771	
2/15/2018	-		3,509,625	3,509,625	\$5,654,396
8/15/2018			3,509,625	3,509,625	
2/15/2019	\$10,000	5.000%	3,509,625	3,519,625	7,029,250
8/15/2019			3,509,375	3,509,375	
2/15/2020	2,880,000	5.000%	3,509,375	6,389,375	9,898,750
8/15/2020			3,437,375	3,437,375	
2/15/2021	10,825,000	5.000%	3,437,375	14,262,375	17,699,750
8/15/2021			3,166,750	3,166,750	
2/15/2022	11,360,000	5.000%	3,166,750	14,526,750	17,693,500
8/15/2022			2,882,750	2,882,750	
2/15/2023	18,265,000	5.000%	2,882,750	21,147,750	24,030,500
8/15/2023			2,426,125	2,426,125	
2/15/2024	15,775,000	5.000%	2,426,125	18,201,125	20,627,250
8/15/2024			2,031,750	2,031,750	
2/15/2025	14,275,000	5.000%	2,031,750	16,306,750	18,338,500
8/15/2025			1,674,875	1,674,875	
2/15/2026	8,220,000	5.000%	1,674,875	9,894,875	11,569,750
8/15/2026			1,469,375	1,469,375	
2/15/2027	15,030,000	5.000%	1,469,375	16,499,375	17,968,750
8/15/2027			1,093,625	1,093,625	
2/15/2028	15,785,000	5.000%	1,093,625	16,878,625	17,972,250
8/15/2028			699,000	699,000	
2/15/2029	12,365,000	5.000%	699,000	13,064,000	13,763,000
8/15/2029			389,875	389,875	
2/15/2030	7,605,000	5.000%	389,875	7,994,875	8,384,750
8/15/2030			199,750	199,750	
2/15/2031	7,990,000	5.000%	199,750	8,189,750	8,389,500
TOTAL	\$140,385,000		\$58,634,896	\$199,019,896	\$199,019,896

\$81,515,000 Metropolitan District Project and Refunding Bonds, 2017 Series C

Date	Principal Maturity	Interest Rate	Semiannual Interest	Semiannual Debt Service	Annual Debt Service
8/15/2017			\$972,175	\$972,175	
2/15/2018	\$1,055,000	5.000%	1,590,831	2,645,831	\$3,618,006
8/15/2018			1,564,456	1,564,456	
2/15/2019	490,000	5.000%	1,564,456	2,054,456	3,618,913
8/15/2019			1,552,206	1,552,206	
2/15/2020	510,000	5.000%	1,552,206	2,062,206	3,614,413
8/15/2020			1,539,456	1,539,456	
2/15/2021	2,885,000	5.000%	1,539,456	4,424,456	5,963,913
8/15/2021			1,467,331	1,467,331	
2/15/2022	3,025,000	5.000%	1,467,331	4,492,331	5,959,663
8/15/2022			1,391,706	1,391,706	
2/15/2023	3,185,000	5.000%	1,391,706	4,576,706	5,968,413
8/15/2023			1,312,081	1,312,081	
2/15/2024	3,340,000	5.000%	1,312,081	4,652,081	5,964,163
8/15/2024			1,228,581	1,228,581	
2/15/2025	3,505,000	5.000%	1,228,581	4,733,581	5,962,163
8/15/2025			1,140,956	1,140,956	
2/15/2026	3,685,000	5.000%	1,140,956	4,825,956	5,966,913
8/15/2026			1,048,831	1,048,831	
2/15/2027	3,870,000	5.000%	1,048,831	4,918,831	5,967,663
8/15/2027			952,081	952,081	
2/15/2028	4,065,000	5.000%	952,081	5,017,081	5,969,163
8/15/2028			850,456	850,456	
2/15/2029	4,265,000	3.000%	850,456	5,115,456	5,965,913
8/15/2029			786,481	786,481	
2/15/2030	2,615,000	3.000%	786,481	3,401,481	4,187,963
8/15/2030			747,256	747,256	
2/15/2031	3,125,000	3.125%	747,256	3,872,256	4,619,513
8/15/2031			698,428	698,428	
2/15/2032	3,225,000	3.250%	698,428	3,923,428	4,621,856
8/15/2032			646,022	646,022	
2/15/2033	3,330,000	3.125%	646,022	3,976,022	4,622,044
8/15/2033			593,991	593,991	
2/15/2034	3,430,000	3.250%	593,991	4,023,991	4,617,981
8/15/2034			538,253	538,253	
2/15/2035	3,545,000	3.250%	538,253	4,083,253	4,621,506
8/15/2035			480,647	480,647	
2/15/2036	3,655,000	3.250%	480,647	4,135,647	4,616,294
8/15/2036			421,253	421,253	
2/15/2037	3,770,000	3.375%	421,253	4,191,253	4,612,506
8/15/2037			357,634	357,634	
2/15/2038	3,355,000	3.375%	357,634	3,712,634	4,070,269
8/15/2038			301,019	301,019	
2/15/2039	3,465,000	3.375%	301,019	3,766,019	4,067,038
8/15/2039			242,547	242,547	
2/15/2040	3,580,000	3.375%	242,547	3,822,547	4,065,094
8/15/2040			182,134	182,134	
2/15/2041	3,705,000	3.375%	182,134	3,887,134	4,069,269
8/15/2041			119,613	119,613	
2/15/2042	1,045,000	3.500%	119,613	1,164,613	1,284,225
8/15/2042			101,325	101,325	
2/15/2043	1,080,000	3.500%	101,325	1,181,325	1,282,650
8/15/2043			82,425	82,425	
2/15/2044	1,120,000	3.500%	82,425	1,202,425	1,284,850
8/15/2044			62,825	62,825	
2/15/2045	1,155,000	3.500%	62,825	1,217,825	1,280,650
8/15/2045			42,613	42,613	
2/15/2046	1,195,000	3.500%	42,613	1,237,613	1,280,225
8/15/2046			21,700	21,700	
2/15/2047	1,240,000	3.500%	21,700	1,261,700	1,283,400
TOTAL	\$81,515,000		\$43,511,625	\$125,026,625	\$125,026,625

Official Statement

\$133,925,000 Consolidated Public Improvement Project Bonds, 2017 Series A
\$140,385,000 Consolidated Public Improvement Refunding Bonds, 2017 Series B
\$81,515,000 Metropolitan District Project and Refunding Bonds, 2017 Series C

