

**THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND
AGENDA**

October 31, 2023

10:00 AM Call to Order/Pledge of Allegiance/Moment of Silence

Meeting Announcements - Time Is Allotted At The End Of Each Meeting For The Commissioners To Receive Comments From The Public

Consent Items

#1 - Regular Session Minutes, October 24, 2023

#2 - Liquor Minutes, October 24, 2023

#3 - Public Hearing Minutes, October 24, 2023

#4 - Bill Mackey, Director, Planning, Housing and Zoning
Maryland Community Development Block Grant CV-1-7

#5 - Housing Rehabilitation Program
Certificate of Satisfaction

Recognition

Jill Coleman, Director, and Jessica Plum, Recreation Program Coordinator, Parks and Recreation

Certificate of Recognition For Wayne Gilchrest

Appointments

Dr. Karen Couch, Superintendent, and Allessa Stewart, Supervisor of Finance, Kent County Public Schools

FY2023 Unrestricted Funds Budget Amendments #2 and #3
FY2023 Board of Education Audited Financial Statements

FY2024 Unrestricted Funds Budget Amendment #1

Public Works Director

Building Maintenance

Court House Boiler Feed Tank Replacement - Reclassification of Funds

Building Maintenance

EMS Lynch Station Buildings Need Repairs

Roads Division

Clark Road Culvert Replacement Contract Award

Departmental Appointments

Bill Mackey, Director, Planning, Housing and Zoning

Microsoft Software License as Supplemental Support

Jamie Williams, Director, and Rose Osborn, Administrative Specialist, Economic and Tourism Development

Short-term Rental Software Solution Funding
Shalyn Boulden, Tourism Manager, Economic and Tourism Development
FY2024 Destination Marketing Organization Grant

Human Resources Director

Jim Miller, Director, Human Resources
Emergency Services, 911 Specialist Vacancy
Jim Miller, Director, Human Resources
Kent Family Center, Child Development Teacher Vacancy
Jim Miller, Director, Human Resources
Full-Time Facility Monitor Vacancy

Kent Alcohol and Tobacco Enforcement KATE

Bonnie S. Pearsall, Inspector, Kent Alcohol and Tobacco Enforcement
Waterman's Hospitality LLC, License Modification Application

County Administrator

Shelley L. Heller, County Administrator
Proposed Mid-Shore Regional Jail Update and Letter of Intent
Shelley L. Heller, County Administrator
Seeking Citizen Interest Forms To Serve On Boards, Committees, and Commissions

County Administrator Report

Circuit Court Kent County
Memorandum of Understanding Modification #1 E21-0012-25K, Administrative Office
of Courts
Kent County Electric Board
Certificate of Appreciation
State Legislative Proposals and FY2024 1st Quarter Updates
Public Service Announcement - Work Session Scheduled

Letters for Signature

Citizen Interest Form Received For Planning Commission
Thank You Letter

Public Comment/Media Review

Procedures For Public Comment

For Your Information

Chestertown Library Preservation Foundation
Chestertown Library Preservation Foundation
Lester C. Jones & Sons, Inc., Permit Request Notice

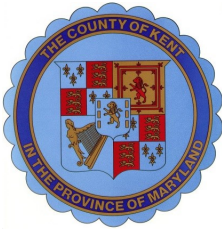
American Rescue Plan Act Funds

American Rescue Plan Act (ARPA) Funds Spend Plan

Contingency Fund

Contingency and Use of Fund Balance Report

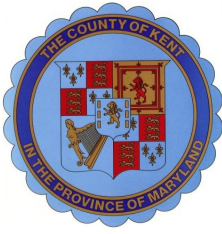
(Meetings are conducted in Open Session unless otherwise indicated. All or part of County Commissioners' meetings can be held in closed session under the authority of the MD Open Meetings Law by vote of the Commissioners. Breaks are at the call of the President. Please note that times listed for specific items on the agenda are only estimates, and that the order of agenda items may change as time dictates or allows. Meetings are subject to audio and video recordings.)



**#1 - Regular Session Minutes, October 24, 2023
10/31/2023
County Commissioners Meeting**

ATTACHMENTS:

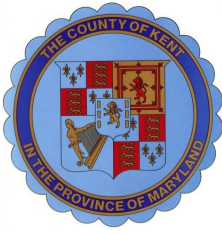
Description



**#2 - Liquor Minutes, October 24, 2023
10/31/2023
County Commissioners Meeting**

ATTACHMENTS:

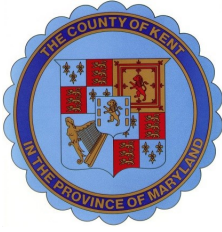
Description



**#3 - Public Hearing Minutes, October 24, 2023
10/31/2023
County Commissioners Meeting**

ATTACHMENTS:

Description



#4 - Bill Mackey, Director, Planning, Housing and Zoning 10/31/2023 County Commissioners Meeting

Item Summary:

Maryland Community Development Block Grant CV-1-7

ATTACHMENTS:

Description

10.31.23 Cindy Stone Director, Community Development Programs Acknowledging the Recapture A Portion of Funds Related to the Maryland Community Development Block Grant No. COVID-1 CV-1-7



The County Commissioners of Kent County
Ronald H. Fithian, President | Albert H. Nickerson, Member | John F. Price, Member
Shelley L. Heller, County Administrator | Thomas N. Yeager, County Attorney

October 31, 2023

Cindy Stone
Director, Community Development Programs
Maryland Department of Housing & Community Development
Neighborhood Revitalization
7800 Harkins Road
Lanham, MD 20706

RE: Acknowledging the recapture of a portion of funds related to the Maryland Community Development Block Grant Program Grant No.: COVID Round 1 CV-1-7

Dear Ms. Stone:

This letter serves to acknowledge the recapture of a portion of funds by the State related to the Maryland Community Development Block Grant (CDBG) Program. The amendment to the agreement for Grant No. CV-1-7 was executed on September 9, 2021. The deadline for 100% of expenditures was June 30, 2023.

Due to factors beyond its control, Kent County has been unable to distribute \$75,240.00 of funding to one of the recipients, the Maryland Rural Development Corporation (MRDC), due to certain documentation requirements of the federal CDBG Program, which MRDC is unable to provide, due to reporting conflicts with the recordkeeping requirements for the Emergency Rental Assistance Program (ERAP), which was undertaken simultaneously during the period for which Grant No. CV-1-7 was also to be accessed.

Kent County and MRDC did assist local families living in Kent County with over \$1,000,000.00 of funds via ERAP, which is also provided through the Maryland Department of Housing & Community Development (DHCD). By foregoing \$74,240.00 in CDBG funds, over \$1,000,000.00 of assistance was successfully brought to the County with the assistance and oversight of DHCD, for which Kent County and MRDC are extremely grateful.

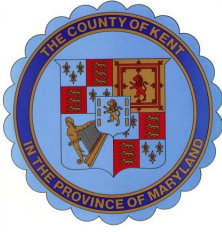
Thank you for your assistance and for the many funding opportunities that DHCD brings to Kent County.

Sincerely,


Ronald H. Fithian, President

Cc: Shelley L. Heller, Kent County Administrator
Bill Mackey, Director, Department of Planning, Housing, and Zoning

Chris Benzing, Executive Director
Maryland Rural Development Corporation
101 Cedar Lane
Greensboro, MD 21639
(delivered via email)



#5 - Housing Rehabilitation Program 10/31/2023 County Commissioners Meeting

Item Summary:

Certificate of Satisfaction

ATTACHMENTS:

Description

10.31.23 Certificate of Satisfaction, Mercedes Freeman Bradley and Bonita R. Prather, Release of Mortgage Lien, Liber M.L.M. No. 577, Folio 61, Fully Paid and Discharged

CERTIFICATE OF SATISFACTION

KNOW ALL MEN BY THESE PRESENTS:

That, the Board of County Commissioners of Kent County does hereby acknowledge that the indebtedness secured by a certain Mortgage made by Mercedes Freeman Bordley and Bonita R. Prather, dated July 22, 2008, and recorded among the Land Records of Kent County, Maryland, in Liber M.L.M. No. 577, folio 61, has been fully paid and discharged, that The Board of County Commissioners of Kent County was, at the time of satisfaction, the holder of the Mortgage, and that the lien of the Mortgage is hereby released.

Witness the hands and seals of the holders of said Mortgage this 31st day of

October, 2023.

Attest:

THE BOARD OF COUNTY COMMISSIONERS
OF KENT COUNTY

Tonya Lee Thomas
Witness

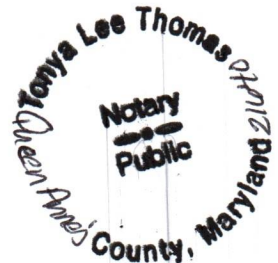
BY: Ronald Fithian
Ronald Fithian, President

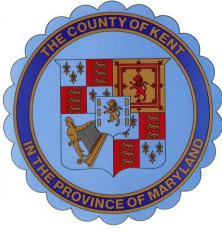
STATE OF MARYLAND, COUNTY OF Kent County, to wit:

I hereby certify that on this 31st day of October, 2023, before me, the subscriber, personally appeared Ronald Fithian and represented himself to be the President of the Board of County Commissioners of Kent County, the holder of the Mortgage and Mortgage Modification Agreement referred to above and that as such officer, being authorized to do so, executed the foregoing Certificate of Satisfaction for the purposes therein contained, by signing the name of said corporation as such officer, and that the facts set forth therein are true.

Tonya Lee Thomas
Notary Public

My Commission Expires: 08-25-25





**Jill Coleman, Director, and Jessica Plum, Recreation Program
Coordinator, Parks and Recreation
10/31/2023
County Commissioners Meeting**

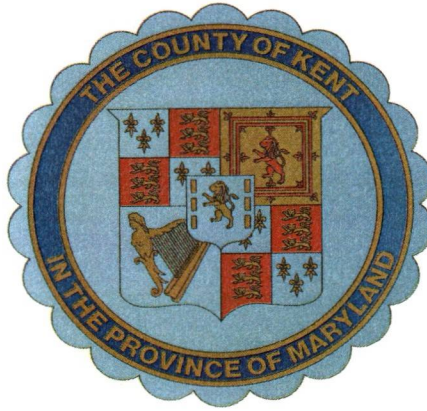
Item Summary:

Certificate of Recognition For Wayne Gilchrest

ATTACHMENTS:

Description

10.31.23 Certificate of Recognition, Wayne Gilchrest



Certificate of Recognition

This is to certify that

Wayne Gilchrest

is hereby recognized

for leaving an indelible mark on our parks and enriching the lives of countless individuals through educational programs and the preservation of our environment. His vision, knowledge, and dedication have been instrumental in creating a greener, healthier, and more vibrant Kent County.

We, the County Commissioners of Kent County, would like to extend our heartfelt thanks and appreciation to a remarkable individual who has played an invaluable role in shaping the future of Kent County Parks and Recreation and championing environmental education and stewardship.

THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND

A blue ink signature of Ronald H. Fithian, written in a cursive style.

Ronald H. Fithian, President

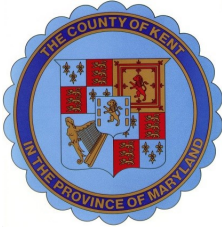
A blue ink signature of Albert H. Nickerson, written in a cursive style.

Albert H. Nickerson, Member

A blue ink signature of John F. Price, written in a cursive style.

John F. Price, Member

October 31, 2023



**Dr. Karen Couch, Superintendent, and Allessa Stewart, Supervisor of
Finance, Kent County Public Schools
10/31/2023
County Commissioners Meeting**

Item Summary:

FY2023 Unrestricted Funds Budget Amendments #2 and #3
FY2023 Board of Education Audited Financial Statements

FY2024 Unrestricted Funds Budget Amendment #1

ATTACHMENTS:

Description

10.31.23 Unrestricted Budget Amendment #2 FY2023 Memo
10.31.23 FY2023 Unrestricted Budget Amendment #2 Spreadsheet
10.31.23 Unrestricted Budget Amendment #3 FY2023 Memo
10.31.23 FY2023 Unrestricted Budget Amendment #3 Spreadsheet
10.31.23 Kent County Public Schools FY2023 Financial Statement Audit - MEMO
10.31.23 Kent County Board of Education Financial Statements 6.30.2023
10.31.23 Unrestricted Budget Amendment #1 FY2024 Memo
10.31.23 FY2024 Unrestricted Budget Amendment #1 Spreadsheet



Kent County Public Schools

Growing a Community of Leaders

TO: County Commissioners of Kent County

FROM: Dr. Karen M. Couch, Superintendent and Alleesa Stewart, MBA – Supervisor of Finance

RE: Unrestricted Funds Budget Amendment #2 – FY 2023

DATE: October 17, 2023

PURPOSE

To request County Commissioners Approval of Budget Amendment #2 for Fiscal Year 2023 of Unrestricted Funds.

SUMMARY

In review of Fiscal Year 2023 for year-end processes, budget amendments are needed.

- Operations – Increase Category by \$132,986.93.
- Maintenance – Increase Category by \$46,025.34.
- Transportation – Increase Category by \$205,404.55.
- Fixed Charges – Decrease Expense by \$384,416.82.
 - This will cover the overages in the Operation, Maintenance and Transportation category.
- Administration – Increase Category by \$46,929.04.
- Mid-Level Administration – Decrease Expense by \$46,929.04.
 - This will cover the overage in the Administration category.

- Other Instructional Costs – Increase Category by \$16,386.88.
- Instructional Salary – Decrease Expense by \$16,386.88.
 - This will cover the overage in the Other Instructional Costs category.
- Student Health Services – Increase Category by \$8,357.58.
- Student Pupil Services – Decrease Expense by \$8,357.58.
 - This will cover the overage in the Student Health category.

ACTION

County Commissioners Approval is requested for the approval of Unrestricted Funds Budget Amendment #2 for Fiscal Year 2023.

Kent County Public Schools
Fiscal Year 2023
Budget Amendment #2

Unrestricted Budget Amendment Spreadsheet - Fiscal Year 2023								
	Original Budget	Amendment #1	Amendment #2	Amendment	Amendment	Amendment	Amendment	Total
Unrestricted Revenue								
Local Appropriation	\$18,559,629							\$18,559,629
Non-Recurring Costs	\$0							\$0
Other	\$258,292	\$52,965.00						\$311,257
State Share Current Exp	\$10,239,729	\$20,000.00						\$10,259,729
Federal	\$0							\$0
Fund Balance	\$1,824,447							\$1,824,447
Totals	\$30,882,097	\$72,965.00	-	\$0	\$0	\$0		\$30,955,062
Unrestricted Expenditures								
Administration	\$1,371,636		46,929.04					\$1,418,565
Mid-Level	\$1,947,361		(46,929.04)					\$1,900,432
Instructional Salary	\$10,090,471	\$264,644.00	(16,386.88)					\$10,338,728
Instructional Supply	\$201,354							\$201,354
Instructional Other	\$791,292	(\$132,322.00)	16,386.88					\$675,357

**Kent County Public Schools
Fiscal Year 2023
Budget Amendment #2**

Special Education	\$3,528,970	(\$112,322.00)						\$3,416,648
Pupil Personnel	\$594,153		(8,357.58)					\$585,795
Health Service	\$522,287		8,357.58					\$530,645
Transportation	\$1,917,771		205,404.55					\$2,123,176
Operations	\$1,820,114		132,986.93					\$1,953,101
Maintenance	\$666,304		46,025.34					\$712,329
Fixed Charges	\$7,202,945		(384,416.82)					\$6,818,528
Food Service Transfer	\$0							\$0
Capital Outlay	\$53,292	\$52,965.00						\$106,257
Total	\$30,707,950	\$72,965.00	-	\$0	\$0	\$0	\$0	\$30,780,915



Kent County Public Schools

Growing a Community of Leaders

TO: County Commissioners of Kent County

FROM: Dr. Karen M. Couch, Superintendent and Alleesa Stewart, MBA – Supervisor of Finance

RE: Unrestricted Funds Budget Amendment #3 – FY 2023

DATE: October 17, 2023

PURPOSE

To request County Commissioners Approval of Budget Amendment #3 for Fiscal Year 2024 of Unrestricted Funds.

SUMMARY

In finalizing the audit for Fiscal Year 2023, an additional budget amendment was needed.

- Increase Mid-Level Administration to \$70,000 and Decrease Instructional Salaries by \$70,000.
 - When processing budget amendment #1, funds reallocated to accommodate the KAP program were misallocated under Instructional Salaries instead of Mid-Level Admin.
- Increase Operations to \$7,000 and Decrease Fixed Charges by \$7,000.
 - To reconcile School Construction budget, other operational costs were recoded to account for related operational expenditures.

ACTION

Requesting County Commissioners Approval for the Unrestricted Funds Budget Amendment #3 for Fiscal Year 2023.

**Kent County Public Schools
Fiscal Year 2023
Budget Amendment #3**

Unrestricted Budget Amendment Spreadsheet - Fiscal Year 2023								
	Original Budget	Amendment #1	Amendment #2	Amendment #3	Amendment	Amendment	Amendment	Total
Unrestricted Revenue								
Local Appropriation	\$18,559,629							\$18,559,629
Non-Recurring Costs	\$0							\$0
Other	\$258,292	\$52,965.00						\$311,257
State Share Current Exp	\$10,239,729	\$20,000.00						\$10,259,729
Federal	\$0							\$0
Fund Balance	\$1,824,447							\$1,824,447
Totals	\$30,882,097	\$72,965.00	-	-	\$0	\$0		\$30,955,062
Unrestricted Expenditures								
Administration	\$1,371,636		46,929.04					\$1,418,565
Mid-Level	\$1,947,361		(46,929.04)	70,000.00				\$1,970,432
Instructional Salary	\$10,090,471	\$264,644.00	(16,386.88)	(70,000.00)				\$10,268,728
Instructional Supply	\$201,354							\$201,354
Instructional Other	\$791,292	(\$132,322.00)	16,386.88					\$675,357
Special Education	\$3,528,970	(\$112,322.00)						\$3,416,648

**Kent County Public Schools
Fiscal Year 2023
Budget Amendment #3**

Pupil Personnel	\$594,153		(8,357.58)					\$585,795
Health Service	\$522,287		8,357.58					\$530,645
Transportation	\$1,917,771		205,404.55					\$2,123,176
Operations	\$1,820,114		132,986.93	7,000.00				\$1,960,101
Maintenance	\$666,304		46,025.34					\$712,329
Fixed Charges	\$7,202,945		(384,416.82)	(7,000.00)				\$6,811,528
Food Service Transfer	\$0							\$0
Capital Outlay	\$53,292	\$52,965.00						\$106,257
Total	\$30,707,950	\$72,965.00	-	-	\$0	\$0		\$30,780,915



Kent County Public Schools

Growing a Community of Leaders

TO: County Commissioners of Kent County

FROM: Superintendent – Dr. Karen M. Couch
Supervisor of Finance – Alleesa Stewart, MBA

RE: KCPS Financial Statement Audit Fiscal Year 2023

DATE: October 17, 2023

PURPOSE

To present to the County Commissioners of Kent County the KCPS Fiscal Year 2023 Audited Financial Statements.

SUMMARY

The UHY, LLC completed the FY23 Financial Report for the Kent County Public Schools. On October 9, 2023, the Kent County Board of Education accepted the FY23 Financial Report and provided to the County as required.

There were no material weaknesses identified in the FY23 Financial Report presented as information. In the Auditor's opinion, the audit was presented fairly in all material respects.

ACTION

Informational purposes only.

**BOARD OF EDUCATION
OF KENT COUNTY, MARYLAND**

AUDITED FINANCIAL STATEMENTS

For the year ended June 30, 2023

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND

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INDEPENDENT AUDITORS' REPORT

Board of Education of Kent County, Maryland
Rock Hall, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Kent County, Maryland, component unit of Kent County, Maryland ("the Board"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Kent County, Maryland, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Board of Education of Kent County, Maryland and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended June 30, 2023, the Board adopted new accounting guidance from the Government Accounting Standards Board (GASB) Statement No. 96, "Subscription-Based Information Technology Arrangements". Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Board of Education of Kent County, Maryland's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of Kent County, Maryland's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Board of Education of Kent County, Maryland's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures and encumbrances budget and actual – general fund, schedule of changes in the Board's net OPEB liability and related ratios, schedule of investment returns, schedule of the Board's proportionate share of the net pension liability, and schedule of Board contributions – pensions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Board of Education of Kent County, Maryland's basic financial statements. The accompanying schedule of revenues – general fund, combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures, and changes in fund balances – nonmajor governmental funds, schedule of revenues and expenditures – food service fund, and statement of revenues, expenditures and fund balance – school activities fund, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information as referred to above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of The Board of Education of Kent County Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Board of Education of Kent County, Maryland's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Board of Education of Kent County, Maryland's internal control over financial reporting and compliance.

The image shows a handwritten signature in dark ink. The letters 'UHY' are large and stylized, followed by 'LLP' in a smaller, more standard font. The signature is written in a cursive-like style.

Salisbury, Maryland
September 29, 2023

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education of Kent County, Maryland
Rock Hall, Maryland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Board of Education of Kent County, Maryland, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise The Board of Education of Kent County, Maryland's basic financial statements, and have issued our report thereon dated September 29, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Board of Education of Kent County, Maryland's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of Kent County, Maryland's internal control. Accordingly, we do not express an opinion on the effectiveness of The Board of Education of Kent County, Maryland's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Board of Education of Kent County, Maryland's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink, reading "UHY LLP". The letters are stylized and cursive, with the "U" and "H" being particularly prominent.

Salisbury, Maryland
September 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE BOARD OF EDUCATION OF KENT COUNTY
Rock Hall, Maryland

Management's Discussion and Analysis (MD&A)
June 30, 2023

Our discussion and analysis of the Board of Education of Kent County's financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the financial statements.

The goal of MD&A is for the Board's financial managers to present an objective and easily readable analysis of the Board's financial activities based on currently known facts, decisions, or conditions.

Financial Highlights

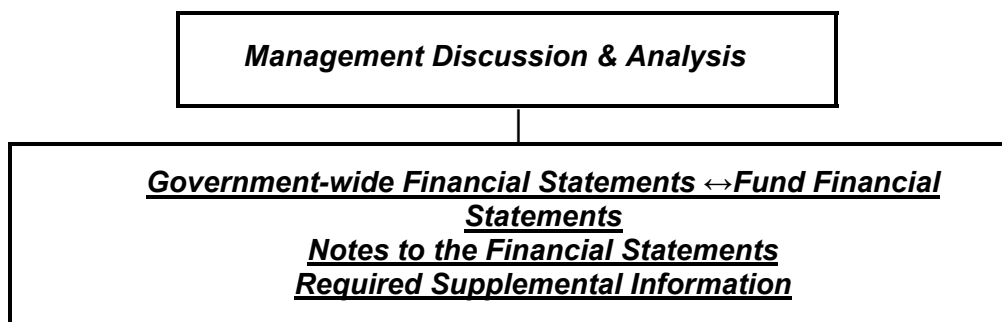
The General Fund unrestricted revenue budget was increased by \$72,965, or 0.17%, during the year from the originally adopted budget. Amounts budgeted for unrestricted expense increased by \$72,965. The final budget for restricted revenues and expense is based on grant award amounts to be received in future years.

The General Fund fund balance increased by \$955,370 on a budgetary basis.

Excluding revenues and expenditures related to restricted federal and state grants, the General Fund budget revenues exceeded the actual revenues by \$374,758; expenditures and encumbrances were \$1,155,981, or approximately 3.8%, under the amended budget.

Details of the General Fund budget variances can be found on page 54 of the financial statements.

Basic Financial Statements



The illustration above represents the minimum requirements for the Board's external financial statements.

Government-wide Financial Statements

The government-wide perspective is designed to provide readers with a complete financial view of the entity known as The Board of Education of Kent County. The financial presentation of this perspective is similar to a private sector business.

The *statement of net position* presents information on all of the assets and liabilities of the Board with the difference between the two reported as *net position*. The *statement of activities* presents information showing how the Board's net position changed during the most recent fiscal year.

These statements measure the change in total economic resources during the period utilizing the accrual basis of accounting. This means any change in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (like earned but unused employee leave), or for which cash has already been expended (depreciation of buildings and equipment already purchased).

The government-wide perspective is unrelated to budget and, accordingly, budget comparisons are not provided.

Fund Financial Statements

A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Board of Education of Kent County uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The Board's funds are presented in two categories, governmental funds and fiduciary funds. The Board of Education of Kent County does not operate any enterprise activities that are reported as proprietary funds.

The measurement focus of these statements is current financial resources; therefore the emphasis is placed on the cash flows of the organization within the reporting period or in the near future. Accordingly, the modified accrual basis of accounting that measures these cash flows is used. In the case of The Board of Education of Kent County, open encumbrances are excluded from expenditures. Additionally, the State of Maryland's contribution to the teachers' retirement system are added to revenue and expenditures.

Budgetary presentation of individual fund financial information utilizing the current financial resources measurement focus and the budgetary basis of accounting is presented as part of the Required Supplementary Information. In this presentation, available cash flows of the Board itself are measured, as well as the commitment to acquire goods or services with that cash. Open encumbrances at year-end are included in the expenditures.

This is the legal basis upon which the budget is adopted, so budget comparisons are provided. Governmental Accounting Standards (GASB) requires that we present the original adopted budget as well as the final budget, and discuss the changes between them.

	Government-wide Statements	Fund Statements	Budgetary Fund Statements
Measurement Focus	Economic Resources	Current Financial Resources	Current Financial Resources
Basis of Accounting	Accrual	Modified Accrual	Cash and Commitments
Budget	No	No	Yes

The table above presents the differences in the presentation of the basic financial statements.

Fiduciary Responsibility – Trust and Custodial Funds

Retiree Health Plan Trust

The Board is the trustee, or fiduciary, for its retiree health plan trust. We exclude the activity from Kent County Public Schools' other financial statements because the assets cannot be used to finance the Board's activities. We are responsible for ensuring the assets reported in this fund are used for their intended purposes.

The Board of Education of Kent County as a Whole

Table 1

	June 30, 2023	June 30, 2022	\$ Change	% Change
Current and other assets	\$ 9,118,865	\$ 8,821,013	\$ 297,852	3.38%
Capital assets	26,612,323	21,755,059	4,857,264	22.33%
Total Assets	<u>35,731,188</u>	<u>30,576,072</u>	<u>5,155,116</u>	<u>16.86%</u>
Deferred outflows of resources	<u>7,314,724</u>	<u>8,549,609</u>	<u>(1,234,885)</u>	<u>-14.44%</u>
Current and other liabilities	5,212,567	3,876,888	1,335,679	34.45%
Long-term liabilities	26,040,341	33,634,386	(7,594,045)	-22.58%
	<u>11,292,243</u>			
Total Liabilities	<u>42,545,151</u>	<u>37,511,274</u>	<u>5,033,877</u>	<u>13.42%</u>
Deferred inflows of resources	<u>4,597,790</u>	<u>4,597,790</u>	<u>-</u>	<u>0.00%</u>
Net position:				
Invested in capital assets	25,979,038	21,060,725	4,918,313	23.35%
Restricted	306,343	410,644	(104,301)	-25.40%
Unrestricted	<u>(25,784,620)</u>	<u>(24,454,752)</u>	<u>(1,329,868)</u>	<u>5.44%</u>
Total Net Position	<u>\$ 500,761</u>	<u>\$ (2,983,383)</u>	<u>\$ 3,484,144</u>	<u>-116.79%</u>

During the fiscal year ended June 30, 2023, the Board's net position increased by \$3,484,144. The Board experienced increased expenses of approximately \$2.7 million in the current year but that was offset by additional grant and contribution funding in the current year of approximately \$6.6 million. The increase in expense is primarily attributable to increased instruction and special education as well as increased expenses in administration.

Capital assets are insured with the Maryland Association of Boards of Education Group Insurance Pool. The capital assets are managed using Sungard Pentamotion Fixed Asset software. Inventory is updated annually.

The unrestricted net deficit at June 30, 2023 is \$25,784,620. The Board has the cash flow available to meet all current obligations.

Table 2

	June 30, 2023	June 30, 2022	\$ Change	% Change
Revenues				
Program Revenues				
Charges for services	\$ 360,974	\$ 237,925	\$ 123,049	51.72%
Operating grants and contributions	11,069,513	10,060,981	1,008,532	10.02%
Capital grants and contributions	6,585,836	972,235	5,613,601	577.39%
General Revenues				
Kent County	18,559,629	18,559,629	-	0.00%
State of Maryland	10,002,692	9,233,923	768,769	8.33%
Other	194,001	238,267	(44,266)	-18.58%
Total Revenues	<u>46,772,645</u>	<u>39,302,960</u>	<u>7,469,685</u>	<u>19.01%</u>
Expenses				
Instruction and special education	21,567,178	19,967,321	1,599,857	8.01%
Administration	2,359,294	1,305,781	1,053,513	80.68%
Support services	17,788,434	17,675,203	113,231	0.64%
Depreciation - unallocated	1,573,595	1,620,415	(46,820)	-2.89%
Total Expenses	<u>43,288,501</u>	<u>40,568,720</u>	<u>2,719,781</u>	<u>6.70%</u>
Change in Net Position	<u>3,484,144</u>	<u>(1,265,760)</u>	<u>4,749,904</u>	<u>-375.26%</u>
Net Position Beginning	<u>(2,983,383)</u>	<u>(1,717,623)</u>	<u>(1,265,760)</u>	<u>73.69%</u>
Net Position End of Year	<u>\$ 500,761</u>	<u>\$ (2,983,383)</u>	<u>\$ 3,484,144</u>	<u>-116.79%</u>

Fund Performance

Funds are self-balancing sets of accounts used by the Board to control and manage money for particular purposes. As pointed out earlier, fund information is presented in two ways to satisfy two specific purposes.

General Fund

The total unrestricted budget was expended at 96.24% excluding restricted expenditures related to restricted federal and state grants. The variances in the end of year unexpended funds versus budgeted amounts are detailed by category on page 54 of the financial statements. Expenditure changes between major categories occurred to accommodate school system priorities during the fiscal year.

The Board and the County entered into a solar agreement which began in July 2012. The project is located on the school system's Worton campus and currently contains five properties. The waterfall consists of Worton Elementary School, Kent County Community Center, Kent County Parks & Recreation, Transmitter Building, and Kent County High School. The school system then entered into another solar arrangement with the Town of Rock Hall in January 2013. The Board of Education and Rock Hall Elementary School are both participants in this venture. The school system has recognized savings from this project.

A schedule of changes between the original and final budgets for the year ended June 30, 2023 is presented below.

	Original Budget	Final Budget	Total Change
Revenues			
Local	\$ 18,559,629	\$ 18,559,629	\$ -
State of Maryland	10,239,729	10,259,729	(20,000)
Other sources	258,292	311,257	(52,965)
Restricted federal, state and other	13,276,994	13,276,994	-
Prior year's fund balance	<u>1,824,447</u>	<u>1,824,447</u>	<u>-</u>
Total Revenues	<u>\$ 44,159,091</u>	<u>\$ 44,232,056</u>	<u>\$ (72,965)</u>
Expenditures and Encumbrances			
Administration	\$ 1,371,636	\$ 1,418,565	\$ (46,929)
Mid-level administration	1,947,361	1,900,432	46,929
Instructional salaries	10,090,471	10,338,728	(248,257)
Instructional texts and supplies	201,354	201,354	-
Instructional other costs	791,292	675,357	115,935
Special education	3,528,970	3,416,649	112,321
Student personnel services	594,153	585,795	8,358
Student health services	522,287	530,644	(8,357)
Student transportation	1,917,771	2,123,176	(205,405)
Operation of plant	1,820,114	1,953,101	(132,987)
Maintenance of plant	666,304	712,329	(46,025)
Fixed charges	7,202,945	6,818,528	384,417
Capital outlay	53,292	106,257	(52,965)
Restricted programs	<u>13,276,994</u>	<u>13,276,994</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>\$ 43,984,944</u>	<u>\$ 44,057,909</u>	<u>\$ (72,965)</u>

It is critical for the reader to understand that local and state revenues account for nearly all of the general fund revenue. Both are stable and highly predictable. Additional revenues are neither stable nor predictable, and usually are not budgeted in full in the original budget, but handled as adjustments during the year.

Food Service

The Board's food service program is a special revenue fund. Increased staff costs and related expenses, along with the need to replace kitchen equipment, are ongoing trends of concern. In fiscal year 2023, expenditures exceed revenues by \$79,502, resulting in a decrease in the program's fund balance.

The use of technology in inventory control and basic operations has resulted in tremendous improvements in managing the program. The school system uses a number of best practices in its food service operations and uses certain performance measures to monitor the efficiency of its operations. The system takes advantage of available USDA commodities and maximizes its participation in the National School Meal Program.

The school system has a secure web-based software program that gives parents the convenience to pay for school meals and other activities online by using MySchoolBucks. This software integrates and updates to our current Meal Tracker program eTriton. This allows parents to track their child's meal balance online. This program enabled the school system to collect online parent payments; improving collections and reducing loss of cash. Plans are ongoing to improve the service to parents and improve system efficiency.

Other

School districts in Maryland are in the uncommon position, as they are fully fiscally dependent on the state and county governments, of owning assets but not the debt associated with those facilities. Accordingly, the Board carries no bond rating and does not have a debt policy.

Capital Assets and Debt Administration

Capital assets – By the end of fiscal year 2023, the Board had invested \$73.4 million in a broad range of capital assets, including land, school buildings, athletic facilities, vehicles, and furniture and equipment. Total depreciation expense for the year was approximately \$1.9 million. More detailed information about capital assets can be found in Note 5 to the financial statements.

Long-term liabilities – At year end, the Board had \$26,387,557 in long term liabilities of which \$311,472 is due in the next fiscal year. This amount consists of the following:

- \$23,844,699 in net OPEB obligation
- \$1,497,715 in net pension liability
- \$633,285 in financed purchases
- \$411,858 in intangible right-to-use leases

Factors Bearing on the Board's Future

The most significant factors influencing the Board's future are declining student enrollment trends and its impact on future funding.

The use of fund balance, a one-time funding source, to balance the Board's operating budget creates a long-term sustainability concern. Continuing to use fund balance in this manner presents a future burden for the Board to generate a similar level of funding in subsequent years.

Additional factors that present challenges for the operating budget are that surrounding school systems consistently provide their employees with annual step increases in conjunction with a cost of living adjustment (COLA), underscoring the importance of boosting salaries to remain competitive. Other factors include increases in fixed costs, health care premiums, fuel and utilities that are beyond the Board's control.

The Maryland Commission on Innovation and Excellence in Education, known as the Kirwan Commission, was tasked with updating the State's school financing formula. Based on Commission recommendations, Senate Bill 1030 established The Blueprint for Maryland's Future as current State education policy. The effects on the use of education funding continue to change as the law is being interpreted and implemented.

Funding other post-retirement benefits (OPEB) in accordance with GASB 75 remains a concern. GASB 75 is an accounting standard for all governmental agencies which addresses post-employment benefits, other than pensions, such as health care. Under GASB 75 the District must recognize the present cost and liability of future health care that has been earned by current and retired employees. There is no requirement to fund this obligation, however, it does become a liability against the Board's assets as reported in the Government-wide Statement of Net Position. Currently, health care expenses for retirees and active employees are expensed when paid. This practice is expected to continue especially with the economic conditions our funding entities face at this time. Whether or not this liability is funded in the future may affect our budget, and the bond rating of county and state governments.

During FY 2015 the Board implemented provisions of GASB 68, Accounting and Financial Reporting for Pensions. GASB 68 requires the Board to report their proportionate share of the Maryland State Retirement and Pension System's net pension liability. The Board's proportionate share is calculated by the System's actuary and is reported as a liability on the Board's Government-wide Statement of Net Position. Currently, pension costs for retirees and active employees are expensed when paid.

Contacting the Board of Education of Kent County's Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents, and students with a general overview of the Board's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Finance Office, (410) 778-7123, at The Board of Education of Kent County, Maryland.

FINANCIAL STATEMENTS

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
STATEMENT OF NET POSITION
June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 5,313,212
Accounts receivable:	
Federal funds from State of Maryland	2,043,909
State of Maryland	890,096
Local	706,419
Other	107,555
Inventories, at cost	57,674
Non depreciable capital assets	6,602,556
Depreciable capital assets, net	<u>20,009,767</u>
TOTAL ASSETS	<u>35,731,188</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions (see Note 7)	406,898
Other post-employment benefits (see Note 9)	<u>6,907,826</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,314,724</u>
LIABILITIES	
Accounts payable:	
Vendors	494,847
Accrued payroll	2,259,376
Accrued payroll deductions and withholdings	60,403
Accrued leave	29,320
Unearned revenue	2,021,405
Long-term liabilities:	
Due within one year	347,216
Due in more than one year	<u>26,040,341</u>
TOTAL LIABILITIES	<u>31,252,908</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions (see Note 7)	1,010,816
Other post-employment benefits (see Note 9)	<u>10,281,427</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>11,292,243</u>
NET POSITION	
Net investment in capital assets	25,979,038
Restricted for:	
Smith Estate	3,155
Food service	303,188
Unrestricted	<u>(25,784,620)</u>
TOTAL NET POSITION	<u>\$ 500,761</u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

		Program Revenues			Net (Expenses)
		Charges for	Operating	Capital	Revenues and
<u>Expenses</u>		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
Governmental Activities					
Current:					
Administration	\$ 2,359,294	\$ -	\$ 774,873	\$ -	\$ (1,584,421)
Mid-level administration	2,178,375	-	208,148	-	(1,970,227)
Instructional salaries and wages	13,151,572	-	3,009,305	-	(10,142,267)
Textbooks and instructional supplies	511,553	-	313,735	-	(197,818)
Other instructional costs	1,394,141	-	646,829	-	(747,312)
Special education	4,331,537	-	1,321,154	-	(3,010,383)
Pupil personnel services	571,520	-	-	-	(571,520)
Health services	777,430	-	246,785	-	(530,645)
Pupil transportation	2,162,115	-	47,457	-	(2,114,658)
Operation of plant	1,861,303	-	85,511	-	(1,775,792)
Maintenance of plant	694,750	-	3,045	-	(691,705)
Fixed charges	7,841,523	-	1,004,204	-	(6,837,319)
Community services	432,430	-	432,430	-	-
Capital outlay	49,211	-	-	6,585,836	6,536,625
Food service	1,509,579	159,606	1,270,006	-	(79,967)
School activity expenditures	182,542	201,368	-	-	18,826
Unallocated depreciation	1,573,595	-	-	-	(1,573,595)
On-behalf Kent County contributions	182,809	-	182,809	-	-
On-behalf State Retirement contribution:	1,523,222	-	1,523,222	-	-
Total Governmental Activities	\$43,288,501	\$ 360,974	\$11,069,513	\$ 6,585,836	(25,272,178)

General Revenues

Kent County Appropriations	18,559,629
State of Maryland - unrestricted	10,002,692
Investment earnings	4,569
Miscellaneous	189,432
Total General Revenues	<u>28,756,322</u>
Change in Net Position	3,484,144
Net Position Beginning of Year	<u>(2,983,383)</u>
Net Position End of Year	<u>\$ 500,761</u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	MAJOR FUNDS		Nonmajor	Total
	General	Capital	Governmental	Governmental
	Fund	Projects	Funds	Funds
		Fund		
ASSETS				
Cash and investments	\$ 5,049,614	\$ -	\$ 263,598	\$ 5,313,212
Accounts receivable:				
Federal funds from State of Maryland	2,003,054	-	40,855	2,043,909
State of Maryland	296,998	565,638	27,460	890,096
Other Board of Education funds	898,091	-	219,111	1,117,202
Local	-	706,419	-	706,419
Other	105,299	1,914	342	107,555
Inventories, at cost	-	-	57,674	57,674
TOTAL ASSETS	\$ 8,353,056	\$ 1,273,971	\$ 609,040	\$ 10,236,067
LIABILITIES AND FUND BALANCES				
Accounts payable:				
Vendors	\$ 316,755	\$ 156,769	\$ 21,323	\$ 494,847
Other Board of Education funds	-	1,117,202	-	1,117,202
Accrued payroll	2,221,104	-	38,272	2,259,376
Accrued payroll deductions and withholdings	60,403	-	-	60,403
Accrued leave	29,320	-	-	29,320
Unearned revenue - Federal	1,822,261	-	-	1,822,261
Unearned revenue - State	171,122	-	-	171,122
Unearned revenue - USDA commodities	-	-	1,677	1,677
Unearned revenue - other	26,345	-	-	26,345
TOTAL LIABILITIES	4,647,310	1,273,971	61,272	5,982,553
COMMITMENTS AND CONTINGENCIES				
FUND BALANCES				
Nonspendable	-	-	57,674	57,674
Restricted	-	-	306,343	306,343
Committed	1,300,173	-	-	1,300,173
Assigned	-	-	183,751	183,751
Unassigned	2,405,573	-	-	2,405,573
TOTAL FUND BALANCES	3,705,746	-	547,768	4,253,514
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,353,056	\$ 1,273,971	\$ 609,040	\$ 10,236,067

Total Governmental Funds Balances		\$	4,253,514
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**Amounts reported for governmental activities
in the statement of net position are different because**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			26,612,323
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Deferred outflows of resources not reported in the fund financial statements

Pension (see Note 7)	406,898		
Other post-employment benefits (see Note 9)	<u>6,907,826</u>		
			7,314,724

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds

Financed purchases	(633,285)		
Long-term leases	(411,858)		
Net pension liability	(1,497,715)		
Post-employment benefits	<u>(23,844,699)</u>		
			(26,387,557)

Deferred inflows of resources not reported in the fund financial statements

Pension (see Note 7)	(1,010,816)		
Other post-employment benefits (see Note 9)	<u>(10,281,427)</u>		
			<u>(11,292,243)</u>

Net Position of Governmental Activities		<u>\$</u>	<u>500,761</u>
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BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	MAJOR FUNDS		Nonmajor	Total
	General	Capital	Governmental	Governmental
	Fund	Projects	Funds	Funds
		Fund		
REVENUES				
County Appropriation	\$18,559,629	\$3,946,199	\$ -	\$ 22,505,828
State of Maryland	10,002,692	-	71,286	10,073,978
Federal sources	-	-	1,169,498	1,169,498
Restricted Federal revenues	6,802,314	-	-	6,802,314
Restricted State and other revenues	1,320,384	2,639,637	-	3,960,021
On-behalf Kent County contributions	182,809	-	-	182,809
On-behalf State Retirement contributions	1,523,222	-	-	1,523,222
Other sources:				
Sales of food	-	-	159,606	159,606
School activity revenues	-	-	201,368	201,368
Other	193,536	-	465	194,001
TOTAL REVENUES	<u>38,584,586</u>	<u>6,585,836</u>	<u>1,602,223</u>	<u>46,772,645</u>
EXPENDITURES				
Current:				
Administration	2,193,438	-	-	2,193,438
Mid-level administration	2,178,375	-	-	2,178,375
Instructional salaries and wages	13,151,572	-	-	13,151,572
Instructional textbooks and supplies	511,553	-	-	511,553
Other instructional costs	1,394,141	-	-	1,394,141
Special education	4,331,537	-	-	4,331,537
Student personnel services	571,520	-	-	571,520
Student health services	777,430	-	-	777,430
Student transportation	2,246,557	-	-	2,246,557
Operation of plant	2,124,753	-	-	2,124,753
Maintenance of plant	715,750	-	-	715,750
Fixed charges	7,295,503	-	-	7,295,503
Community services	432,430	-	-	432,430
Capital outlay	21,649	6,585,836	-	6,607,485
Food services	29,222	-	1,480,357	1,509,579
School activity expenditures	-	-	182,542	182,542
On-behalf Kent County contributions	182,809	-	-	182,809
On-behalf State Retirement contributions	1,523,222	-	-	1,523,222
TOTAL EXPENDITURES	<u>39,681,461</u>	<u>6,585,836</u>	<u>1,662,899</u>	<u>47,930,196</u>
EXCESS OF REVENUES OVER EXPENDITURES	(1,096,875)	-	(60,676)	(1,157,551)
OTHER FINANCING SOURCES				
Proceeds from financed purchases	75,924	-	-	75,924
Proceeds from long-term leases	79,544	-	-	79,544
TOTAL OTHER FINANCING SOURCES	<u>155,468</u>	<u>-</u>	<u>-</u>	<u>155,468</u>
Net change in fund balances	(941,407)	-	(60,676)	(1,002,083)
Fund balances, beginning	4,647,153	-	608,444	5,255,597
Fund balances, ending	<u>\$ 3,705,746</u>	<u>\$ -</u>	<u>\$ 547,768</u>	<u>\$ 4,253,514</u>

Net change in fund balances-total Governmental Funds			\$ (1,002,083)
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Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Fixed asset additions	6,734,742		
Current year depreciation	<u>(1,867,906)</u>		
Total			4,866,836

Proceeds from financed purchases and long-term leases are revenues in the governmental funds but increases in liabilities in the statement of net position.

Financed purchases	(75,924)		
Long-term leases	<u>(79,544)</u>		
Total			(155,468)

In governmental fund financial statements, proceeds from a sale are shown as an increase in financial resources. In government wide financial statements, gain or loss is calculated and reported.

(9,572)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Decrease in pension expense due to deferred financing outflow			26,922
Increase in pension expense due to net pension liability			(417,234)
Decrease in pension expense due to deferred financing inflows			724,180
Increase in post-employment benefits expense due to deferred financing outflow			(1,261,807)
Decrease in post-employment benefits expense due to net OPEB liability			7,800,552
Increase in post-employment benefits expense due to deferred financing inflow			(7,418,633)

Repayment of financed purchases and long-term leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Financed purchases	136,973		
Long-term leases	<u>193,478</u>		
Total			<u>330,451</u>

Change in net position of Governmental Activities			<u><u>\$ 3,484,144</u></u>
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BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

	Retiree Benefit Trust Fund
ASSETS	
Investments	<u>\$ 1,357,963</u>
TOTAL ASSETS	<u><u>\$ 1,357,963</u></u>
NET POSITION	
Held in trust for other post-employment benefits	<u><u>\$ 1,357,963</u></u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
RETIREE BENEFIT TRUST FUND
Year Ended June 30, 2023

	Retiree Benefit Trust Fund
ADDITIONS	
Contributions	\$ -
Investment Income	109,749
TOTAL ADDITIONS	<u>109,749</u>
DEDUCTIONS	
Administrative expenses	<u>6,869</u>
TOTAL DEDUCTIONS	<u>6,869</u>
Change in net position	102,880
Net position held in trust for other post-employment benefits beginning of year	<u>1,255,083</u>
Net position held in trust for other post-employment benefits end of year	<u><u>\$ 1,357,963</u></u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 1. Description of the Board of Education of Kent County, Maryland

The Board of Education of Kent County (the "Board") is empowered by Title 13A of the Code of Maryland Regulations to fulfill the elementary and secondary educational needs of students in Kent County, Maryland (the "County").

Financial Reporting Entity

The Board is the basic level of government which has financial accountability and control over all activities related to public school education in Kent County, Maryland. The Board receives funding from local, State and Federal government sources and must comply with the requirements of these funding source entities.

The Board is a component unit of Kent County, Maryland and is included in the County's reporting entity. This conclusion has been reached based on the following criteria: 1) the County is responsible for approving the Board's budget and establishing spending limitations and 2) the Board cannot issue bonded debt, but the County can and does issue bonds to finance school system operations. In addition, there are no component units which are included in the Board's reporting entity.

Note 2. Summary of Significant Accounting Policies

The financial statements of the Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

The most significant of the Board's accounting policies are described below.

A. Basis of Presentation

The Board's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the Board. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities. The activities of the General Fund (Current Expense Fund), Special Revenue Fund (Food Service Fund), Capital Projects Fund (School Construction Fund), and permanent fund (Smith Estate Fund) have been presented as governmental activities in the government-wide financial statements. There were no business-type activities. Internal activity between funds is eliminated from the statements.

The statement of net position presents the financial condition of the governmental activities of the Board at year-end, excluding fiduciary funds. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Board's governmental activities. Direct expenses are those that are specifically associated with a service,

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (continued)

program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from general revenues of the Board.

FUND FINANCIAL STATEMENTS

During the year, the Board segregates transactions related to certain Board functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Board at a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column and non-major governmental funds are reported combined in a separate column in the fund financial statements.

B. Fund Accounting

The Board uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary (the Board has no proprietary funds).

GOVERNMENTAL FUND TYPES

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's major and non-major governmental funds:

Major funds:

General Fund (Current Expense Fund) - The General Fund is the general operating fund of the Board. All general revenues and other receipts that are not allocated by law or contractual agreement to another fund and general operating expenditures are accounted for in this fund.

Capital Projects Fund (School Construction Fund) – School Construction Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Board administers the construction and repair of public schools and uses the School Construction Fund to record the revenues from the County and other governmental units and the expenditures in connection therewith.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (continued)

Non-major funds:

Special Revenue Fund (Food Service Fund) – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Food Service Fund is used to account for and report all activities of the Board's nonprofit food service operation.

Smith Estate Fund – The Smith Estate fund is a permanent fund resulting from a bequest of funds that provides for payment of library expenses to the extent of investment income.

Special Revenue Fund (School Activity Fund) – The School Activity Fund is used to account for revenues and expenditures at the schools for, among other things, student insurance and pictures, athletics, clubs and other student activities, and principals' miscellaneous expenses.

FIDUCIARY FUND TYPES

Retiree Benefit Trust Fund – This fund consists of contributions of the Board to establish a reserve to pay for health and welfare benefits of future retirees. Contributions to the trust qualify as contributions and are reported using the economic resource measurement focus and the accrual basis of accounting under which expenses are recorded when the liability is incurred. Fiduciary funds are not reported in the government-wide financial statements.

C. Measurement Focus

Government-wide financial statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the Board are included on the statement of net position.

Fund financial statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for government funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (continued)

Revenues-Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Non-exchange transactions, in which the Board receives value without directly giving equal value in return, include primarily grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursable basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: interest, tuition, grants, fees and rentals.

Unearned revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants received before the eligibility requirements are met are also recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unearned revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

The fair value of donated commodities used during the year is reported as an expenditure with a like amount reported as donated commodities revenue. Unused donated commodities are reported as unearned revenue.

E. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The budget is prepared on the budgetary basis of accounting. The budget establishes a limit on the amounts that the Board may appropriate and sets annual limits as to the amount of expenditures at a level of control selected by the Board. The legal level of control has been established by the Board at the category level within each fund.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (Continued)

E. Budgetary Data (continued)

The budget may be amended during the year if projected increases or decreases in revenue are identified. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original budget was adopted. The amounts reported in the final budgeted amounts reflect amendments approved by the County government during the year between categories and those approved by the Board within categories. Unexpended appropriations lapse at the end of each fiscal year.

The expenditures under state and federal restricted programs may exceed budgeted amounts. The grants included in this category are not part of budget categories subject to the spending limitations of the operating budget. Expenditures under these programs are limited to the amounts of the respective grants.

Annual budgetary comparisons to actual expenditures are not presented in the financial statements for the capital projects fund. School construction is budgeted on a project basis with funds primarily provided by Kent County and State of Maryland. State funds are approved by the State's interagency committee.

F. Inventory

On government-wide financial statements and the fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventory consists of expendable food and supplies held for consumption. Food received from the USDA is included at values stated by the USDA and is offset by a deferred credit until consumed.

G. Capital Assets

General capital assets are those assets not specifically related to activities reported in proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical costs) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Board maintains a capitalization threshold of \$5,000. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Property, plant and equipment is depreciated using the straight-line method over estimated useful lives of 20 to 50 years for buildings and land improvements and 5-20 years for equipment.

Assets that have been acquired with funds received through federal grants must be used in accordance with the terms of the grant. Federal regulations require, in some cases, that the Board must reimburse the federal government for any assets which the Board retains for its own use after the termination of the grant unless otherwise provided by the grantor.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (Continued)

H. Compensated Absences

As of June 30, 2023, the value of accumulated unused sick leave has not been determined. It is not practical to estimate the portion of such values which will ultimately be paid because payment is contingent upon employees' future illnesses or retirement. The Board expects its commitment to provide sick leave to be met during the normal course of activities over the working lives of the present employees.

Any accumulated unused sick leave at retirement will ultimately be taken into consideration and paid through retirement benefits by the State of Maryland.

Twelve-month employees earn annual leave at varying rates dependent upon position and length of service. Annual leave generally must be taken by June 30 each year. For support staff, up to 15 days may be transferred to the next fiscal year. For administrative staff, up to three days may be transferred to the first week of July, and they can contribute 10 unused days to their 403(b) plans at the end of the fiscal year.

At June 30, 2023, a total of \$29,320 in unused annual leave is available, which has been recorded as accrued leave payable in the Statement of Net Position.

Expenditures in the Statement of Revenues and Expenditures for such items are the amounts accrued during the year that normally would be liquidated with expendable available financial resources. All accrued compensated absences are recorded in the government-wide financial statements.

I. Unearned Revenues

Unearned revenues consist of federal and state grants, USDA commodities and other refundable advances that have not been expended as of June 30, 2023 and consist of the following:

Restricted federal, state and other grant programs	\$	1,993,383
USDA commodities		1,677
Other unearned revenue		26,345
Total	\$	2,021,405

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (Continued)

K. Net Position

In the government-wide financial statements, net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by grantors, creditors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

L. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that period. The Board has two items that qualify for reporting in this category. The Board recognizes a deferred outflow of resources related to its pension liability (Note 7) and OPEB liability (Note 9) for changes in assumptions, the difference between actual and expected experience, the net difference between projected and actual investment earnings on plan investments, and contributions subsequent to the measurement date. These amounts are deferred and recognized as an outflow from resources in the period that the amounts become available.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two items that qualify for reporting in this category. The Board recognizes a deferred inflow of resources related to its pension liability (Note 7) and OPEB liability (Note 9) for changes in assumptions, the difference between actual and expected experience, the net difference between projected and actual investment earnings on plan investments, and change in the proportion and share of contributions. These items are deferred and recognized as an inflow from resources in the period that the amounts become available.

The deferred outflows and inflows of resources represent reconciling items between the governmental fund financial statements and the government-wide financial statements.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (Continued)

M. Fund Balance

Fund balances are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable (i.e. inventory or long term receivables), restricted (by external parties or legislation), committed (by resolution of the Board of Education), assigned (by management approval for specific purposes) and unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Board. Assigned fund balances is a limitation imposed by a designee of the Board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

N. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

O. Cash and Cash Equivalents

The Board considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

P. Interfund Receivables and Payables and Transfers

Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. Transfers are fund balance amounts reserved and/or designated in the prior year that received County approval to be spent on capital projects.

Q. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Encumbrances are reported as assigned fund balance in the governmental fund financial statements. There were no General fund unrestricted encumbrances outstanding at June 30, 2023 that were provided for in the current year's budget for the budgetary basis of accounting but will be accounted for under generally accepted accounting principles in the subsequent year.

R. On-behalf Payments

The Board recognizes as revenue and expenditures amounts expended on its behalf during the fiscal year for amounts paid by third parties. During fiscal year 2023, the Board recognized \$1,523,222 for amounts expended on its behalf by the State of Maryland for retirement contributions and \$182,809 for amounts expended on its behalf by Kent County for school resource officers, information technology services, and ground maintenance.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

S. New Accounting Policies

The Board adopted Government Accounting Standards Board's Statement No. 96, *Subscription-Based Information Technology Arrangements*, at July 1, 2022. This statement's objective is to better meet the information needs of financial statements users by improving accounting and financial reporting for subscription-based information technology arrangements. The Statement increases the usefulness of the financial statements by requiring the recognition of certain subscription-based assets and liabilities. It additionally requires disclosure of essential information about those arrangements. The Board did not have any arrangements which met the definition of a right-to-use subscription-based information technology arrangement at June 30, 2023.

Note 3. Cash and Investments

At June 30, 2023, the reported amount of the Board's deposits was \$5,313,212 and the bank balance was \$5,552,546. As required by law, each depository is to pledge securities at least equal to the amount on deposit at all times in addition to insurance provided by the Federal Deposit Insurance Corporation (FDIC). These collateralization requirements are established to reduce custodial risk which is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. As of June 30, 2023, the bank deposits were fully insured or collateralized.

The Board's exposure to investment rate and credit risk is minimal as all investments are in cash and are thus precluded from having to sell below original cost. Custodial credit risk is mitigated by attempting to have all investments fully collateralized by securities.

Investment in External Investment Pool

The Board has funds designated for Other Postemployment Benefits (OPEB) that are held by the Maryland Association of the Boards of Education (MABE) in the MABE Pooled OPEB Investment Trust (MABE Trust). The MABE Trust is administered by MABE, and is a wholly-owned instrumentality of its members. The ten members who are the sole contributors to the MABE Trust are the Allegany Fiduciary Fund and the boards of education of the following counties in Maryland: Allegany, Caroline, Cecil, Charles, Harford, Kent, Prince George's, St. Mary's and Washington.

The investments of the MABE Trust are stated at fair value and are deposited with Fidelity at June 30, 2023. Investments consist of money market funds, U.S. government and agency fixed income and asset backed securities, equity securities, mutual funds and exchange traded funds, and corporate bonds and corporate asset backed securities. The MABE Trust categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. All investments of the MABE Trust are considered Level 1 or Level 2, the Board's membership investment in the MABE Trust are considered Level 2. For investments in mutual funds, there are no unfunded commitments and investments are able to be fully redeemed on a daily basis. At June 30, 2023, the pooled position of the MABE Trust was \$616,539,843 in total, of which the Board's allocated investment balance was \$1,357,963. The Board may terminate its membership interest in the MABE Trust and withdraw its allocated investment balance by providing written notice six months prior to the intended date of withdraw.

The MABE Trust is audited annually by an independent CPA firm and issues a publicly available audited report. The report may be obtained by sending a request to the Administrator of the MABE Pooled OPEB Investment Trust, 621 Ridgely Avenue, Suite 300, Annapolis, Maryland 21401-1112 or by calling (410) 841-5414.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 4. Interfund Receivables and Payables

	Due From Other Funds	Due To Other Funds
General Fund	\$ 898,091	\$ -
School Construction Fund	-	1,117,202
Food Services Fund	219,033	-
Smith Estate	78	-
	<u>\$ 1,117,202</u>	<u>\$ 1,117,202</u>

Due to/from other funds represent advances of cash for operating needs. There were no transfers during the year.

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Deductions	Transfers	Balance June 30, 2023
Governmental Activities					
Capital Assets, not being depreciated					
Construction in progress	\$ 4,918,932	\$ 6,480,531	\$ -	\$ (4,918,932)	\$ 6,480,531
Land	122,025	-	-	-	122,025
Total capital assets, not being depreciated	<u>5,040,957</u>	<u>6,480,531</u>	<u>-</u>	<u>(4,918,932)</u>	<u>6,602,556</u>
Capital assets, being depreciated					
Land improvements	726,079	-	-	-	726,079
Buildings, furniture, fixtures and equipment	58,345,039	174,667	-	4,918,932	63,438,638
Vehicles	1,769,634	-	-	-	1,769,634
Total capital assets, being depreciated	<u>60,840,752</u>	<u>174,667</u>	<u>-</u>	<u>4,918,932</u>	<u>65,934,351</u>
Less accumulated depreciation:					
Land improvements	(467,052)	(37,578)	-	-	(504,630)
Buildings, furniture, fixtures and equipment	(43,447,500)	(1,516,590)	-	-	(44,964,090)
Vehicles	(722,318)	(128,455)	-	-	(850,773)
Total accumulated depreciation	<u>(44,636,870)</u>	<u>(1,682,623)</u>	<u>-</u>	<u>-</u>	<u>(46,319,493)</u>
Total capital assets, being depreciated, net	<u>16,203,882</u>	<u>(1,507,956)</u>	<u>-</u>	<u>4,918,932</u>	<u>19,614,858</u>
Intangible right-to-use assets:					
Leased equipment	806,079	79,544	(23,927)	-	861,696
Less accumulated amortization	(295,859)	(185,283)	14,355	-	(466,787)
Total intangible right-to-use assets, net	<u>510,220</u>	<u>(105,739)</u>	<u>(9,572)</u>	<u>-</u>	<u>394,909</u>
Governmental activities capital assets, net	<u>\$ 21,755,059</u>	<u>\$ 4,866,836</u>	<u>\$ (9,572)</u>	<u>\$ -</u>	<u>\$ 26,612,323</u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 5. Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

Administration	\$	165,856
Pupil transportation		128,455
Unallocated		<u>1,573,595</u>
Total depreciation expense	\$	<u>1,867,906</u>

Note 6. Long-Term Liabilities

A summary of long-term liabilities for the year ended June 30, 2023 is as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Due within one year
Financed purchases	\$ 694,334	\$ 75,924	\$ 136,973	\$ 633,285	\$ 154,111
Intangible right-to-use leases	525,792	79,544	193,478	411,858	193,105
Net pension liability (Note 7)	1,080,481	417,234	-	1,497,715	-
Net OPEB liability (Note 9)	31,645,251	-	7,800,552	23,844,699	-
	<u>\$ 33,945,858</u>	<u>\$ 572,702</u>	<u>\$ 8,131,003</u>	<u>\$ 26,387,557</u>	<u>\$ 347,216</u>

Long-term liabilities are normally paid from the General Fund.

Note 7. Pension Plans

Plan Description

The State Retirement Agency is the administrator of the Maryland State Retirement and Pension System (the System). The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits. The System is comprised of the Teachers' Retirement and Pension Systems, Employees' Retirement and Pension Systems, State Police Retirement System, Judges' Retirement System, and the Law Enforcement Officers' Pension System. Responsibility for the System's administration and operation is vested in a 15 member Board of Trustees. The State Retirement Agency issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Retirement and Pension System of Maryland, 120 E. Baltimore Street, Suite 1660, Baltimore, Maryland 21202-1600 or on-line at www.sra.maryland.gov.

The System's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 7. Pension Plans (Continued)

Generally, all regular employees of the Board participate in the Employees' Retirement and Pension Systems (Employee's Systems). Teachers employed by the Board generally participate in the Teachers' Retirement and Pensions Systems (Teachers' Systems). Both the Employees' Systems and the Teachers' Systems (collectively the Systems) are cost sharing multiple-employer defined benefit pension plans.

Teachers' and Employees' Retirement Systems and the Teachers' and Employees' Pension Systems

General Plan Policies

The Teachers' Retirement System of the State of Maryland was established on August 1, 1927 and is administered in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland for the purpose of providing retirement allowances and other benefits to teachers in the State. In addition, on January 1, 1980, the Teachers' Pension System of the State of Maryland was established. In this regard, teachers hired on or after January 1, 1980 become members of the Teachers' Pension System, unless they elect to join an optional retirement program. Until December 31, 2004, existing members of the Teachers' Retirement System had the option of remaining in the Teachers' Retirement System or transferring to the Teachers' Pension System.

On October 1, 1941, the Employees' Retirement System was established to provide retirement allowances and other benefits to State employees, elected and appointed officials and the employees of participating governmental units. Effective January 1, 1980, the Employees' Retirement System was essentially closed to new members and the Employees' Pension system was established. Until December 31, 2004, existing members of the Employees' Retirement System had the option of remaining in the Employees' Retirement System or transferring to the Employees' Pension System.

Significant Plan Benefits and Policies

The following is a general description of the significant plan benefits and related contribution requirements for the Teachers' and Employees' Retirement Systems and the Teachers' and Employees' Pension Systems:

Teachers' and Employees' Retirement Systems

Retirement Benefits:

A member may retire with full benefits after attaining the age of 60, or after completing 30 years of creditable service regardless of age. The annual retirement allowance is equal to 1/55 of a member's average final compensation (i.e. average of the member's three highest years of annual earnable compensation) multiplied by the number of years and months of accumulated creditable service. A member may retire with reduced benefits after completing 25 years of creditable service regardless of age. Retirement allowances are adjusted each year based on the Consumer Price Index. Cost-of-living adjustments (COLAs) are applied to all allowances payable for the year, however, the method by which the COLA is computed depends upon elections made by members and is tied to member contributions.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 7. Pension Plans (Continued)

Teachers' and Employees' Retirement Systems (continued)

Vested Allowance:

A member terminating employment before attaining retirement age but after completing 5 years of creditable service becomes eligible for a vested retirement allowance, provided the member lives to the age of 60 and does not withdraw his or her accumulated contributions. Members terminating employment before attaining retirement age and before completing 5 years of creditable service are refunded their accumulated contributions plus earned interest.

Employee Contributions:

Members of the Teachers' and Employees' Retirement System are required to contribute to the systems a fixed percentage of their regular salaries and wages (e.g. 7% or 5%, depending on the COLA option selected). The contributions are deducted from each member's salary and wage payment and are remitted to the systems on a regular, periodic basis.

Teachers' and Employees' Pension Systems

Pension Benefits:

A member may retire with full benefits after completing 30 years of eligibility service regardless of age, or at age 62 or older with specified years of eligibility service. On retirement from service, a member shall receive an annual service pension allowance. The annual pension allowance is equal to 1.2% of average compensation for the three highest consecutive years as an employee for years of creditable service accrued prior to July 1, 1998 and 1.8% of average compensation for the three highest consecutive years as an employee for years of creditable service accrued on or after July 1, 1998. Members are eligible for early service pension allowances upon attaining age 55 with at least 15 years of eligibility service.

Vested Allowance:

A member terminating employment before attaining retirement age, but after completing 5 years of eligibility service, becomes eligible for a vested pension allowance provided the member lives to age 62. Members terminating employment before attaining retirement age and before completing 5 years of eligibility service are refunded their accumulated contributions plus earned interest.

Employee Contributions:

Effective July 1, 2011, members of the Teachers' and Employees' Pension Systems are required to contribute to the systems 7% of their regular salaries and wages up to the social security wage base in the year ending June 30, 2023. The contributions are deducted from each member's salary and wage payments and are remitted to the systems on a regular, periodic basis.

For members enrolled on and after July 1, 2011, the employee contribution is 7%; vesting requires ten years of eligible service; service retirement is at age 65 with ten years of eligibility service or based on the Rule of 90 (age and service must equal 90); early service retirement is age 60 with 15 years of eligibility service; average final compensation is a five year average; and the benefit multiplier per year is 1.5%.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 7. Pension Plans (Continued)

Teachers' and Employees' Retirement Systems and the Teachers' and Employees' Pension Systems

Employer Contributions:

For the year ended June 30, 2023 the Board's total payroll for all employees was \$23,174,313. Total covered payroll was \$20,049,352. Covered payroll refers to all compensation paid by the Board to active employees covered by either the Teachers' Systems or Employees' Systems.

During fiscal year 2023, the State of Maryland contributed \$1,523,222 to the Systems on behalf of the Board. The Board has recognized the State on-behalf payments as both a revenue and expense in the General Fund.

Teachers' Retirement and Pension Systems:

In accordance with Maryland Senate Bill 1301, *Budget Reconciliation and Financing Act of 2012*, the Board is required to pay the State 100% of the normal cost portion of the total pension cost for teachers. The normal cost is the portion of the total retirement benefit cost that is allocated to the current year of the employee's service. As contractually required, during fiscal year 2023, the Board contributed \$788,993 to the Teachers' Retirement and Pension System.

Employees' Retirement and Pension Systems:

During fiscal year 2023, the Board contributed \$192,595 to the Employees' Retirement and Pension System.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Because the State of Maryland pays the unfunded liability for the Teachers' Systems and the Board pays the normal cost for the Teachers' Systems, the Board is not required to record its' share of the unfunded pension liability for the Teachers' Systems, the State of Maryland is required to record that liability. The Board is required to record a liability for the Employees' Systems.

At June 30, 2023, the Board reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Board. The amount recognized by the Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Board were as follows:

	2023
Board's proportionate share of the net pension liability (Employees' Systems)	\$ 1,497,715
State's proportionate share of the net pension liability (Teachers' Systems)	<u>14,991,335</u>
Total	<u><u>\$ 16,489,050</u></u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 7. Pension Plans (Continued)

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. As of June 30, 2022 the Board's proportion of the net pension liability was .007%, which was substantially the same as its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Board recognized pension expense of \$647,720 in the government-wide financial statements. \$981,588 was recognized in the fund financial statements. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 166,984	\$ 15,095
Net difference between projected and actual investment pension plan investments	-	4,536
Differences between expected and actual experience	-	106,926
Change in proportion and share of contributions	47,319	884,259
Board contributions subsequent to measurement date	192,595	-
Total	<u>\$ 406,898</u>	<u>\$ 1,010,816</u>

The \$192,595 of deferred outflows of resources resulting from the Board's contributions to the Employees' Systems subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. The deferred inflows and outflows related to non-investment activity are being amortized over the remaining service life ranging from 5.49 to 5.72 years. The net difference in investment earnings is being amortized over a closed five-year period. The following table shows the amortization of these balances:

Year Ending June 30,	Amortization of Pension Expense
<u>2024</u>	\$ (252,848)
2025	(251,994)
2026	(274,462)
2027	(16,173)
2028	(1,036)
	<u>\$ (796,513)</u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 7. Pension Plans (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial	Entry age normal
Amortization method	Level percentage of payroll, closed
Inflation	2.25% general, 2.75% wage
Salary increases	2.75% to 11.25%, including wage inflation
Discount rate	6.80%
Investment rate of return	6.80%
Mortality	Various versions of the Pub-2010 Mortality Tables for males and females with projected generational mortality improvements based on the MP-2018 fully generational mortality Improvements scale for males and females

Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board of Trustees after considering input from the System's investment consultant(s) and actuary(s). For each major asset class that is included in the System's target asset allocation, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34%	6.00%
Private Equity	16%	8.40%
Rate Sensitive	21%	1.20%
Credit Opportunity	8%	4.90%
Real Assets	15%	5.20%
Absolute Return	6%	3.50%
Total	100%	

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 7. Pension Plans (Continued)

Discount rate

A single discount rate of 6.80% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 6.80%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Boards Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the System's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate	Board's Net Pension Liability
1% decrease	5.80%	\$ 2,297,972
Current discount rate	6.80%	\$ 1,497,715
1% increase	7.80%	\$ 833,688

Note 8. Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1986, the Maryland Association of Boards of Education Group Insurance Pool (the "Pool") was formed when several Maryland boards of education joined together to pool their casualty risks. Property insurance coverage was added in 1988 and workers compensation in fiscal year 2000. The Board pays an annual premium to the Pool each year which is calculated by an actuary. It is intended that the Pool be self-sustaining through member premiums. Reinsurance is carried through commercial companies for claims which exceed coverage limits as specified in the agreement. Should the Pool encounter deficits in its casualty and/or property funds, such deficits may be made up from assessments of the participating boards on a pro rata basis.

The Board continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. The Board purchases health insurance from a provider through a modified retrospective rating arrangement agreement. Settled claims have not exceeded insurance coverage for each of the past three fiscal years.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 8. Risk Management (Continued)

The Board is a member of the Eastern Shore of Maryland Educational Consortium (ESMEC) Health Alliance Trust, a public entity risk pool operating as a common risk management and insurance program for health insurance coverage. It is intended that ESMEC be self-sustaining through member premiums. Callable deficits, which are paid to ESMEC to cover potential shortfalls, are 7% of total premiums. Currently, ESMEC keeps on hand 10.5% as a recommended conservative reserve. As of January 2023, the Boards' funds held by ESMEC exceeded the recommended conservative reserve by \$3,571. All funds held by ESMEC are restricted to being used only for health care expenses.

Note 9. Post-Employment Health Care Benefits

Plan Description

The Board of Education of Kent County, Maryland administers a single-employer defined benefit healthcare plan, The Kent County Public Schools Retiree Health Plan ("the Plan"), that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees, their spouses and other dependents. The Plan does not issue a publicly available report.

Plan Administration

A trust account was established and the Board became a member of the Maryland Association of Boards of Education Pooled OPEB Investment Trust (MABE Trust). It is a member owned trust that provides the Board and nine other members a structure to pool assets to reduce investment costs and share administrative expenses. The Board reserves the right to establish and amend the provisions of its relationship with the MABE Trust with respect to participants, and benefits provided thereunder, or its participation therein, in whole or in part at any time, by resolution of the governing body and upon advance notice to the Trustees of the MABE Trust.

The MABE Trust was established to pool assets of its members for investment purposes only. Each member of the MABE Trust is required to designate a member trustee. The member trustees of the MABE Trust shall ensure that the MABE Trust keep such records as are necessary in order to maintain a separation of the assets of the MABE Trust from the assets of trusts maintained by other government employers. Assets of the member trusts are reported in the respective financial statements using the economic resources measurement focus and the accrual basis of accounting under which expenses are recorded when the liability is incurred. Employer contributions are recorded in the accounting period in which they are earned and become measureable. Investments are reported at fair value and are based on published prices and quotations from major investment brokers at current exchange rates, if available. The MABE Trust prohibits any part of the trust to be used for or diverted to purposes other than providing benefits to participants and beneficiaries under the Plan. The MABE Trust provides that in no event will the assets of the trust be transferred to an entity that is not a state, a political subdivision, or an entity the income of which is excluded from taxation under Section 115 of the IRS Code.

The MABE Trust issues a publicly available audited GAAP-basis report that includes the financial statements and required supplementary information for the MABE Trust. This report may be obtained by writing to the Trust Administrator, Maryland Association of Boards of Education, 621 Ridgely Avenue, Suite 300, Annapolis, Maryland 21401 or by calling (410) 841-5414.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 9. Post-Employment Health Care Benefits (Continued)

Plan Membership

At January 1, 2021 (valuation date), the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	191
Inactive plan members or beneficiaries entitled but not yet receiving benefits	-
Active plan members	<u>247</u>
	<u>438</u>

Benefits Provided

The Plan provides medical, prescription drug, dental, and vision benefits to eligible retirees, their spouses and eligible dependents. Any employee who retires with an unreduced service retirement benefit from the Maryland Retirement System can purchase health insurance from the County. The Board provides a subsidy for employees with at least five years of service with Kent County Public Schools. The Plan provides for the payment of a portion or all of the health insurance premiums for eligible retired employees depending on their position with Kent County Public Schools and length of service. The Board of Education has the authority to establish and amend benefit provisions of the Plan. Plan members receiving benefits contribute a percentage of the monthly insurance premium. The Kent County Public Schools Retiree Health Plan pays 45% of the individual premium for each insured retiree who was a teacher, 55% for administrative and support services employees with under 30 years of service, and 100% for administrative and support services employees with 30 or more years of service. Spouses and other dependents are eligible for coverage, but the employee is responsible for the entire cost of such coverage if they retired on or after January 1, 1998. If they retired prior to January 1, 1998 the Board pays 45% of the premiums.

Participants must meet the eligibility requirements of the Maryland State Teachers'/Employees' pension system (EPS). For members hired before July 1, 2011, the earliest retirement eligibility is age 55 with 15 years of service, age 62 with 5 years of service, age 63 with 4 years of service, age 64 with 3 years of service, age 65 with 2 years of service, or 30 years of service regardless of age. For members hired after July 1, 2011, the earliest eligibility is age 60 with 15 years of service, age 65 with 10 years of service, or age plus service is at least 90 (Rule of 90).

Contributions

The employer's contributions are financed on a pay-as-you-go basis, and the future payment of these benefits is contingent upon annual approval of the operating budget.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 9. Post-Employment Health Care Benefits (Continued)

Investment Policy

The MABE Trust's policy in regard to the allocation of invested assets is established and may be amended by the Trustees by a majority vote of its members. It is the policy of the Trust to pursue an investment strategy that emphasizes growth of principal while avoiding excess risk. Short-term volatility will be tolerated inasmuch as it is consistent with volatility of a comparable market index. The MABE Trust's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity	52.26%
Fixed income	41.94%
Cash	5.80%
Total	100.00%

Rate of Return

Best estimates of real rates of return for each major asset class included in the target asset allocations as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	5.31%
Fixed income	2.70%
Cash	0.49%

For the year ended June 30, 2022, the total rate of return, net of investment expense, was -13.29%. The total rate of return represents a hypothetical return on capital balance invested in the Trust during the entire year. Actual return rates may vary due to the timing of capital contributions and redemptions.

Net OPEB Liability

The Board's net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021. The methods, assumptions, and participant data used are detailed in the fiscal year 2022 valuation report dated August 3, 2022. The discount rate was 1.92% as of June 30, 2021 and 3.69% as of June 30, 2022.

Actuarial Assumptions

Projections of benefits for financial reporting are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and Plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and Plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of significant valuation methods and assumptions are as follows:

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 9. Post-Employment Health Care Benefits (Continued)

Valuation date	January 1, 2021
Measurement date - GASB 75	June 30, 2022
Actuarial cost method - GASB 75	Entry age normal
Asset valuation method	Market value of assets
Actuarial Assumptions:	
Discount rate - June 30, 2021	1.92%
Discount rate - June 30, 2022	3.69%
Payroll growth	3.00%
Inflation rate	2.50%
Rate of growth in real income	1.50%
Medical trend	Based on Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions. The model was released in October 2010 and updated in September 2019. The 2020 rate is 4.70% decreasing gradually to 4.00% in 2075.
Mortality	The mortality rates were calculated using the Pub-2010 Teacher Employees, Teacher Retirees and Disabled Teacher Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 20-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year's valuation is 3.69% as of June 30, 2022. The rate has been adjusted from 1.92% as of June 30, 2021.

Change in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2021	\$ 33,100,485	\$ 1,455,234	\$ 31,645,251
Changes for the Year			
Service Cost	1,224,342	-	1,224,342
Interest	628,433	-	628,433
Changes of Benefit Terms	-	-	-
Experience Losses/Gains	(177,406)	-	(177,406)
Trust Contributions - Employer	-	561,833	(561,833)
Net Investment Income	-	(193,341)	193,341
Changes in Assumptions	(9,114,239)	-	(9,114,239)
Benefit Payments (net of retiree contribution)	(561,833)	(561,833)	-
Administrative Expense	-	(6,810)	6,810
Net Changes	(8,000,703)	(200,151)	(7,800,552)
Balance as of June 30, 2022	\$ 25,099,782	\$ 1,255,083	\$ 23,844,699

Plan fiduciary net position as a percentage of the total OPEB liability at June 30, 2022 is approximately 5.00%.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 9. Post-Employment Health Care Benefits (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Board using the discount rate of 3.69%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate	Net OPEB Liability
1% decrease	2.69%	\$ 28,482,762
Current discount rate	3.69%	\$ 23,844,699
1% increase	4.69%	\$ 20,203,333

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the net OPEB liability of the Board, as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1% point lower or 1% point higher than the current rate:

	Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease	3.00%	\$ 19,550,651
Current healthcare cost trend rate	4.00%	\$ 23,844,699
1% increase	5.00%	\$ 29,520,967

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2023, the Board will recognize OPEB expense in the amount of \$1,441,721 on the government-wide statements. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 4,636,933	\$ 8,658,927
Net difference between projected and actual investment	133,239	-
Differences between expected and actual experience	2,137,654	1,622,500
Board's contributions subsequent to measurement date	-	-
Total	<u>\$ 6,907,826</u>	<u>\$ 10,281,427</u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 9. Post-Employment Health Care Benefits (Continued)

Amounts reported as differences between projected and actual earnings on OPEB plan investments will be amortized and expensed over a closed five-year period. Amounts reported as differences between expected and actual experience will be amortized and expensed over a period equal to the average remaining service lives of all employees that are provided with other post-employment benefits through the plan. Amounts reported as changes in assumptions will be amortized and expensed over a period equal to the average remaining service lives of all employees that are provided with other post-employment benefits through the plan. Amortization expense related to net deferred inflows and outflows of resources over the next five years is expected to be as follows:

Year Ending June 30,	Amortization
2024	\$ (315,463)
2025	(315,148)
2026	(11,977)
2027	37,730
2028	(587,717)
Thereafter	(2,181,026)
	<u><u>\$ (3,373,601)</u></u>

GASB 74 Information

Plan Membership

At April 1, 2023 (valuation date), the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	160
Inactive plan members or beneficiaries entitled but not yet receiving be	-
Active plan members	270
	<u><u>430</u></u>

Contributions

The employer's contributions are financed on a pay-as-you-go basis, and the future payment of these benefits is contingent upon annual approval of the operating budget.

Rate of Return

For the year ended June 30, 2023, the total rate of return, net of investment expense, was 8.22%. The total rate of return represents a hypothetical return on capital balance invested in the Trust during the entire year. Actual return rates may vary due to the timing of capital contributions and redemptions.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 9. Post-Employment Health Care Benefits (Continued)

GASB 74 Information (continued)

Actuarial Assumptions

The total OPEB liability is based on April 1, 2023 valuation data rolled forward to June 30, 2023. The methods, assumptions and participant data used are detailed below:

Valuation date	April 1, 2023
Measurement date - GASB 74	June 30, 2023
Actuarial cost method - GASB 74	Entry age normal
Asset valuation method	Market value of assets
Actuarial Assumptions:	
Discount rate - June 30, 2022	3.69%
Discount rate - June 30, 2023	3.86%
Payroll growth	3.00%
Inflation rate	2.50%
Rate of growth in real income	1.40%
Medical trend	Based on Society of Actuaries Getzen Long-Term Healthcare Cost Trend Model. The current valuation uses the 2022 version of the model released in October 2021 with baseline assumptions. The 2022 rate is 7.50% decreasing gradually to 3.94% in 2075.
Mortality	The mortality rates were calculated using the Pub-2010 Teacher Employees, Teacher Retirees and Disabled Teacher Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 20-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year’s valuation is 3.86% as of June 30, 2023. The rate has been adjusted from 3.69% as of June 30, 2022.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 9. Post-Employment Health Care Benefits (Continued)

GASB 74 Information (continued)

Change in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2022	\$ 25,099,782	\$ 1,255,083	\$ 23,844,699
Changes for the Year			
Service Cost	746,636	-	746,636
Interest	912,127	-	912,127
Changes of Benefit Terms	-	-	-
Experience Losses/Gains	(7,812,672)	-	(7,812,672)
Trust Contributions - Employer	-	630,660	(630,660)
Net Investment Income	-	109,749	(109,749)
Changes in Assumptions	(580,558)	-	(580,558)
Benefit Payments (net of retiree contributic	(630,660)	(630,660)	-
Administrative Expense	-	(6,869)	6,869
Net Changes	(7,365,127)	102,880	(7,468,007)
Balance as of June 30, 2023	\$ 17,734,655	\$ 1,357,963	\$ 16,376,692

Plan fiduciary net position as a percentage of the total OPEB liability at June 30, 2023 is approximately 7.66%.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Board using the discount rate of 3.86%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate	Net OPEB Liability
1% decrease	2.86%	\$ 19,309,968
Current discount rate	3.86%	\$ 16,376,692
1% increase	4.86%	\$ 14,019,025

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 9. Post-Employment Health Care Benefits (Continued)

GASB 74 Information (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the net OPEB liability of the Board, as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1% point lower or 1% point higher than the current rate:

	Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease	2.94%	\$ 13,753,066
Current healthcare cost trend rate	3.94%	\$ 16,376,692
1% increase	4.94%	\$ 19,746,138

Note 10. Financed Purchases

The Board has entered into a non-cancelable contracts that transfers ownership at the end of the contract term, thus the Board has recorded the related obligations and related assets in the appropriate funds.

Financed purchase obligations at June 30, 2023 consist of the following:

Vehicles, bank, interest at 2.31%; payable in annual installments of approximately \$141,425, including interest through 2027	\$ 468,962
Vehicle, bank, interest at 4.64%; payable in annual installments of approximately \$17,362, including interest through 2027	75,924
Vehicle, bank, interest at 3.75%; payable in annual installments of approximately \$12,945, including interest through 2031	88,399
	<u>\$ 633,285</u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 10. Financed Purchases (Continued)

Future minimum payments under these obligations, which will be funded from the General Fund, are as follows:

2024	\$	171,782
2025		171,782
2026		171,782
2027		99,996
2028		30,357
Thereafter		38,983
		684,682
Less amounts representing interest		51,397
Present value of net minimum purchased finance payments	\$	633,285

Interest expense on the above financed purchases was approximately \$17,500 for the year ended June 30, 2023.

The cost of items acquired under the capital lease arrangement, as included in capital assets totaled \$1,403,912 and the related accumulated depreciation was \$495,566 at June 30, 2023.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 11. Intangible Right-to-Use Assets

The Board implemented the guidance of GASB No. 87, *Leases*, at July 1, 2021 for accounting and reporting leases that had previously been reported as operating leases and recognized the value of copiers leased under long-term contracts along with a related liability (see also Note 13).

As of July 1, 2022 the Board had a variety of lease agreements in place for equipment and vehicles. Payments under these leases totaled approximately \$97,000 for leases expiring during fiscal year 2023 and \$92,000 for leases expiring during fiscal year 2026. For purposes of discounting future payments on these leases the Board used its incremental borrowing rate in place at the time of lease inception of approximately 4.00%.

During fiscal year 2023, the Board entered into additional lease agreements. Payments under these leases total approximately \$4,000 for leases expiring during fiscal year 2026 and \$15,000 per year for leases expiring during fiscal year 2027. For purposes of discounting future payments on these leases the Board used its incremental borrowing rate in place at the time of lease inception of 3.75%.

The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note 5.

Minimum lease payments over the next five years include:

Lease Payments to Maturity									
Equipment Leases			Vehicle Leases			Total			
Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2024	\$168,273	\$ 11,244	\$179,517	\$ 24,832	\$ 3,430	\$ 28,262	\$193,105	\$ 14,674	\$207,779
2025	77,999	4,373	82,372	25,764	2,499	28,263	103,763	6,872	110,635
2026	74,110	1,397	75,507	26,730	1,534	28,264	100,840	2,931	103,771
2027	-	-	-	14,150	531	14,681	14,150	531	14,681
2028	-	-	-	-	-	-	-	-	-
Total	320,382	17,014	337,396	91,476	7,994	99,470	411,858	25,008	436,866

Interest expense on the above intangible right-to-use assets was approximately \$22,000 for the year ended June 30, 2023.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 12. Fund Balances

As of June 30, 2023, fund balances are composed of the following:

	Major Fund		Nonmajor	Total
	General	Capital	Governmental	Governmental
	Fund	Projects	Funds	Funds
		Fund		
Nonspendable:				
Inventories	\$ -	\$ -	\$ 57,674	\$ 57,674
	-	-	57,674	57,674
Restricted:				
By Federal law for nonprofit food service fund	-	-	303,188	303,188
By Smith Estate bequest for library expense:	-	-	3,155	3,155
	-	-	306,343	306,343
Committed:				
Budget reserve	800,173	-	-	800,173
Contingency	500,000	-	-	500,000
	1,300,173	-	-	1,300,173
Assigned:				
School activities	-	-	183,751	183,751
	-	-	183,751	183,751
Unassigned	2,405,573	-	-	2,405,573
Total fund balance	\$ 3,705,746	\$ -	\$ 547,768	\$ 4,253,514

Note 13. Commitments and Contingencies

The Board regularly enters into contracts for goods and services during the normal course of operations. The contracts often extend over fiscal years. In the opinion of the Board, there are no approved contracts that would have a material effect on the financial statements.

The Board receives a substantial amount of its support from Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds.

There are various claims pending against the Board that arise in the normal course of the Board's activities. In the opinion of legal counsel and management, the ultimate disposition of these various claims will have no adverse impact on the financial position of the Board.

The Board has an active school construction project as of June 30, 2023 for replacement of the roof at Kent County High School

REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES BUDGET AND ACTUAL -
GENERAL FUND
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Kent County	\$ 18,559,629	\$ 18,559,629	\$ 18,559,629	\$ -
State of Maryland	10,239,729	10,259,729	10,002,692	(257,037)
Restricted federal, state and other	13,276,994	13,276,994	8,047,117	(5,229,877)
Other sources	258,292	311,257	193,536	(117,721)
TOTAL REVENUES	42,334,644	42,407,609	36,802,974	(5,604,635)
EXPENDITURES AND ENCUMBRANCES				
Administration	1,371,636	1,418,565	1,418,565	-
Mid-level administration	1,947,361	1,900,432	1,970,227	(69,795)
Instructional salaries	10,090,471	10,338,728	10,142,267	196,461
Instructional texts and supplies	201,354	201,354	197,817	3,537
Instructional other costs	791,292	675,357	675,357	-
Special education	3,528,970	3,416,649	3,010,383	406,266
Student personnel services	594,153	585,795	571,520	14,275
Student health services	522,287	530,644	530,644	-
Student transportation	1,917,771	2,123,176	2,123,176	-
Operation of plant	1,820,114	1,953,101	1,959,698	(6,597)
Maintenance of plant	666,304	712,329	712,329	-
Fixed charges	7,202,945	6,818,528	6,291,301	527,227
Capital outlay	53,292	106,257	21,650	84,607
Restricted programs	13,276,994	13,276,994	8,047,117	5,229,877
TOTAL EXPENDITURES AND ENCUMBRANCES	43,984,944	44,057,909	37,672,051	6,385,858
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING USES	(1,650,300)	(1,650,300)	(869,077)	781,223
OTHER FINANCING SOURCES (USES)				
Fund balance appropriated	1,824,447	1,824,447	1,824,447	-
TOTAL OTHER FINANCING SOURCES (USES)	1,824,447	1,824,447	1,824,447	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 174,147	\$ 174,147	\$ 955,370	\$ 781,223

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Year Ended June 30, 2023

As of June 30, Measurement date:	<u>2013</u> <u>6/30/2013</u>	<u>2014</u> <u>6/30/2014</u>	<u>2015</u> <u>6/30/2015</u>	<u>2017</u> <u>6/30/2017</u>	<u>2018</u> <u>6/30/2018</u>	<u>2019</u> <u>6/30/2019</u>	<u>2020</u> <u>6/30/2020</u>	<u>2021</u> <u>6/30/2021</u>	<u>2022</u> <u>6/30/2022</u>	<u>2023</u> <u>6/30/2023</u>
Total OPEB liability										
Service cost				\$ 753,715	\$ 638,329	\$ 655,921	\$ 891,513	\$ 1,133,075	\$ 1,224,342	\$ 746,636
Interest				629,260	727,068	753,845	819,833	745,291	628,433	912,127
Changes of benefit terms				-	-	-	-	-	-	-
Differences between expected and actual experience				-	82,431	3,983,544	183,953	(1,956,360)	(177,406)	(7,812,672)
Changes of assumptions				(2,500,064)	(157,212)	548,092	3,270,908	3,091,431	(9,114,239)	(580,558)
Benefit payments				(620,000)	(768,569)	(568,072)	(893,676)	(733,079)	(561,833)	(630,660)
Net change in OPEB liability				(1,737,089)	522,047	5,373,330	4,272,531	2,280,358	(8,000,703)	(7,365,127)
Total OPEB liability - beginning				22,389,308	20,652,219	21,174,266	26,547,596	30,820,127	33,100,485	25,099,782
Total OPEB liability - ending (a)				\$ 20,652,219	\$ 21,174,266	\$ 26,547,596	\$ 30,820,127	\$ 33,100,485	\$ 25,099,782	\$ 17,734,655
Plan fiduciary net position										
Contributions - employer				\$ 620,000	\$ 768,569	\$ 568,072	\$ 893,676	\$ 733,079	\$ 561,833	\$ 630,660
Net investment income				103,414	74,466	76,954	33,610	284,054	(193,341)	109,749
Benefit payments				(620,000)	(768,569)	(568,072)	(893,676)	(733,079)	(561,833)	(630,660)
Administrative expenses				(7,642)	(5,938)	(6,132)	(6,497)	(6,645)	(6,810)	(6,869)
Net change in plan fiduciary net position				95,772	68,528	70,822	27,113	277,409	(200,151)	102,880
Plan fiduciary net position - beginning				915,590	1,011,362	1,079,890	1,150,712	1,177,825	1,455,234	1,255,083
Plan fiduciary net position - ending (b)				\$ 1,011,362	\$ 1,079,890	\$ 1,150,712	\$ 1,177,825	\$ 1,455,234	\$ 1,255,083	\$ 1,357,963
Board's net OPEB liability - ending (a) - (b)				\$ 19,640,857	\$ 20,094,376	\$ 25,396,884	\$ 29,642,302	\$ 31,645,251	\$ 23,844,699	\$ 16,376,692
Plan fiduciary net position as a percentage of the total OPEB liability				4.90%	5.10%	4.33%	3.82%	4.40%	5.00%	7.66%
Covered employee payroll				13,848,985	17,303,337	17,862,417	16,742,974	16,547,970	16,785,809	20,049,352
Board's net OPEB liability as a percentage of covered employee payroll				141.82%	116.13%	142.18%	177.04%	191.23%	142.05%	81.68%
Expected Average Remaining Service Years of All Participants				8	8	8	8	8	8	8

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
Year Ended June 30, 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Annual money-weighted rate of return, net of investment				10.46%	6.77%	6.56%	2.36%	23.55%	-13.29%	8.22%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2023

Fiscal Year	Measurement Date	Board's Proportion (Percentage) of the NPL A	Board's Proportionate Share of the NPL B	State's Proportionate Share of the NPL C	Total (B+C)	Board's Covered Payroll D	Board's Proportionate Share as a Percentage of Covered Payroll (B / D)	Plan's Total Fiduciary Net Position E	Plan's Total Pension Liability F	Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (E / F)
2014										
2015	June 30, 2014	0.0113256%	\$ 2,009,929	\$ 16,219,599	\$ 18,229,528	\$ 13,696,066	14.68%	\$45,339,988,000	\$63,086,719,000	71.87%
2016	June 30, 2015	0.0122061%	\$ 2,536,630	\$ 18,627,177	\$ 21,163,807	\$ 14,025,709	18.09%	\$45,789,840,000	\$66,571,552,000	68.78%
2017	June 30, 2016	0.0124563%	\$ 2,938,934	\$ 24,758,151	\$ 27,697,085	\$ 13,848,985	21.22%	\$45,365,927,000	\$68,959,954,000	65.79%
2018	June 30, 2017	0.0121455%	\$ 2,626,298	\$ 19,958,700	\$ 22,584,998	\$ 17,303,337	15.18%	\$48,987,184,000	\$70,610,885,000	69.38%
2019	June 30, 2018	0.0121397%	\$ 2,547,095	\$ 17,219,703	\$ 19,766,798	\$ 17,862,417	14.26%	\$51,827,233,000	\$72,808,833,000	71.18%
2020	June 30, 2019	0.0130984%	\$ 2,701,620	\$ 17,366,822	\$ 20,068,442	\$ 16,742,974	16.14%	\$53,943,420,000	\$74,569,030,000	72.34%
2021	June 30, 2020	0.0133386%	\$ 3,014,694	\$ 17,970,399	\$ 20,985,093	\$ 16,547,970	18.22%	\$54,586,037,000	\$77,187,397,000	70.72%
2022	June 30, 2021	0.0072021%	\$ 1,080,481	\$ 11,384,403	\$ 12,464,884	\$ 16,785,809	6.44%	\$67,604,500,000	\$82,606,805,000	81.84%
2023	June 30, 2022	0.0074854%	\$ 1,497,715	\$ 14,991,335	\$ 16,489,050	\$ 20,049,352	7.47%	\$64,310,991,000	\$84,319,523,000	76.27%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
Year Ended June 30, 2023

Fiscal Year	Measurement Date	Contractually Required Contribution A	Actual Contribution B	Contribution Deficiency (Excess) (A - B)	Board's Covered Payroll C	Actual Contribution as a Percentage of Covered Payroll (B / C)
2014						
2015	June 30, 2014	\$ 257,272	\$ 257,272	\$ -	\$ 13,696,066	1.88%
2016	June 30, 2015	\$ 242,658	\$ 242,658	\$ -	\$ 14,025,709	1.73%
2017	June 30, 2016	\$ 247,202	\$ 247,202	\$ -	\$ 13,848,985	1.78%
2018	June 30, 2017	\$ 242,074	\$ 242,074	\$ -	\$ 17,303,337	1.40%
2019	June 30, 2018	\$ 268,975	\$ 268,975	\$ -	\$ 17,862,417	1.51%
2020	June 30, 2019	\$ 285,986	\$ 285,986	\$ -	\$ 16,742,974	1.71%
2021	June 30, 2020	\$ 158,701	\$ 158,701	\$ -	\$ 16,547,970	0.96%
2022	June 30, 2021	\$ 170,840	\$ 170,840	\$ -	\$ 16,785,809	1.02%
2023	June 30, 2022	\$ 192,595	\$ 192,595	\$ -	\$ 20,049,352	0.96%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the year ended June 30, 2023

Note 1. Budgetary Comparison Schedule

The Board of Education annually adopts a budget for the General Fund (Current Expense Fund). All appropriations are legally controlled at the categorical level for the General Fund.

The budget is integrated into the accounting system, and the budgetary data compares the expenditures with the amended budget. All budgets are presented on the modified accrual basis of accounting. Accordingly, the accompanying Schedule of Revenues, Expenditures and Encumbrances – Budget and Actual for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

Adjustments necessary to convert the results of operations and fund balances at the end of the year on the GAAP basis to the budgetary basis are as follows:

	June 30, 2023 GENERAL FUND		
	Revenues and other financing sources	Expenditures and other financing uses	Fund Balance
GAAP BASIS	\$ 38,740,054	\$ 39,681,461	\$ 3,705,746
Encumbrances at June 30, 2022	(172,221)	(244,551)	-
Encumbrances at June 30, 2023	96,640	96,640	-
Proceeds from financed purchases	(75,924)	(75,924)	
Proceeds from right-to-use assets	(79,544)	(79,544)	
Payments made on-behalf of the Board by Kent County	(182,809)	(182,809)	-
Payments made on-behalf of the Board by the State of Maryland	(1,523,222)	(1,523,222)	-
BUDGETARY BASIS	\$ 36,802,974	\$ 37,672,051	\$ 3,705,746

Note 2. Pension Plans

Changes in Benefit Terms

There were no benefit changes during the year.

Changes in Assumptions

Adjustments to the roll-forward liabilities were made to reflect the following assumption changes in the 2022 valuation:

- Salary increase assumption changed from 2.75% to 9.25% in the 2021 actuarial valuation to 2.75% to 11.25% in the 2022 actuarial valuation.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the year ended June 30, 2023

Note 2. Pension Plans (Continued)

Method and Assumptions used in Calculations of Actuarially Determined Contributions

Actuarial	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	16 years for State system
Asset valuation method	5-year smoothed market; 40% recognized in 2021; 15% equally over next four valuations
Inflation	2.25% general, 2.75% wage
Salary increases	2.75% to 11.25%, including wage inflation
Investment rate of return	6.80%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to the 2019 experience study for the period July 1, 2014 to June 30, 2018.
Mortality	Various versions of the Pub-2010 Mortality Tables for males and females with projected generational mortality improvements based on the MP-2018 fully generational mortality Improvements scale for males and females

Note 3. Post-Employment Health Care Benefits

Changes in Benefit Terms

There were no significant benefit changes during the year.

Changes in Assumptions

- The discount rate was changed from 1.92% at June 30, 2021 to 3.69% at June 30, 2022 to 3.86% at June 30, 2023.
- The healthcare cost trend assumption was updated based on the 2022 Getzen model released by the Society of Actuaries.
- The decrement and salary scale assumptions were updated based on the State of Maryland experience study dated October 18, 2021.
- The mortality improvement scale was updated to MP 2021.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the year ended June 30, 2023

Note 3. Post-Employment Health Care Benefits (Continued)

Method and Assumptions used in Calculations of Actuarially Determined Contributions

Valuation date	April 1, 2023
Measurement date - GASB 74	June 30, 2023
Actuarial cost method - GASB 74	Entry age normal
Asset valuation method	Market value of assets
Actuarial Assumptions:	
Discount rate - June 30, 2022	3.69%
Discount rate - June 30, 2023	3.86%
Payroll growth	3.00%
Inflation rate	2.50%
Rate of growth in real income	1.40%
Medical trend	Based on Society of Actuaries Getzen Long-Term Healthcare Cost Trend Model. The current valuation uses the 2022 version of the model released in October 2021 with baseline assumptions. The 2022 rate is 7.50% decreasing gradually to 3.94% in 2075.
Mortality	The mortality rates were calculated using the Pub-2010 Teacher Employees, Teacher Retirees and Disabled Teacher Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale.

ADDITIONAL SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
SCHEDULE OF REVENUES
GENERAL FUND
Year Ended June 30, 2023

KENT COUNTY FUNDS

Annual appropriation	\$ 18,559,629
On-behalf payments	182,809
Total Kent County Funds	<u>18,742,438</u>

STATE OF MARYLAND FUNDS

Compensatory education	2,508,800
State share of basic current expenses	3,332,374
On-behalf payments	1,523,222
Student transportation	1,868,058
Supplemental grant	-
Handicapped children - formula	635,464
Blueprint transition	1,005,090
Career and college readiness	16,053
Regional cost differences	137,449
English learners	275,892
Pre-Kindergarten	220,302
Career ladder	3,210
Total State of Maryland Funds	<u>11,525,914</u>

OTHER SOURCES

Miscellaneous	57,235
E-rate reimbursement	14,922
Excise tax refund	24,827
Interest income	4,569
Horizon transportation	25,214
MABE grant	20,609
Sports events	23,226
WKHS	21,910
Building space rental	1,024
Total Other Sources	<u>193,536</u>

TOTAL REVENUES	<u><u>\$ 30,461,888</u></u>
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BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	FOOD SERVICES	SCHOOL ACTIVITIES	SMITH ESTATE	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 76,770	\$ 183,751	\$ 3,077	\$ 263,598
Accounts receivable:				
Federal funds from State of Maryland	40,855	-	-	40,855
State of Maryland	27,460	-	-	27,460
Other receivables	342	-	-	342
Other Board of Education funds	219,033	-	78	219,111
Inventories, at cost	57,674	-	-	57,674
TOTAL ASSETS	\$ 422,134	\$ 183,751	\$ 3,155	\$ 609,040
LIABILITIES AND FUND BALANCES				
Accounts payable:				
Vendors	\$ 21,323	\$ -	\$ -	\$ 21,323
Accrued payroll	38,272	-	-	38,272
Unearned revenue - USDA commodities	1,677	-	-	1,677
TOTAL LIABILITIES	61,272	-	-	61,272
COMMITMENTS AND CONTINGENCIES				
FUND BALANCES				
Nonspendable				
Inventory	57,674	-	-	57,674
Restricted				
Fund purpose	303,188	-	3,155	306,343
Assigned to:				
School activities	-	183,751	-	183,751
TOTAL FUND BALANCES	360,862	183,751	3,155	547,768
TOTAL LIABILITIES AND FUND BALANCES	\$ 422,134	\$ 183,751	\$ 3,155	\$ 609,040

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	<u>FOOD SERVICES</u>	<u>SCHOOL ACTIVITIES</u>	<u>SMITH ESTATE</u>	Total Nonmajor Governmental Funds
REVENUES				
State of Maryland	\$ 71,286	\$ -	\$ -	\$ 71,286
Federal sources	1,169,498	-	-	1,169,498
Other sources:				
Sales of food	159,606	-	-	159,606
School activity revenues	-	201,368	-	201,368
Other	465	-	-	465
TOTAL REVENUES	<u>1,400,855</u>	<u>201,368</u>	<u>-</u>	<u>1,602,223</u>
EXPENDITURES				
Food services	1,480,357	-	-	1,480,357
School activity expenditures	-	182,542	-	182,542
TOTAL EXPENDITURES	<u>1,480,357</u>	<u>182,542</u>	<u>-</u>	<u>1,662,899</u>
Net change in fund balances	(79,502)	18,826	-	(60,676)
Fund balances, beginning	<u>440,364</u>	<u>164,925</u>	<u>3,155</u>	<u>608,444</u>
Fund balances, ending	<u>\$ 360,862</u>	<u>\$ 183,751</u>	<u>\$ 3,155</u>	<u>\$ 547,768</u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
SCHEDULE OF REVENUES AND EXPENDITURES
FOOD SERVICE FUND
Year Ended June 30, 2023

REVENUES

Cafeteria sales	\$ 159,606
Federal assistance	1,169,498
State assistance	71,286
Miscellaneous	465
TOTAL REVENUES	<u>1,400,855</u>

EXPENDITURES

Salaries and wages	512,282
Contracted services	52,190
Supplies and materials	867,615
Other charges	48,270
TOTAL EXPENDITURES	<u>1,480,357</u>

EXCESS OF EXPENDITURES OVER REVENUES	<u><u>\$ (79,502)</u></u>
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BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE - SCHOOL ACTIVITIES FUND
SCHOOL ACTIVITIES FUND
For the Year Ended June 30, 2023

	Balance July 1, 2022	Receipts	Disbursements	Balance June 30, 2023
Galena Elementary School	\$ 12,341	\$ 34,646	\$ 26,989	\$ 19,998
H.H. Garnett Elementary School	2,289	9,586	7,969	3,906
Rock Hall Elementary School	5,479	5,930	6,266	5,143
Kent County Middle School	20,767	25,829	25,575	21,021
Kent County High School	124,049	125,377	115,743	133,683
Total	<u>\$ 164,925</u>	<u>\$ 201,368</u>	<u>\$ 182,542</u>	<u>\$ 183,751</u>



Kent County Public Schools

Growing a Community of Leaders

TO: County Commissioners of Kent County
Dr. Karen M. Couch, Superintendent

FROM: Dr. Karen M. Couch, Superintendent
Alleesa Stewart, MBA – Supervisor of Finance

RE: Unrestricted Funds Budget Amendment #1 – Fiscal Year 2024

DATE: October 17, 2023

PURPOSE

To request County Commissioners Approval of Budget Amendment #1 for Fiscal Year 2024 of Unrestricted Funds.

SUMMARY

Please see the budget amendments needed so far for Fiscal Year 2024.

- Special Education – Increase Revenue and Expense by \$28,400.
 - Amendment is needed to adjust budget for Students with Disabilities-Nonpublic Placements for actual amount awarded from the State in the amount of \$128,400. KCPS initially budgeted \$100,000 for the award.
- Administration – Increase Revenue and Expense by \$18,073.
 - Amendment is needed to include the additional funds received from the State for the Blueprint Coordinator in the total amount of \$43,073. Only \$25,000 was budgeted for State funding in the KCPS Budget 2024.

ACTION

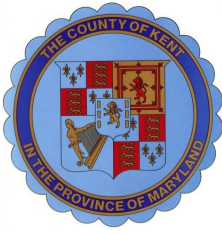
Requesting County Commissioners Approval of the Unrestricted Funds Budget Amendment #1 for Fiscal Year 2024.

Kent County Public Schools
Fiscal Year 2024
Budget Amendment #1

Unrestricted Budget Amendment Spreadsheet - Fiscal Year 2024								
	Original Budget	Amendment #1	Amendment	Amendment	Amendment	Amendment	Amendment	Total
Unrestricted Revenue								
Local Appropriation	\$19,404,557							\$19,404,557
Non-Recurring Costs	\$0							\$0
Other	\$336,760							\$336,760
State Share Current Exp	\$11,218,799	\$46,473.00						\$11,265,272
Federal	\$0							\$0
Fund Balance	\$800,173							\$800,173
Totals	\$31,760,289	\$46,473	\$0	\$0	\$0	\$0		\$31,806,762
Unrestricted Expenditures								
Administration	\$1,644,686	\$18,073						\$1,662,759
Mid-Level	\$2,321,701							\$2,321,701
Instructional Salary	\$10,542,511							\$10,542,511
Instructional Supply	\$333,929							\$333,929
Instructional Other	\$642,792							\$642,792

Kent County Public Schools
Fiscal Year 2024
Budget Amendment #1

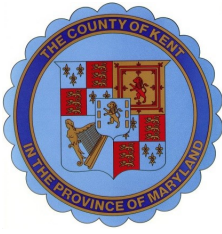
Special Education	\$3,232,416	\$28,400						\$3,260,816
Pupil Personnel	\$500,960							\$500,960
Health Service	\$764,802							\$764,802
Transportation	\$1,846,096							\$1,846,096
Operations	\$1,827,561							\$1,827,561
Maintenance	\$670,091							\$670,091
Fixed Charges	\$7,201,502							\$7,201,502
Food Service Transfer	\$0							\$0
Capital Outlay	\$131,760							\$131,760
Total	\$31,660,808	\$46,473	\$0	\$0	\$0	\$0		\$31,707,281



Building Maintenance 10/31/2023 County Commissioners Meeting

Item Summary:

Court House Boiler Feed Tank Replacement - Reclassification of Funds



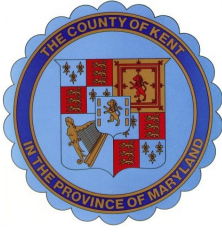
Building Maintenance 10/31/2023 County Commissioners Meeting

Item Summary:

EMS Lynch Station Buildings Need Repairs

ATTACHMENTS:

Description



Roads Division
10/31/2023
County Commissioners Meeting

Item Summary:

Clark Road Culvert Replacement Contract Award

ATTACHMENTS:

Description

10.31.23 Clark Road Culvert Replacement Contract #24CRCRCR0624 By and Between Kent County and David A. Bramble



CLARK ROAD CULVERT REPLACEMENT CONTRACT BETWEEN COUNTY & CONTRACTOR

This Contract, made this 27th ^{31st} day of October 2023, is by and between the County Commissioners of Kent County, a body corporate and politic of the State of Maryland, hereinafter referred to as the "OWNER", and David A. Bramble, Inc., hereinafter referred to as the "CONTRACTOR".

WITNESSETH, that for and in consideration of the mutual covenants and promises between the parties hereto, it is fully agreed that:

1. In accordance with the General Terms and Conditions Contract between County and Contractor, as provided by the OWNER (see within Exhibit A), and with Chapter 49 of the Code of Public Local Laws of Kent County (CPLL), the CONTRACTOR shall perform all aspects of a Culvert Replacement on Clark Road and any/all associated stormwater improvements near Still Pond, MD 21667, as outlined the original Request for Proposal (RFP) # CR 24-01 documents (see Exhibit A).
2. **LIABILITY INSURANCE.** CONTRACTOR shall furnish to the OWNER, before beginning any work hereunder, an updated Certificate of Liability Insurance Form certifying that the CONTRACTOR carries comprehensive commercial general liability insurance through a policy which protects the OWNER, and names the OWNER as an Additional Insured in the general aggregate limit of liability for no less than Two Million Dollars (\$2,000,000.00) for the duration of the Contract term.
3. **WORKER'S COMPENSATION INSURANCE.** CONTRACTOR shall furnish to the OWNER, before beginning work, an updated Certificate of Worker's Compensation Insurance Form covering all employees of said Contract in amounts statutorily required.
4. **COMPLETION OF WORK.** The CONTRACTOR shall begin work covered by the RFP # CR 24-01 documents (see Exhibit A) immediately following the issuance and receipt of the Notice to Proceed (NTP) letter. Work shall be completed within ninety (90) days following the date of receipt and acknowledgement of the NTP letter.
5. **CONTRACT SUM.** The OWNER shall pay the CONTRACTOR for the completion and performance of aforesaid work, subject to additions or deletions provided herein, in accordance with the unit pricing provided in the original RFP # CR 24-01 Bid Documents, as quoted in the Contractor's Proposal (see Exhibit B).
6. **INVOICING PROCEDURES.** CONTRACTOR shall furnish to the OWNER, before beginning any work, a current W-9 Federal Request Form for Taxpayer Identification Number and Certification, to ensure the correct remittance address for payments and/or Contract Documents. Invoices may only be submitted for payment once services of the CONTRACTOR have been rendered and completed. Should an invoice be received by the OWNER prior to the work being executed by the CONTRACTOR, the invoice will be considered invalid and will not be paid. To remain in compliance with regard to content, the CONTRACTOR must submit an itemized statement of work that is completed to the OWNER, and the date of which such work took place. Additionally, each invoice should be dated and submitted in a timely fashion, and accordingly with the invoice schedule, as aforementioned. All additional detail can be found in the original Request for Proposal document of reference throughout this Contract.

7. CONTRACT EXTENSION. This Contract is not eligible for contract renewal or extension.
8. The Contract Documents include the following:
 - A. Exhibit A - Request for Proposal Documents (which includes the County General Terms & Conditions).
 - B. Exhibit B - Contractor's Proposal.
9. The OWNER will pay to the CONTRACTOR in the manner and at such times as set forth in the General Terms and Conditions and in such amounts as required by the RFP Documents (see Exhibit A), as further defined within Section 6.
10. This Contract shall be governed by the Laws of the State of Maryland, without regard to its conflicts of law principles. Jurisdiction and venue shall lie in State or Federal Courts located within the State of Maryland.
11. This Contract shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

IN WITNESS WHERE OF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Contract in duplicate on the date first written above.

WITNESS/ATTEST

THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND (OWNER)

Jonya Lee Thomas

By: Ronnie Fithian
Ronald H. Fithian - President
Kent County Commissioner's Office

WITNESS/ATTEST

DAVID A. BRAMBLE, INC. (CONTRACTOR)

Millie C. Clough
Millie C. Clough

By: Paul C. Bramble

Paul C. Bramble, President
Title

52-0810125
Employer Identification Number (EIN)

Bond No. 019090472

Document A312™ – 2010

Conforms with The American Institute of Architects AIA Document 312

Performance Bond

CONTRACTOR:

(Name, legal status and address)

David A. Bramble, Inc.
705 Morgnec Road, P.O. Box 419
Chestertown, MD 21620

SURETY:

(Name, legal status and principal place of business)

Liberty Mutual Insurance Company
1001 4th Avenue, Suite 1700
Seattle, WA 98154
Mailing Address for Notices

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

OWNER:

(Name, legal status and address)

County Commissioners of Kent County
709 Morgnec Road
Chestertown, MD 21620

1001 4th Avenue, Suite 1700
Seattle, WA 98154

CONSTRUCTION CONTRACT 10/27/2023

Date:

Amount: \$ 310,041.00 Three Hundred Ten Thousand Forty One Dollars and 00/100

Description:

(Name and location)

Clark Road Culvert Replacement, Contract #24CRCRCR0624

BOND

Date:

10/27/2023

(Not earlier than Construction Contract Date)

Amount: \$ 310,041.00 Three Hundred Ten Thousand Forty One Dollars and 00/100

Modifications to this Bond:

☒ None

☐ See Section 16

CONTRACTOR AS PRINCIPAL

Company:

David A. Bramble, Inc.

Signature:

Name Paul E. Bramble
and Title President



SURETY

Company:

(Corporate Seal)

Liberty Mutual Insurance Company

Signature:

Name Kevin P. Adams
and Title Attorney-in-Fact



(Any additional signatures appear on the last page of this Performance Bond.)

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

The Graham Company
One Penn Square West
Philadelphia, PA 19102
215-567-6300

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Section 3.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after

- .1 the Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Section 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;
- .2 the Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
- .3 the Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.

§ 4 Failure on the part of the Owner to comply with the notice requirement in Section 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.

§ 5 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

§ 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;

§ 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;

§ 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

§ 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

- .1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
- .2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.

§ 6 If the Surety does not proceed as provided in Section 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

§ 7 If the Surety elects to act under Section 5.1, 5.2 or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication, for

- .1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
- .2 additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 5; and
- .3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

§ 8 If the Surety elects to act under Section 5.1, 5.3 or 5.4, the Surety's liability is limited to the amount of this Bond.

§ 9 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors and assigns.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Definitions

§ 14.1 Balance of the Contract Price. The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 14.2 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

§ 14.3 Contractor Default. Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

§ 14.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 14.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

§ 15 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 16 Modifications to this bond are as follows:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company: _____
(Corporate Seal)

SURETY

Company: _____
(Corporate Seal)

Signature: _____
Name and Title: _____
Address _____

Signature: _____
Name and Title: _____
Address _____

Bond No. 019090472

Document A312™ – 2010

Conforms with The American Institute of Architects AIA Document 312

Payment Bond

CONTRACTOR:

(Name, legal status and address)

David A. Bramble, Inc.
705 Morgnec Road, P.O. Box 419
Chestertown, MD 21620

SURETY:

(Name, legal status and principal place of business)

Liberty Mutual Insurance Company
1001 4th Avenue, Suite 1700
Seattle, WA 98154
Mailing Address for Notices

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

OWNER:

(Name, legal status and address)

County Commissioners of Kent County
709 Morgnec Road
Chestertown, MD 21620

1001 4th Avenue, Suite 1700
Seattle, WA 98154

CONSTRUCTION CONTRACT

Date: 10/27/2023

Amount: \$310,041.00 Three Hundred Ten Thousand Forty One Dollars and 00/100

Description:

(Name and location)

Clark Road Culvert Replacement, Contract #24CRCRCR0624

BOND

Date:

10/27/2023

(Not earlier than Construction Contract Date)

Amount: \$310,041.00 Three Hundred Ten Thousand Forty One Dollars and 00/100

Modifications to this Bond:

☒ None

☐ See Section 18

CONTRACTOR AS PRINCIPAL

Company:

David A. Bramble, Inc.

Signature:

Paul C. Bramble

Name
and Title:

Paul C. Bramble
President



SURETY

Company:

Liberty Mutual Insurance Company

Signature:

Kevin P. Adams

Name

and Title: Kevin P. Adams
Attorney-in-Fact

(Corporate Seal)



(Any additional signatures appear on the last page of this Payment Bond.)

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

The Graham Company
One Penn Square West
Philadelphia, PA 19102
215-567-6300

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.

§ 2 If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Section 13) of claims, demands, liens or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety.

§ 4 When the Owner has satisfied the conditions in Section 3, the Surety shall promptly and at the Surety's expense defend, indemnify and hold harmless the Owner against a duly tendered claim, demand, lien or suit.

§ 5 The Surety's obligations to a Claimant under this Bond shall arise after the following:

§ 5.1 Claimants, who do not have a direct contract with the Contractor,

- .1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
- .2 have sent a Claim to the Surety (at the address described in Section 13).

§ 5.2 Claimants, who are employed by or have a direct contract with the Contractor, have sent a Claim to the Surety (at the address described in Section 13).

§ 6 If a notice of non-payment required by Section 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Section 5.1.1.

§ 7 When a Claimant has satisfied the conditions of Sections 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:

§ 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and

§ 7.2 Pay or arrange for payment of any undisputed amounts.

§ 7.3 The Surety's failure to discharge its obligations under Section 7.1 or Section 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Section 7.1 or Section 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.

§ 8 The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Section 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 9 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

§ 10 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to, or give notice on behalf of, Claimants or otherwise have any obligations to Claimants under this Bond.

§ 11 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 12 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Section 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 13 Notice and Claims to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.

§ 14 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 15 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

§ 16 Definitions

§ 16.1 Claim. A written statement by the Claimant including at a minimum:

- .1 the name of the Claimant;
- .2 the name of the person for whom the labor was done, or materials or equipment furnished;
- .3 a copy of the agreement or purchase order pursuant to which labor, materials or equipment was furnished for use in the performance of the Construction Contract;
- .4 a brief description of the labor, materials or equipment furnished;
- .5 the date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
- .6 the total amount earned by the Claimant for labor, materials or equipment furnished as of the date of the Claim;
- .7 the total amount of previous payments received by the Claimant; and
- .8 the total amount due and unpaid to the Claimant for labor, materials or equipment furnished as of the date of the Claim.

§ 16.2 Claimant. An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 16.3 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.

§ 16.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 16.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

§ 17 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 18 Modifications to this bond are as follows:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company: _____
(Corporate Seal)

SURETY

Company: _____
(Corporate Seal)

Signature: _____
Name and Title:
Address

Signature: _____
Name and Title:
Address



This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: **8206745-019014**

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Colin M. Montgomery; Kevin Connelly; Kevin P. Adams; Linda Dozier; Martin J. Purcell; Michael J. Mitchell; Patrick Bucalo

all of the city of Philadelphia state of PA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 3rd day of November, 2021.



Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By: David M. Carey
David M. Carey, Assistant Secretary

State of PENNSYLVANIA ss
County of MONTGOMERY

On this 3rd day of November, 2021 before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.



Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2025
Commission number 1126044
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 27th day of October, 2023



By: Renee C. Llewellyn
Renee C. Llewellyn, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

For bond and/or Power of Attorney (POA) verification inquiries, please call 610-832-8240 or email HOSUR@libertymutual.com.



LIBERTY MUTUAL INSURANCE COMPANY

Financial Statement – December 31, 2022

Assets		Liabilities	
Cash and Bank Deposits	\$3,908,755,039	Unearned Premiums	\$10,133,358,204
*Bonds — U.S Government.....	3,451,999,931	Reserve for Claims and Claims Expense	27,953,643,316
*Other Bonds	18,862,255,155	Funds Held Under Reinsurance Treaties	368,610,620
*Stocks	19,372,953,698	Reserve for Dividends to Policyholders	1,379,296
Real Estate	190,092,373	Additional Statutory Reserve	197,278,000
Agents' Balances or Uncollected Premiums	7,929,876,358	Reserve for Commissions, Taxes and	
Accrued Interest and Rents	166,740,412	Other Liabilities	9,206,000,954
Other Admitted Assets	15,968,062,977	Total	\$47,860,270,390
Total Admitted Assets	<u>\$69,850,735,943</u>	Special Surplus Funds.....	\$195,696,103
		Capital Stock	10,000,075
		Paid in Surplus.....	13,324,803,036
		Unassigned Surplus	8,459,966,339
		Surplus to Policyholders	21,990,465,553
		Total Liabilities and Surplus	<u>\$69,850,735,943</u>



* Bonds are stated at amortized or investment value; Stocks at Association Market Values.
The foregoing financial information is taken from Liberty Mutual Insurance Company's financial statement filed with the state of Massachusetts Department of Insurance.

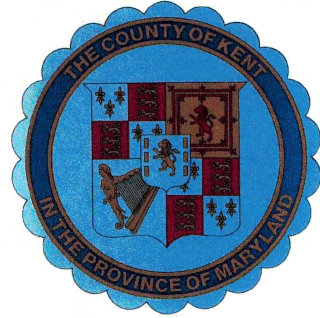
I, TIM MIKOLAJEWSKI, Assistant Secretary of Liberty Mutual Insurance Company, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 2022, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 8th day of March 2023.

T. Mikolajewski

Assistant Secretary

Exhibit A



**THE COUNTY COMMISSIONERS OF KENT COUNTY,
MARYLAND REQUEST FOR PROPOSAL**

CR 24-01

FOR

**CLARK ROAD CULVERT
REPLACEMENT IN KENT COUNTY,
MARYLAND**

Director of Purchasing
400 High Street
Chestertown, Maryland 21620-1312

Exhibit B

CONTRACT NO. CR 24-01

Page 20 of 33

STANDARD SEALED BID PRICE SHEET BID NUMBER CR 24-01

County Commissioners of Kent County, Maryland:

We hereby submit, for your review, our proposal requested by the RFP. This proposal includes and incorporates all information and specifications, which are contained in the Contract Documents, as described in the RFP, the same as if specifically written herein. A completed, signed, and accepted copy of this Standard Sealed Bid Form shall serve as a valid and binding contract.

A. The Bidder will complete the Work under Schedule A in accordance with the Contract Documents for the following price(s).

SCHEDULE A – LUMP SUM PRICES BID

Item No.	Description	Lump Sum Prices
A1	Mobilization/Demobilization	\$ 25,500.00
A2	Replacement of Stormwater Pipe and Associated Improvements	\$ 254,329.00
A3	Sediment and Erosion Control	\$ 750.00
A4	Road Restoration	\$ 19,000.00
Subtotal Schedule A		\$ 299,579.00

B. The Bidder will complete the Work under Schedule B, when authorized in writing, in accordance with the Contract Documents for the following price(s):

SCHEDULE B – CONTINGENT ITEMS

Item No.	Description	Unit	Estimated Quantity	Bid Unit Price	Estimated Bid Price
B1	Rip Rap (Class I) Furnish and Placed	CY	20	160.00	\$ 3,200.00
B2	Rip Rap (Class II) Furnish and Placed	CY	20	185.00	\$ 3,700.00
B3	Woven Filter Fabric Furnish and Installed	SF	50	5.00	\$ 250.00
B4	Silt Fence Furnish and Installed	FT	50	.60	\$ 30.00
B5	Stabilization Matting Furnish and Installed	SF	20	.35	\$ 7.00
B6	Structural Backfill Furnish and Placed	CY	25	19.00	\$ 475.00
B7	Triple Surface Tar and Chip Application Furnish and Placed	SY	40	70.00	\$ 2,800.00
Subtotal Schedule B					\$ 10,462.00

TOTAL BID – (SCHEDULE A+B):

\$ 310,041.00

Three Hundred Ten Thousand, Forty One
Written Bid Price

Dollars and Zero Cents

Acknowledgement of Addendum ReceiptAddendum 1 and Addendum 2**Addendum No.(s)**

To begin work as specified in the "Notice to Proceed" and to prosecute said work to complete the contract within 90 calendar days.

Drug Abuse Policy In Effect (Circle One)**YES****NO****Insurance certificate attached (Circle One)****YES****NO****Bid Surety Attached? (Circle One)****YES****NO****Signature form executed? (Circle One)****YES****NO****Affidavit of qualification to bid? (Circle One)****YES****NO****Non-collusion certificate (Circle One)****YES****NO**

STANDARD SEALED BID FORM

BID NUMBER CR 24-01

BIDDER: David A. Bramble, Inc.

AGENT (TYPED): Paul C. Bramble, President

FIRM Name: David A. Bramble, Inc.

ADDRESS: P.O. Box 419

Chestertown, MD 21620

TELEPHONE: 410-778-3023

EMAIL: pbramble@davidabrambleinc.com

Submitted by: Paul C. [Signature]
(Signature of authorized agent above)

9:00 AM, this 12th day of October 2023.

Accepted by:

**Michael S. Moulds, PE, by
Authority of the County Commissioners**

ATTEST:

DATE _____

BID SURETY

KNOWN ALL MEN BY THESE PRESENTS, that we the undersigned,
David A. Bramble, Inc., as

principal, and Liberty Mutual Insurance Company,
as surety, are hereby held and firmly bound unto the County Commissioners of Kent County

AS OWNER in the penal sum of Five Percent (5%) of the bid price
for the payment of which, well and truly to be made, we hereby jointly and severally
bind ourselves, successors and assigns.

The condition of the above obligation is such that whereas the Principal has
submitted to the County Commissioners of Kent County a certain BID, attached
hereto and hereby made a part of hereof to enter into a contract in writing, for the
Clark Road Culvert Replacement in Kent County, Maryland
Contract No. CR 24-01

NOW, THEREFORE,

- a) If said BID shall be rejected, or
- b) If said BID shall be accepted and the principal shall execute and deliver a
contract in the form of Contract attachment hereto (properly completed in accordance
with said BID) and shall furnish a BOND for his faithful performance of said contract,
and for the payment of all persons performing labor, furnishings, materials, in
connection therewith, and shall in all other respects perform the agreement created by
the acceptance of said BID, this obligation shall be void, otherwise the same shall
remain in force and effect; it being expressly understood and agreed that the liability of
the Surety for any and all claims hereunder shall, in no event, exceed the penal amount
of the obligation as herein stated.

The Surety, for value received, hereby stipulated and agrees that the obligations
of said Surety and its BOND shall be in no way impaired or affected by any extension
of the time within which the OWNER may accept such BID, and said Surety does
hereby waive notice of any such extension. IN WITNESS WHEREOF, the Principal
and Surety have hereunto set their hands and seals, and such of them as are corporations
have caused their corporate seals to be hereto affixed and these presents to be signed by
their proper officers, the day and year first set forth above.



David A. Bramble, Inc.

Principal
By: [Signature]
1959

David C. Bramble, President

Liberty Mutual Insurance Company

Surety

By: [Signature]

Kevin P. Adams, Attorney-in-Fact



IMPORTANT: Surety companies executing BONDS must authorized to transact
business in the State of Maryland.



This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: 8206745-019014

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Colin M. Montgomery; Kevin Connelly; Kevin P. Adams; Linda Dozier; Martin J. Purcell; Michael J. Mitchell; Patrick Bucalo

all of the city of Philadelphia state of PA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 3rd day of November, 2021.



Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By:

David M. Carey
David M. Carey, Assistant Secretary

State of PENNSYLVANIA ss
County of MONTGOMERY

On this 3rd day of November, 2021 before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.



Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2025
Commission number 1126044
Member, Pennsylvania Association of Notaries

By:

Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV - OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

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Certificate of Designation - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

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I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 12th day of October, 2023.



By:

Renee C. Llewellyn
Renee C. Llewellyn, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

For bond and/or Power of Attorney (POA) verification inquiries, please call 610-832-8240 or email HOSUR@libertymutual.com.



LIBERTY MUTUAL INSURANCE COMPANY

Financial Statement – December 31, 2022

Assets		Liabilities	
Cash and Bank Deposits	\$3,908,755,039	Unearned Premiums	\$10,133,358,204
*Bonds — U.S Government	3,451,999,931	Reserve for Claims and Claims Expense	27,953,643,316
*Other Bonds	18,862,255,155	Funds Held Under Reinsurance Treaties	368,610,620
*Stocks	19,372,953,698	Reserve for Dividends to Policyholders	1,379,296
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Other Admitted Assets	15,968,062,977	Total	\$47,860,270,390
Total Admitted Assets	<u>\$69,850,735,943</u>	Special Surplus Funds	\$195,696,103
		Capital Stock	10,000,075
		Paid in Surplus	13,324,803,036
		Unassigned Surplus	8,459,966,339
		Surplus to Policyholders	21,990,465,553
		Total Liabilities and Surplus	<u>\$69,850,735,943</u>



* Bonds are stated at amortized or investment value; Stocks at Association Market Values.
The foregoing financial information is taken from Liberty Mutual Insurance Company's financial statement filed with the state of Massachusetts Department of Insurance.

I, TIM MIKOLAJEWSKI, Assistant Secretary of Liberty Mutual Insurance Company, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 2022, to the best of my knowledge and belief.

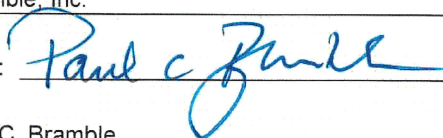
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 8th day of March 2023.

TAMikolajewski

Assistant Secretary

SIGNATURE FORM

NAME OF BIDDER: David A. Bramble, Inc.

SIGNATURE OF AUTHORIZED PERSON: 

PRINT AUTHORIZED PERSON: Paul C. Bramble

TITLE OF AUTHORIZED PERSON: President

STREET NAME AND NUMBER: P.O. Box 419

CITY, STATE, ZIP CODE: Chestertown, MD 21620

TELEPHONE NUMBER: 410-778-3023

E-MAIL pbramble@davidabrambleinc.com

DATE: 10/12/2023

BIDDERS FEDERAL EMPLOYERS' IDENTIFICATION NO. 52-0810125

BIDDERS CONTRACTORS LICENSE AND PERMIT NUMBERS:

MHIC 49235

AFFIDAVIT OF QUALIFICATION TO BID

I HEREBY AFFIRM THAT

1. I am the (Title) President and the duly authorized representative of the firm of (Name of Corporation) _____

David A. Bramble, Inc. whose address is

P.O. Box 419, Chestertown, MD 21620

and that I possess the legal authority to make this affidavit on behalf of myself and the firm for which I am acting.

Except as described in paragraph 3 below, neither I nor the above firm, nor to the best of my knowledge, any of its officers, directors, or partners, or any of its employees directly involved in obtaining contracts with the State of any county, bi-county, or multi-county agency, or subdivision of the State, have been convicted of, or have pleaded no contender to a charge of, or having during the course of an official investigation or other proceeding, admitted in writing or under oath, acts or omissions which constitute bribery, attempted bribery, or conspiracy to bribe under the provisions of Criminal Law Article of the Annotated Code of Maryland, or under the laws of any state or the Federal government.

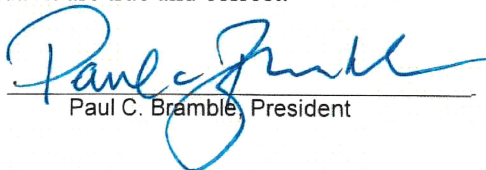
2. (State "none", or as appropriate, list any conviction, plea, or admission described in paragraph 2 above, with the data: court, position with the firm, and the sentence or disposition, if any)

None

I acknowledge that this affidavit is to be furnished to the County Attorney for the County Commissioners of Kent County, and where appropriate, to others. I acknowledge that, if the representations set forth in this affidavit are not true and correct, the County Commissioners of Kent County may terminate any contract awarded and take any other appropriate action. I further acknowledge that I am executing this affidavit in compliance with Section 16D of Article 78A of the Annotated Code of Maryland, which provides that certain persons who have been convicted of, or have admitted to bribery, attempted bribery, or conspiracy to bribe may be disqualified, either by operation of law or after hearing, from entering into contracts with the State or any of its agencies or subdivisions.

I do solemnly declare and affirm under the penalties of perjury that the contents of this affidavit are true and correct.

Signature


Paul C. Bramble, President

Date

10/11/2023

NON-COLLUSION CERTIFICATE

I HEREBY CERTIFY I am the _____
President
(Title)

and the duly authorized representative of the firm of _____
David A. Bramble, Inc.

whose address is _____
P.O. Box 419

_____ Chestertown, MD 21620

AND THAT NEITHER I, nor to the best of my knowledge, information, and belief, the above firm, nor any of its other representatives I here represent, have:

- a. Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the bid, or offer being submitted herewith.
- b. Not in any manner, directly or indirectly, entered into any agreement, participated in any collusion to fix the bid price or price proposal of the bidder, or offer of herein or any competitor, or otherwise taken into action in restraint of free competition bidding in connection with the Contract for which the within bid or offer is submitted.

In making this affidavit, I represent that I have personal knowledge of the matters and facts herein stated.

10/12/2023
Date

Signature

Date

Paul C. Bramble, President
Print Name or Type



Department of Public Works

709 Morgnac Road
Chestertown, MD 21620

(410) 778-2600

Daniel F. Mattson, P.E., C.F.M, Deputy Director

DMattson@kentgov.org

**RFP # CR 24-01: CLARK ROAD CULVERT REPLACEMENT PROJECT IN
KENT COUTY, MARYLAND
ADDENDUM No. 1
September 11, 2023**

THE INFORMATION CONTAINED HEREIN SHALL BE HEREBY MADE A PART OF THE SPECIFICATIONS AND CONTRACT DOCUMENTS FOR THE ABOVE REFERENCED REQUEST FOR PROPOSALS. IN THE EVENT OF ANY CONFLICT OR DISCREPANCY BETWEEN ORIGINAL BID DOCUMENTS AND/OR PREVIOUS ADDENDA AND THIS ADDENDUM, INFORMATION CONTAINED IN THIS ADDENDUM SHALL OVERRIDE PREVIOUSLY ISSUED DOCUMENTS.

BIDDERS MUST ACKNOWLEDGE RECEIPT OF THIS ADDENDUM BY SIGNING THE BOTTOM OF THIS FORM AND INCLUDING THIS ENTIRE DOCUMENT IN THEIR BID FORMS.

BID DUE DATE – THERE IS NO CHANGE TO THE BID DUE DATE PER THE ORIGINAL RFP, WHICH REMAINS **OCTOBER 12TH, 2023 AT 12:00 PM (NOON).**

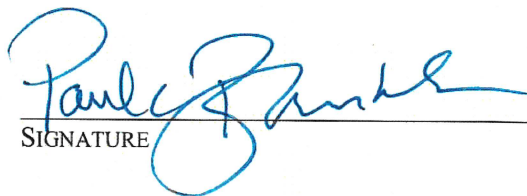
THE PURPOSE OF THIS ADDENDUM IS TO INCLUDE THE TRUE-TO-SCALE PLANS THAT HAD BEEN CONDENSED FOR THE PURPOSE OF INCLUSION IN THE ORIGINAL BID DOCUMENTS VIA PDF FILE. PLEASE BE ADVISED THAT THESE PLANS ARE THE SAME AS WHAT IS WITHIN THE ORIGINAL BID DOCUMENTS; HOWEVER, INCLUDED TO THIS ADDENDUM IS THE FULL-SIZE PLAN FOR CONTRACTORS TO BEGIN ANALYZING AND FORMING A PROPOSAL TO SUBMIT FOR THIS REQUEST FOR PROPOSALS PROJECT.

END OF ADDENDUM

I ACKNOWLEDGE RECEIPT OF THIS ADDENDUM AND AGREE TO CONSIDER THE INFORMATION STATED WHEN SUBMITTING MY SEALED BID TO THIS REQUEST FOR PROPOSAL.

Paul C. Bramble, President

PRINT NAME (CLEARLY)



SIGNATURE

David A. Bramble, Inc.

COMPANY/CONTRACTOR NAME

10/12/2023

DATE



Department of Public Works

709 Morgnec Road

Chestertown, MD 21620

(410) 778-2600

Daniel F. Mattson, P.E., C.F.M., Deputy Director

DMattson@kentgov.org

RFP # CR 24-01: CLARK ROAD CULVERT REPLACEMENT PROJECT IN KENT COUTY, MARYLAND

ADDENDUM No. 2

September 29, 2023

THE INFORMATION CONTAINED HEREIN SHALL BE HEREBY MADE A PART OF THE SPECIFICATIONS AND CONTRACT DOCUMENTS FOR THE ABOVE REFERENCED REQUEST FOR PROPOSALS. IN THE EVENT OF ANY CONFLICT OR DISCREPANCY BETWEEN ORIGINAL BID DOCUMENTS AND/OR PREVIOUS ADDENDA AND THIS ADDENDUM, INFORMATION CONTAINED IN THIS ADDENDUM SHALL OVERRIDE PREVIOUSLY ISSUED DOCUMENTS.

BIDDERS MUST ACKNOWLEDGE RECEIPT OF THIS ADDENDUM BY SIGNING THE BOTTOM OF THIS FORM AND INCLUDING THIS ENTIRE DOCUMENT IN THEIR BID FORMS.

BID DUE DATE – IN ADDENDUM NO. 1, THERE WAS AN ERROR IN THE BID DUE DATE STATING THAT IT WAS AT NOON ON THE ORIGINAL DUE DATE OF OCTOBER 12TH, 2023. THIS IS INCORRECT AND SHALL BE DISREGARDED; THEREFORE, **THERE IS NO CHANGE TO THE BID DUE DATE PER THE ORIGINAL RFP, WHICH REMAINS OCTOBER 12TH, 2023 AT 10:00 A.M.**

PRE-BID MEETING – A PRE-BID MEETING WAS HELD AT 10:00 A.M. ON SEPTEMBER 14TH, 2023 AT THE PROJECT SITE, CONSISTENT WITH THE RFP PACKAGE. THE FOLLOWING WERE IN ATTENDANCE AT THIS MEETING:

- MICHAEL MOULDS, KENT COUNTY DIRECTOR OF PUBLIC WORKS
- DANIEL MATTSON, KENT COUNTY DEPUTY DIRECTOR OF PUBLIC WORKS
- DANIEL BITTER, KENT COUNTY ROADS DIVISION CHIEF
- KEVIN SHEARON, DMS & ASSOCIATES
- MARCEL FENE, MUMFORD & MILLER CONCRETE
- ALEX LINDSTROM, LINDSTROM EXCAVATING
- HOLDEN SMITH, DAVID A BRAMBLE, INC
- RAJIU PATEL, ANA CONTRACTORS

COUNTY REPRESENTATIVES PROVIDED AN INTRODUCTION TO THE PROJECT AND OVERVIEW OF VARIOUS ELEMENTS OF THE CONTRACT REQUIREMENTS, AS STATED IN THE RFP PACKAGE, INCLUDING: BID DUE DATE, DEADLINE FOR QUESTION SUBMISSION, BONDING AND INSURANCE REQUIREMENTS, AND PROJECT SCOPE. ALL INFORMATION PROVIDED WAS CONSISTENT WITH THE INFORMATION CONTAINED IN THE RFP PACKAGE. THE FOLLOWING QUESTIONS WERE RECEIVED AND ANSWERED DURING THE PRE-BID MEETING:

QUESTION No. 1

RESPONSE No. 1

WHAT IS THE FUNDING SOURCE OF THE PROJECT?

PROJECT WILL BE FUNDED ENTIRELY BY KENT COUNTY. NO STATE OR FEDERAL FUNDING.

QUESTION No. 2

RESPONSE No. 2

IS THE PROJECT REQUIRED TO BE COMPLETED BY THE END OF THE YEAR?

THE PROJECT SHALL BE COMPLETED WITHIN THE CONTRACT DURATION LISTED WITHIN THE RFP PACKAGE. THE DATE OF ISSUANCE OF NOTICE TO PROCEED, WHICH STARTS THE CONTRACT DURATION, WILL BE COORDINATED WITH THE SELECTED CONTRACTOR HOWEVER ALL WORK

MUST BE COMPLETED PRIOR TO JUNE 30, 2024.

QUESTION No. 3 **IS THE CONTRACTOR REQUIRED TO REMOVE, DISPOSE OF, AND REPLACE THE EXISTING GUARDRAIL?**

RESPONSE No. 3 *NO. CONTRACTOR IS REQUIRED TO REMOVE THE EXISTING GUARDRAIL ONLY. THE COUNTY WILL BE RESPONSIBLE FOR DISPOSAL AND REPLACEMENT OF GUARDRAIL.*

QUESTION No. 4 **CAN THE LIMIT OF DISTURBANCE BE MODIFIED BY THE CONTRACTOR IN THE FIELD?**

RESPONSE No. 4 *THE LIMIT OF DISTURBANCE MAY BE MODIFIED IN THE FIELD AS NECESSITATED BY THE WORK BEING PERFORMED, HOWEVER THE TOTAL AREA OF DISTURBANCE FOR THE CONTRACT CANNOT BE INCREASED BEYOND 0.99 ACRES.*

QUESTION No. 5 **WILL PAVING BE ALLOWED IN LIEU OF THE TRIPLE SURFACE TAR AND CHIP APPLICATION REQUIRED BY THE RFP?**

RESPONSE No. 5 *YES, FULL DEPTH PAVING WILL BE PERMITTED IN LIEU OF TAR AND CHIP SURFACE. CONTRACTOR MAY BID EITHER OPTION BASED ON KENT COUNTY ROAD DESIGN & CONSTRUCTION STANDARDS.*

QUESTION No. 6 **PLEASE PROVIDE COUNTY STANDARDS FOR PAVING AND TAR & CHIP SURFACE.**

RESPONSE No. 6 *A STANDARD PAVEMENT SECTION DETAIL IS INCLUDED IN THE RFP PACKAGE, AND THE SAME DETAIL IS ATTACHED HEREIN FOR YOUR REFERENCE. THERE IS NO CHANGE TO THE DETAIL CONTAINED IN THE RFP PACKAGE. THE SECTION LABELED "FOR LOTS $\frac{3}{4}$ ACRE OR LESS" SHALL APPLY TO PAVING AND THE SECTION LABELED "FOR LOTS LARGER THAN $\frac{3}{4}$ ACRE" SHALL APPLY TO TAR & CHIP SURFACE. ASPHALT PAVING SHALL CONFORM TO SECTION 504 OF THE MARYLAND STATE HIGHWAY ADMINISTRATION STANDARD SPECIFICATIONS FOR CONSTRUCTION AND MATERIALS ("SHA SPECIFICATIONS"). TRIPLE SURFACE TREATMENT SHALL CONFORM TO SECTION 503 OF THE SHA SPECIFICATIONS, WITH THE FOLLOWING EXCEPTIONS:*

1. ALL AGGREGATE SHALL CONFORM TO SECTION 901, SIZE 7, OF THE S.H.A. SPECIFICATIONS.
2. ASPHALT MATERIAL SHALL CONFORM TO SECTION 904 OF THE S.H.A. SPECIFICATIONS AND SHALL BE RS-2 OR CRS-2.
3. APPLICATION RATES SHALL BE AS FOLLOWS:
 - a. FIRST SEAL COAT APPLICATION RATES:
 - i. BITUMINOUS MATERIAL 0.5 GAL/SY
 - ii. AGGREGATE MATERIAL 45-55 LBS/SY
 - b. SECOND SEAL COAT APPLICATION RATES:
 - i. BITUMINOUS MATERIAL 0.5 GAL/SY
 - ii. AGGREGATE MATERIAL 35-45 LBS/SY
 - c. THIRD SEAL COAT APPLICATION RATES:
 - i. BITUMINOUS MATERIAL 0.5 GAL/SY
 - ii. AGGREGATE MATERIAL 25-35 LBS/SY

ADDITIONAL QUESTIONS RECEIVED – THE FOLLOWING QUESTIONS WERE SUBMITTED, IN WRITING, BY PROSPECTIVE BIDDERS OUTSIDE OF THE PRE-BID MEETING AND PRIOR TO THE DEADLINE FOR QUESTIONS:

QUESTION No. 7 **IS THERE A PUBLICLY AVAILABLE COST ESTIMATE AND/OR BUDGET FOR THE PROJECT?**

RESPONSE No. 7 *NO.*

QUESTION No. 8 **FOR THE SCOPE OF THE SCHEDULE A BID ITEMS, IS ANY OF THE RIP RAP SHOWN ON THE PLANS CONSIDERED ASSOCIATED IMPROVEMENTS TO EITHER BID ITEM A2 OR A3?**
RESPONSE No. 8 *YES. ALL PROPOSED RIP RAP SHOWN ON THE PLANS SHALL BE CONSIDERED "ASSOCIATED IMPROVEMENTS" FOR BID ITEM A2.*

QUESTION No. 9 **FOR SCHEDULE B ITEMS B1 AND B2 THE STATED UNIT OF MEASUREMENT IS CY, IS THAT CORRECT?**
RESPONSE No. 9 *YES.*

QUESTION No. 10 **WHO IS RESPONSIBLE FOR THE CONSTRUCTION LAYOUT?**
RESPONSE No. 10 *THE CONTRACTOR SHALL BE RESPONSIBLE FOR CONSTRUCTION LAYOUT. COST ASSOCIATED WITH THIS ITEM SHALL BE INCLUDED IN THE LUMP SUM BID AMOUNTS FOR SCHEDULE A ITEMS.*

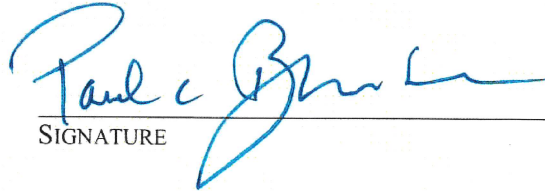
QUESTION No. 11 **ARE AS-BUILTS REQUIRED?**
RESPONSE No. 11 *YES. PLEASE NOTE THAT CONTRACTORS MUST SUBMIT MARK-UPS OF THE CONTRACT DRAWINGS FOR OUR REVIEW AND APPROVAL. COSTS ASSOCIATED WITH THIS WORK SHALL BE INCLUDED IN THE LUMP SUM BID AMOUNTS FOR SCHEDULE A ITEMS.*

QUESTION No. 12 **WILL THIS PROJECT REQUIRE ANY TYPE OF TEMPORARY PUMPING OR DEWATERING SYSTEM?**
RESPONSE No. 12 *IT IS NOT ANTICIPATED THAT THE CONSTRUCTION ACTIVITY ASSOCIATED WITH THIS PROJECT WILL REQUIRE IMPLEMENTATION OF TEMPORARY PUMPING OR DEWATERING. IF, DURING CONSTRUCTION, WEATHER CONDITIONS NECESSITATE TEMPORARY PUMPING OR DEWATERING, THIS SHALL BE PERFORMED BY THE CONTRACTOR AT NO ADDITIONAL COST.*

END OF ADDENDUM

I ACKNOWLEDGE RECEIPT OF THIS ADDENDUM AND AGREE TO CONSIDER THE INFORMATION STATED WHEN SUBMITTING MY SEALED BID TO THIS REQUEST FOR PROPOSAL.

Paul C. Bramble, President
PRINT NAME (CLEARLY)


SIGNATURE

David A. Bramble, Inc.
COMPANY/CONTRACTOR NAME

10/12/2023
DATE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/1/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER The Graham Company The Graham Building 1 Penn Square West Philadelphia PA 19102	CONTACT NAME: Kevin Connelly PHONE (A/C, No, Ext): 215-567-6300 E-MAIL ADDRESS: CONNELLY_UNIT@grahamco.com FAX (A/C, No): 215-525-0235												
INSURED David A. Bramble, Inc. P.O. Box 419 Chesertown, MD 21620	INSURER(S) AFFORDING COVERAGE <table><tr><td>INSURER A: Zurich-American Insurance Company</td><td>NAIC # 16535</td></tr><tr><td>INSURER B: Travelers Property Casualty Insurance Company</td><td>36161</td></tr><tr><td>INSURER C: North River Insurance Company</td><td>21105</td></tr><tr><td>INSURER D: Great American Insurance Company of NY</td><td>22136</td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></table>	INSURER A: Zurich-American Insurance Company	NAIC # 16535	INSURER B: Travelers Property Casualty Insurance Company	36161	INSURER C: North River Insurance Company	21105	INSURER D: Great American Insurance Company of NY	22136	INSURER E:		INSURER F:	
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INSURER D: Great American Insurance Company of NY	22136												
INSURER E:													
INSURER F:													

COVERAGES**CERTIFICATE NUMBER:** 927079970**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PROJECT ☒ LOC OTHER:	Y		GLO 9657757-06	5/1/2023	5/1/2024	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMPIOP AGG \$ 4,000,000
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY			BAP 9657758-06	5/1/2023	5/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$ 10,000			CUP-3T250449-23-NF	5/1/2023	5/1/2024	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ DED ☒ RETENTION \$ 10,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☒ N	N/A	WC 9657756-06	5/1/2023	5/1/2024	☒ PER STATUTE ☐ OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Excess Liability (9Mx5M)			522-812103-3	5/1/2023	5/1/2024	Limit: \$9,000,000
D	Pollution / Professional Liability			PCM 8799354 13	5/1/2023	5/1/2024	Ea'dt Occurrence: \$2,000,000 Aggregate: \$4,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Automobile Deductibles:
\$250 PPV Comprehensive & Collision
\$500 Commercial Comprehensive & Collision

Kent County Government Roads Division are additional insureds on the above General Liability Policy if required by written contract.

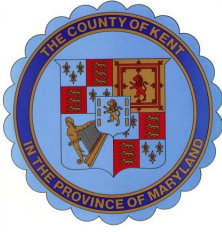
CERTIFICATE HOLDER**CANCELLATION**

Kent County Government Roads Division
709 Morgnec Road, Ste. 103
Chesertown MD 21620

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Bill Mackey, Director, Planning, Housing and Zoning
10/31/2023
County Commissioners Meeting

Item Summary:

For FY 2024, DPHZ was approved for a Geographic Information System (GIS) expansion for use by the entire County team. The expansion will greatly enhance the functionality of and access to the GIS system. To support the upgrade, the IT Department has assembled a variety of equipment and software products from the County's existing inventory to support the new program. However, there is one supplemental Microsoft software license (\$650) which is needed to allow for the storage and retrieval of data, and so existing computer software programs can better communicate with the new GIS expansion. This request is to provide for the software. An invoice from the County's approved vendor is attached for reference.

ATTACHMENTS:

Description

SHI Quote-24063551



Pricing Proposal
Quotation #: 24063551
Reference #: Select Plus # 9286495F
Created On: 10/16/2023
Valid Until: 10/31/2023

MD-Kent County Government

April Bitter

400 High St.
Chestertown, MD 21620
United States
Phone: (410) 778-5315
Fax:
Email: abitter@kentgov.org

Sean Galvin

Phone:
Fax:
Email: sean_galvin@shi.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 SQL Server Standard 2022 SLng Microsoft - Part#: 228-11680 Contract Name: State of Maryland Microsoft Licensing Packages (CTR012098) Contract #: 2018011-02 Subcontract #: CTR012098	1	\$649.90	\$649.90
Total			\$649.90

Additional Comments

SHI SPIN: #143012572

SHI-GS SPIN (For Texas customers ONLY): #143028315

For E-rate SPI orders, applicant shall be responsible for payment of any outstanding or ineligible costs if USAC rejects reimbursement claim in whole or in part.

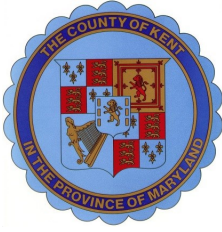
Please note, if Emergency Connectivity Funds (ECF) will be used to pay for all or part of this quote, please let us know as we will need to ensure compliance with the funding program.

Microsoft Licenses will typically be available 24-72 hours after receiving order confirmation from SHI.

Please note that for new Microsoft GOV Cloud (GCC) products being added on to your agreement, licenses will be available estimated 4-8 days after processing at SHI.

Hardware items on this quote may be updated to reflect changes due to industry wide constraints and fluctuations.

The products offered under this proposal are resold in accordance with the terms and conditions of the Contract referenced under that applicable line item.



**Jamie Williams, Director, and Rose Osborn, Administrative Specialist,
Economic and Tourism Development
10/31/2023
County Commissioners Meeting**

Item Summary:

Short-term Rental Software Solution Funding

ATTACHMENTS:

Description

Support Lodging Association

Support Sarah Merrell

From: [joanne rich](#)
To: [White Swan Tavern](#); [Judith](#); [Cinnamon on the Bay](#); [Brampton Inn](#); [Jim Gillin](#); [Inn at Osprey Point](#); [Inn at Mitchell House](#); [Inn at Huntingfield Creek](#); [mylita@muskralley.com](#); [brooks@greatoakmd.com](#); [cpetosa@havenharbour.com](#); [blueheronovysterhouse@gmail.com](#); [inn@Havenharbour.com](#); [gm@rockhalland.com](#); [mglenn@sagamoreblue.com](#); [amandamoore@havenharbour.com](#); [Jamie Williams](#); [Rose Osborn](#)
Subject: Fwd: Lodging tax
Date: Thursday, October 19, 2023 8:50:18 AM

ATTENTION !

This email originated from an external source. DO NOT CLICK any links or attachments unless you recognize the sender and know the content is safe.

- KCIT Helpdesk

All- Fyi.
Joanne

----- Forwarded Message -----

Subject: Lodging tax
Date: Thu, 19 Oct 2023 08:49:14 -0400
From: joanne rich <[Huntingfieldcreek@gmail.com](mailto: Huntingfieldcreek@gmail.com)>
To: Ronald H. Fithian <[rhfithian@hotmail.com](mailto: rhfithian@hotmail.com)>

Dear Commissioner Fithian,

I, speaking as the chairperson for the Kent County Lodging Assn. and as owner of the Inn at Huntingfield Creek in Rock Hall am solidly in favor of instituting procedures and needed funding to support the collection of taxes due from rental properties throughout the county. First, this will help level the playing field for inns and B&Bs who pay their taxes and are subject to health dept. inspection and various other expenses not borne by casual rentals. Second, and most important, is the additional revenue that is badly needed by Kent County to help drive tourism to the benefit of a broad swath of local businesses.

Please share this with your fellow Commissioners and let me know if you would like me to speak to this vitally important issue in any forum.

Respectfully,

Joanne Rich
410 639-7779

--



Sarah Merrell (Council member of Galena)
111 South Main Street
Galena, Md 21635

October 19, 2023

Ron Fithian, Albert Nickerson, John Price
400 High St.
Chestertown, MD 21620

Subject: Support for Implementing a Software Program for Short-Term Rental Regulation and Tax Collection

Honorable Kent County Commissioners,

I hope this letter finds you in good health and high spirits. I am writing to express my strong support for Jamie Williams, the Director of Economic Development and Tourism for Kent County, and her staff with the implementation of a comprehensive software program that will aid in identifying, monitoring, and collecting taxes from short-term rentals within our county and municipalities. I firmly believe that such a program will not only benefit our local governments but also have a positive impact on our community and its economic well-being.

Short-term rentals have become an integral part of our local tourism industry, providing travelers with diverse and convenient lodging options. However, the increasing popularity of short-term rentals has brought forth a series of challenges, including regulatory compliance and tax collection. To address these issues effectively, I urge the county to consider the following benefits of implementing a dedicated software program:

- **Improved Regulation:** A sophisticated software system would allow for more accurate and efficient monitoring of short-term rental activity. This, in turn, ensures that rentals adhere to local zoning laws, safety regulations, and licensing requirements, providing a safer and more enjoyable experience for guests.

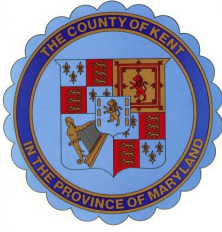
- **Enhanced Tax Collection:** By streamlining the collection of occupancy taxes, the county can ensure that all short-term rental hosts are contributing their fair share to the local economy. This revenue can be reinvested in our community, benefiting infrastructure, education, and other essential services.
- **Increased Transparency:** The software program will provide transparent data on short-term rental listings and their occupancy rates. This information will enable the county to make informed decisions regarding the allocation of resources and the development of policies that support sustainable tourism.
- **Reduced Tax Evasion:** Some short-term rental hosts may inadvertently or deliberately avoid paying taxes. With the software program in place, the county can significantly reduce tax evasion, ensuring fairness and equity in the tax system.
- **Economic Growth:** The software program will help create a level playing field for all accommodation providers, fostering healthy competition and promoting economic growth in the county. It will also encourage responsible property management and promote investment in the local community.
- **Administrative Efficiency:** Implementing a software solution will streamline the administrative process for both the county and short-term rental hosts, reducing bureaucratic hurdles and costs associated with tax collection.

I firmly believe that investing in a dedicated software program for short-term rental regulation and tax collection will benefit our county in multiple ways. It will not only address the challenges posed by the growth of the short-term rental industry but also contribute to the economic prosperity of our community. I urge you to consider this initiative seriously and work towards its implementation in the best interest of our county.

Thank you for your time and consideration. I look forward to witnessing the positive impact of this software program on our community's development and well-being. Please feel free to reach out if you need any additional information or support regarding this matter.

Sincerely,

Sarah Merrell Council Member, Galena, Maryland



**Shalyn Boulden, Tourism Manager, Economic and Tourism
Development
10/31/2023
County Commissioners Meeting**

Item Summary:

FY2024 Destination Marketing Organization Grant

ATTACHMENTS:

Description

10.31.23 Maryland Department of Commerce Maryland Tourism Development Board FY2024 Destination Marketing Organization Grant Agreement, Exhibits, A, B, and C

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

**FY 2024 DESTINATION MARKETING ORGANIZATION
GRANT AGREEMENT**

THIS GRANT AGREEMENT ("Agreement") is made between the Department of Commerce ("Commerce" or the "Department"), a principal department of the State of Maryland (the "State"), acting through the Maryland Tourism Development Board ("MTDB"), an agency of the Department, the Kent County Department of Economic & Tourism Development ("Grantee") whose Federal Identification Number is 52-6000974.

RECITALS

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

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

C. MTDB has approved the award of funding assistance to Grantee, to be expended by Grantee in accordance with this Agreement and the MTDB FY 2024 Destination Marketing Organization Grant Guidelines, attached hereto and incorporated herein as Exhibit A.

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

1. Grant. MTDB agrees to provide Grantee with funds in an amount not to exceed Forty Two Thousand One Hundred Forty Five Dollars (**\$42,145**) (the "Grant" or "Grant Funds"), subject to the availability of funds for such purpose.

a) Grant Formula: MTDB has awarded the Grant allocated through a formula that utilizes a Base Grant of \$20,000, Grantee's Calendar Year (CY) 2022 Qualifying Expenditures, growth of those Qualifying Expenditures over CY 2021 and growth of FY 2022 comptroller-determined lodging tax revenues over an average of FY 2019, 2021 and 2022.

b) Grant Term: The Agreement is in effect from July 1, 2023, to June 30, 2024.

c) Grantee shall participate in the annual Tourism Economic Impact Report for the State of Maryland and Maryland's DMO's.

2. Purpose. Grantee may use the Grant only for the purposes and in the manner set forth in its FY 2024 Destination Marketing Organization Application Questionnaire, attached hereto and incorporated herein as Exhibit B. Grant funds are intended to supplement the Grantee's annual budget and shall not replace year-over-year budget reductions incurred by the Grantee.

3. Guidelines. Execution of this Agreement by Grantee shall bind Grantee to all terms and conditions set forth in Exhibit A.

4. Disbursement.

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

b) Grantee must submit all reimbursement requests no later than July 31, 2024. Disbursements of Grant Funds are subject to the continuing availability of funds for such purpose, the State's fiscal position, the Department's financial resources, and compliance with all applicable laws. The Department may, at any time, assess the State's fiscal position and the Department's financial resources and reduce the amount of undisbursed Grant funds. If Grantee is a nonprofit entity under Section 501(c)(3), (4) or (6) of the Internal Revenue Code, the Grant Funds may be applied toward indirect costs in accordance with Section 2-208 of the State Finance and Procurement Article, Annotated Code of Maryland. Grantee shall report any Grant Funds applied to indirect costs in funding requests and financial reports submitted to Commerce.

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

a) Submit Grant Agreement with Exhibits A, B, W-9 Request for Taxpayer Identification Number and Certification (completed), C (when applicable) and all other applicable correspondence, including but not limited to, advertising creative approval requests, reimbursement requests, invoices, qualifying expenditure reports, and/or other required proof of performance via email to:

Marci Wolff Ross, Senior Assistant Director Tourism
Development
marci.ross@maryland.gov
Maryland Office of Tourism Development
401 East Pratt Street, 14th Floor
Baltimore, MD 21202
443-498-3842

b) Communications to Grantee (required):

Jamie Williams
Director Economic & Tourism Development
400 High Street, 3rd Floor, Chestertown, MD 21620
410-810-2168
jlwilliams@kentgov.org

c) Communications to Grantee (alternate):

Shalyn Boulden
Tourism Manager
400 High Street, 3rd Floor, Chestertown, MD 21620
410-810-2216
sboulden@kentgov.org

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

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

8. Political Contributions.

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

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

9. Entire Agreement; Counterparts; Signatures. This Agreement, together with the Exhibits incorporated by reference, represents the complete and final understanding of the parties. No other understanding, oral or written, regarding the subject matter of this Agreement, may be deemed to exist or to bind the parties at the time of execution. This Agreement may be executed in any number of duplicate originals or counterparts, each of which such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute one and the same instrument. Signatures provided by facsimile or other electronic means, for example, and not by way of limitation, in Adobe .PDF sent by electronic mail, shall be deemed to be original signatures.

10. Termination Prior to Expiration of Term Period. The Department and/or the State reserves the right to terminate the Agreement by written notice to Grantee if (a) the purpose of the Agreement can no longer be fulfilled or met, (b) Grantee materially fails to perform its obligations under the Agreement or otherwise violates the terms of the Agreement and/or any exhibits attached thereto, or (c) it's in the best interest of the

Department and/or the State to terminate. Unless such termination is due to Grantee's failure to perform its obligations or Grantee's violation of the Agreement, the Department shall disburse Grant Funds to cover the allowable expenses, as set forth in Exhibit B or elsewhere in this Agreement, incurred by Grantee prior to termination. In the event the termination is due to Grantee's failure to perform or Grantee's violation of the Agreement, the Department, at its sole discretion, may require Grantee to repay all or any portion of the disbursed Grant Funds. Nothing in this provision relieves the Grantee from liability for any damages caused by Grantee's failure to perform or Grantee's violation of this Agreement. Grantee shall indemnify and hold harmless the Department for any damages, claims, costs, or expenses, including reasonable attorney's fees and court costs, due to Grantee's failure to perform and/or violations of this Agreement.

WITNESS/ATTEST:

By: Tonya L. Thomas
(Signature)

Tonya L. Thomas
(Typed Name)

GRANTEE:

By: Ronald H. Fithian
(Signature)

Ronald H. Fithian, President
(Printed Name and Title)

**WITNESS:
DEVELOPMENT BOARD**

(Signature)

(Printed Name and Title)

MARYLAND TOURISM

By: _____
(Signature)

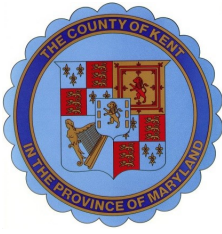
(Printed Name and Title)

Date: _____

Approved for form and legal sufficiency by:

_____, Assistant Attorney General

Attachments: Exhibit A: FY 2024 DMO Grant Guidelines
Exhibit B: FY 2024 DMO Application Questionnaire
Exhibit C: Application Affidavit, if applicable



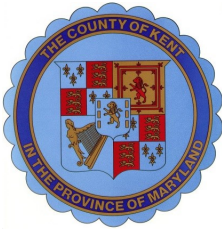
Jim Miller, Director, Human Resources
10/31/2023
County Commissioners Meeting

Item Summary:

Emergency Services, 911 Specialist Vacancy

ATTACHMENTS:

Description



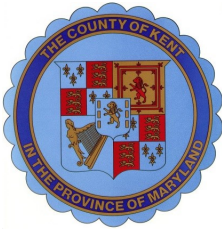
Jim Miller, Director, Human Resources
10/31/2023
County Commissioners Meeting

Item Summary:

Kent Family Center, Child Development Teacher Vacancy

ATTACHMENTS:

Description



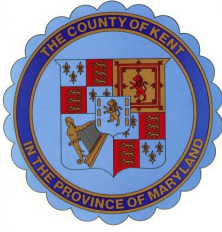
Jim Miller, Director, Human Resources
10/31/2023
County Commissioners Meeting

Item Summary:

Full-Time Facility Monitor Vacancy

ATTACHMENTS:

Description



Bonnie S. Pearsall, Inspector, Kent Alcohol and Tobacco Enforcement
10/31/2023
County Commissioners Meeting

Item Summary:

Waterman's Hospitality LLC, License Modification Application

ATTACHMENTS:

Description

10.31.23 KATE License Update, Waterman's Hospitality LLC



Kent Alcohol and Tobacco Enforcement

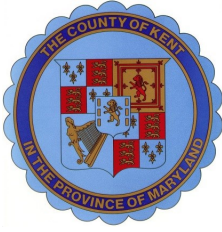
To: Commissioners Fithian, Nickerson, and Price
From: Bonnie S. Pearsall, Inspector
Date: October 31, 2023
Subject: License No. 4881 Waterman's Hospitality LLC

Memorandum

The proposed change removes Christopher J. Golder as a member and adds Tiffany Lauman as a member of Waterman's Hospitality, trading as Waterman's Crab House.

Ms. Lauman has completed all the requirements necessary to be added to the license and staff recommends approval.

This transaction will be recorded in the monthly report of retail license activity required by the Comptroller of Maryland, Field Enforcement Division.



Shelley L. Heller, County Administrator
10/31/2023
County Commissioners Meeting

Item Summary:

Proposed Mid-Shore Regional Jail Update and Letter of Intent

ATTACHMENTS:

Description

10.31.23 James Dunkerson, MD Dept. of Public Safety & Correctional Services, Fiona Shirk, MD Dept. of Budget & Management, Mid-Shore Regional Detention Center, Notice of Intent



The County Commissioners of Kent County

Ronald H. Fithian, President | Albert H. Nickerson, Member | John F. Price, Member
Shelley L. Heller, County Administrator | Thomas N. Yeager, County Attorney

October 31, 2023

Mr. James Dunkerson
Maryland Department of Public Safety & Correctional Services
6776 Reisterstown Road – Suite 201
Baltimore, Maryland 21215

Ms. Fiona Shirk
Maryland Department of Budget and Management
301 W. Preston Street
Baltimore, Maryland 21201

Re: Mid-Shore Regional Detention Center, Notice of Intent

Dear Mr. Dunkerson and Ms. Shirk:

Please accept this letter as an indication of Kent County's full support in investigating the feasibility of constructing a new Mid-Shore Regional Detention Center with our neighboring counties of Caroline and Queen Anne's on the site of the former Eastern Pre-Release Unit (EPRU) located at 700 Flat Iron Square Road near Church Hill. We have initiated a combined Part 1 and Part 2 Programming Study in accordance with the 'Local Jails Capital Improvement Policy and Procedures Manual'. This study will encompass the needs of all three counties and will be submitted by March 2024.

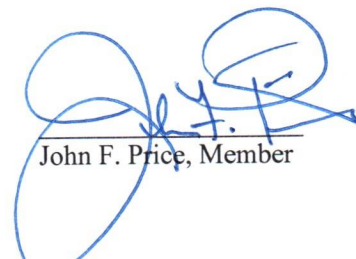
We are confident that the EPRU site would save the County and the State considerable capital funds rather than each county pursuing individual renovations at their respective current facilities. We have confidence that all counties involved would benefit from annual operational funds due to efficiencies gained at having a single facility in lieu of three.

We appreciate the State's willingness and support to make this significant program change and believe ultimately all parties involved will benefit greatly.

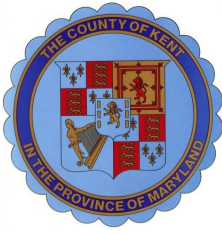
Sincerely,
THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND


Ronald H. Fithian, President


Albert H. Nickerson, Member


John F. Price, Member

Cc: Commissioner J. Travis Breeding, Caroline County
Commissioner Larry C. Porter, Caroline County
Commissioner N. Franklin Bartz, Caroline County
Commissioner James J. Moran, Queen Anne's County
Commissioner Jack N. Wilson, Jr., Queen Anne's County
Commissioner J. Patrick McLaughlin, Queen Anne's County
Commissioner Philip L. Dumenil, Queen Anne's County
Commissioner Christopher M. Corchiarino, Queen Anne's County



Shelley L. Heller, County Administrator
10/31/2023
County Commissioners Meeting

Item Summary:

Seeking Citizen Interest Forms To Serve On Boards, Committees, and Commissions

ATTACHMENTS:

Description

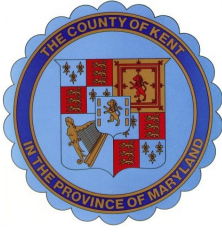
Property Tax Appeals Assessment Board

**The County Commissioners of Kent County are seeking citizens willing to serve on the
Property Tax Appeals Assessment Board**

The County Commissioners of Kent County are looking for persons willing to serve on the Property Tax Appeals Assessment Board (PTAAB). For consideration of an appointment to this Board, applicants must complete a Biographical Information Form, an Appointee Exemption Disclosure Form, and a resume.

Kent County's Property Tax Assessment Appeals Board has jurisdiction over all appeals in its area concerning property tax assessments. For more details about PTAAB go to <https://www.kentcounty.com/committees/propertytax>

Persons interested in serving on this Board are encouraged to contact the Commissioners' Office at 410-778-4600 and press 4 or email at kentcounty@kentgov.org to receive a packet of the required forms for completion.



Circuit Court Kent County
10/31/2023
County Commissioners Meeting

Item Summary:

Memorandum of Understanding Modification #1 E21-0012-25K, Administrative Office of Courts

ATTACHMENTS:

Description

Memorandum of Understanding Modification #1 E21-0012-25K, States Attorney's Office

MEMORANDUM OF UNDERSTANDING MODIFICATION #1
Administrative Office of the Courts

Modification No.: 1

County Commissioners of Kent County, Maryland
E21-0012-25K

Effective Date of Modification: October 13, 2023 Effective MOU Date: June 10, 2021

Between the Administrative Office of the Courts (AOC) and the County Commissioners of Kent County, Maryland,

WHEREAS, on June 10, 2021, the County Commissioners of Kent County, Maryland entered into a Memorandum of Understanding ("MOU") with the AOC to provide funding for security enhancements to the Circuit Court for Kent County.

NOW THEREFORE, in consideration of the Recitals which are hereby made a substantive part hereof, and the promises and the covenants herein contained, the adequacy and sufficiency of which are duly acknowledged, the parties agree as follows:

1. Revise Article I, Scope of Work to replace the requirements in Exhibit A with:
 - a. Tier II:
 - i. The following is requested for improved security while assisting the public.
 1. Level 3 ballistic glass in "L" shaped pattern.
 2. 1 arched transaction window with stainless steel recessed deal tray with bullet trap.
 3. 1 full vision wide stile aluminum door.
 4. 1 custom laminate countertop lined with level 3 fiberglass.
 5. 2 opaque armor panels with custom plastic laminate finish.

The 2023 Courthouse Security Items Request is hereby incorporated into this MOU as Exhibit B. The quote from Mistral, Inc. dated June 9, 2023, is hereby incorporated into this MOU as Attachment 1.

2. Revise Article II, Compensation and Method of Payment to replace item A with:
 - a. Name and address of AOC contact: Sean Wolcoff, Security Administration, 580 Taylor Avenue, Annapolis, MD 21401
3. Revise Article III, Term to extend the termination date to June 30, 2024 to spend the allocated fiscal year 2021 funds.

IN WITNESS WHEREOF, the parties have caused this MOU Modification No. 1 to be executed by their respective duly authorized officers, agents or officials as of the above-referenced date.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

County Commissioners of Kent County, Maryland:

By: Ronald H. Fithian Date: 10/06/23
Ronald H. Fithian
President

By: Albert H. Nickerson Date: 10/05/23
Albert H. Nickerson
Member

By: John F. Price Date: 10/05/23
John F. Price
Member

By: Harris P. Murphy Date: 10/10/23
Harris P. Murphy
Administrative Judge

Circuit Court for Kent County:

Administrative Office of the Courts

By: Whitney S. Williams Date: Oct 12, 2023 | 4:10 PM EDT
Whitney S. Williams
Director, Procurement, Contract & Grant Administration

Approved for form and legal sufficiency this 13th day of October, 2023.

Stephane J. Latour
Stephane J. Latour
Managing Legal Counsel

2023 Courthouse Security Items RequestMOU Partner*: County Commissioners of Kent CountyCourt: Circuit Court for Kent CountyCourt Address: 103 N. Cross St., Chestertown, MD 21620

Please complete the following:

- Choose Tier
- Complete the Subtotal in the Sub- Category
- Complete the Total

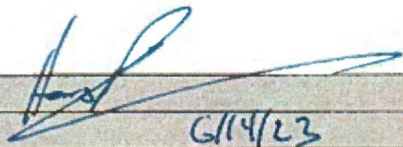
Tier I		Subtotal	Funded (AOC ONLY)
	X-ray Machine		
	Magnetometer		
	Access Control System		
	Duress Alarms		
	Camera System		
	Audio Visual Intercom		
Tier II			
	Building Alarms		
	Bullet Resistant Barriers	\$67,457	\$64,650
	Fenced/Restricted Judges Parking		
	Security Blast Film		
Tier III			
	Emergency Intercom		
		Total: \$67,457	Total Funded: \$64,650

*** Numbers provided are estimates, based upon initial market research. Actual expenditures may differ, based on based upon the results of a formal procurement process.*

- **Provide a description of each item requested and reason for request**

Tier I	
X-ray Machine	
Magnetometer	
Access Control System	
Duress Alarms	
Camera System	
Audio Visual Intercom	
Tier II	
Building Alarms	
Bullet Resistant Barriers	The following is requested for improved security while assisting the public.
<i>See attachment 1</i>	A. Level 3 ballistic glass in "L" shaped pattern. B. 1 arched transaction window with stainless steel recessed deal tray with bullet trap. C. 1 full vision wide stile aluminum door. D. 1 custom laminate countertop lined with level 3 fiberglass. E. 2 opaque armor panels with custom plastic laminate finish.
Fenced/Restricted Judges Parking	
Security Blast Film	
Tier III	
Emergency Intercom	

- Form must be signed and dated:

Submitted by Authorized Signature:	
Date:	6/14/23
Print Name and Title:	Harris P. Murphy; Administrative Judge
**MOU Partner:	County Commissioners of Kent County
**Address:	400 High Street
**Address:	Chestertown, MD 21620
Telephone #:	410-778-7431
Email Address:	harris.murphy@mdcourts.gov
Federal Tax Identification #:	52-60000974

***Name and Address of MOU Partner should be the same as the Name and Address used on the Request for Reimbursement for county/city*



June 9, 2023

Kailee McCoy Dierker
Chief Deputy Clerk
Kent County Circuit Court
103 N. Cross Street
Chestertown, MD 21620

Re: Ballistic Glass and Materials for Clerks Office

Ms. Dierker,

Mistral Inc herein submits its quote for the ballistic glass work described below. Mistral's total quote is **\$67,457.00** and is valid for 30 days from the date of this quote.

The quote includes the following:

1. Install Level 3 ballistic glass in "L" shape pattern.
2. Install 1 arched transaction window with stainless steel recessed deal tray with bullet trap.
3. Install 1 full vision wide stile aluminum door.
4. Install 1 custom laminate countertop lined with level 3 fiberglass.
5. Install 2 opaque armor panels with custom plastic laminate finish.

The installation will take place during standard work hours (9am-5 pm) Monday – Friday. Any work performed outside standard work hours will need to be requested. This quote does not include any demo, moving electric or other objects, supporting of internal walls, moving of any utilities, any 110 VAC power or low voltage wires or wiring, or permitting if needed.

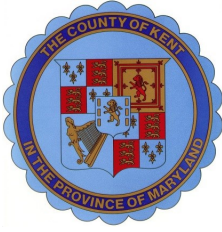
The court will be responsible for the removal of all current fixtures and be responsible for any permits and electrical work required.

Upon award of contract, Mistral will conduct a final site survey to confirm final measurements. Prior to ordering ballistic materials, Mistral will provide architectural drawings to the court for approval.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keren Banai', is written over a light blue horizontal line.

Keren Banai
VP – North American Sales



**Kent County Electric Board
10/31/2023
County Commissioners Meeting**

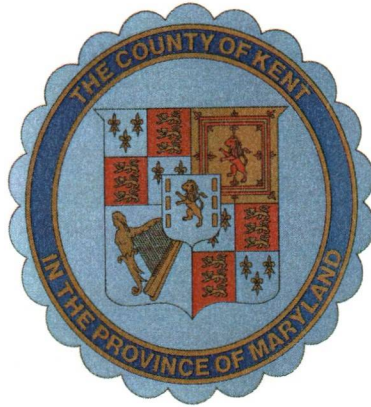
Item Summary:

Certificate of Appreciation

ATTACHMENTS:

Description

10.17.23 Michael Usilton, Certificate of Appreciation



Certificate of Appreciation

This is to certify that

Michael Usilton

is hereby recognized

for twenty-seven (27) years of service to the Kent County Electrical Board. Mr. Usilton has been instrumental in enforcing compliance and maintaining the Kent County, Maryland Electrical Licenses since 1996. Such commitment and devotion are admired and well respected by all of those who have had the honor and privilege of working with Mr. Usilton throughout his many years of service within the County and more importantly with the Kent County Electrical Board. We, the County Commissioners of Kent County, Maryland, thank you for your continued devotion, dedication, and public service to Kent County and the community.

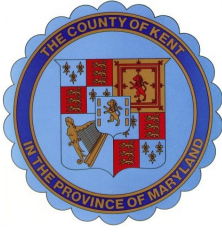
THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND

Ronald H. Fithian, President

Albert H. Nickerson, Member

John F. Price, Member

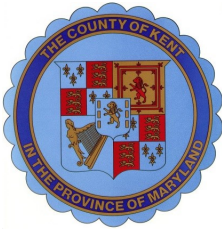
October 17, 2023



State Legislative Proposals and FY2024 1st Quarter Updates 10/31/2023 County Commissioners Meeting

Item Summary:

Public Service Announcement - Work Session Scheduled



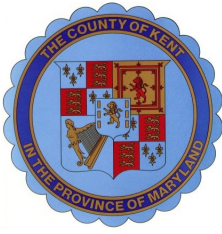
**Citizen Interest Form Received For Planning Commission
10/31/2023
County Commissioners Meeting**

Item Summary:

Thank You Letter

ATTACHMENTS:

Description



Procedures For Public Comment 10/31/2023 County Commissioners Meeting

ATTACHMENTS:

Description

10.31.23 Public Comments Sign In Sheet

Press and Public Comments

**PUBLIC COMMENTS
SIGN IN SHEET
October 31, 2023**

NAME (please print)	ADDRESS	TOPIC
LINDA KNIGHT	23620 hands End Road Chestertown	Property tax assessment board

Press and Public Comments

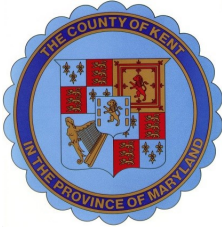
Time is allotted at the beginning and end of each meeting for the Commissioners to receive comments from the public. Anyone interested in speaking must sign up on the provided The Public Comment sign-up sheet is located on the table inside the meeting room.

The President of the Board will call the names of the listed individuals when it is time to speak. When making comments, individuals are asked to speak slowly, clearly, and concisely. Precede all comments with your name and address and speak only on the subject under discussion.

Comments in writing are welcomed and should be given to the staff after your presentation. Any person making personal, impertinent, or slanderous remarks, or whose speech or actions become disruptive, will be asked to leave the meeting.

Interested parties may address the Commissioners in writing at any time about any matter pertaining to County business. Written statements can be hand-delivered or mailed to:

The County Commissioners of Kent County, Maryland
400 High Street
Chestertown, MD 21620



Chestertown Library Preservation Foundation
10/31/2023
County Commissioners Meeting

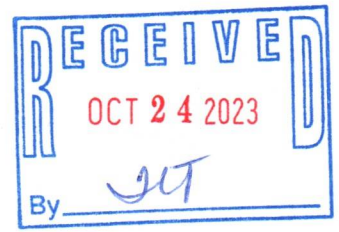
Item Summary:

Chestertown Library Preservation Foundation

ATTACHMENTS:

Description

10.24.23 Chestertown Library, Inc. Grant Award \$1,834.63



Chestertown Library, Inc.
P. O. Box 237
Chestertown, Maryland

October 20, 2023

Ms. Arnessa Dowell, Director
Kent County Public Library
408 High Street
Chestertown, MD 21620

Dear Ms. Dowell:

The Chestertown Library Preservation Foundation is pleased to award you the following grant to be used as specified below:

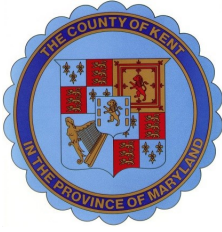
Check # 40827 in the amount of \$1834.63 made payable to the Kent County Public Library, Inc. \$763.00 is from the Paca Fund and is designated specifically as a fund to purchase books. We ask that the remaining monies also be used to purchase books.

Please let me know if you have any questions.

Sincerely,

Joan O. Horsey
Chairman
Chestertown Library, Inc.

Cc: Kent County Public Library Board of Trustees
Kent County Commissioners ✓



**Lester C. Jones & Sons, Inc., Permit Request Notice
10/31/2023
County Commissioners Meeting**

ATTACHMENTS:

Description

10.31.23 Lester C. Jones & Sons, Inc., Permit to Appropriate and Use Waters of the State KE1993G006-06

Dear Property Owner or Local Official:

Lester C. Jones & Sons, Inc. has applied for a Permit to Appropriate and Use Waters of the State, which has been assigned permit application number **KE1993G006/06**. The applicant seeks to increase an existing allocation from an annual average of 331,000 gallons of groundwater per day (gpd) and an average of 2,000,000 (gpd) during the month of maximum use, to an annual average of 611,000 gpd and an average of 3,716,000 gpd during the month of maximum use for crop irrigation. Water will be withdrawn from three wells in the Aquia aquifer. The project is located at 12511 Massey Road, Massey, Kent County, Maryland.

Since you are a contiguous property owner or an appropriate local official, you are being notified of this application, as required by the Maryland Annotated Code Environment Article §5-506. The Water and Science Administration (Administration) has placed your name on the "List of Interested Persons" for the above referenced project. At a later date, you will be notified when the proposed project is being published, any projected impacts, and be offered an opportunity to comment and request a public informational hearing on the matter before a decision is rendered by the State to issue or deny the permit.

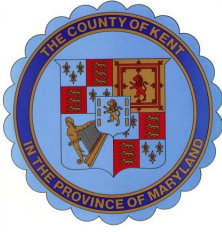
The Administration has created a file for this proposed project. If you wish to review the Administration's application file or make comments on the application at this time, you may contact the Administration by mail at Water Supply Program, Source Protection and Water Appropriation Division, 1800 Washington Boulevard, Baltimore, Maryland 21230 or by phone at 410-537-3590. If you have any questions concerning the application, please contact me by phone at 410-928-3951 (applicant's phone number) or by mail at the address listed below.

Sincerely,



Lester C. Jones & Sons, Inc.
12667 Massey Road
Massey MD 21650





American Rescue Plan Act (ARPA) Funds Spend Plan 10/31/2023 County Commissioners Meeting

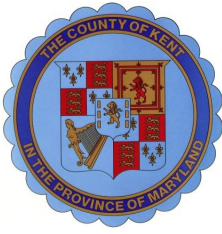
ATTACHMENTS:

Description

10-24-2023 ARPA Fund Commissioner Report

AMERICAN RESCUE PLAN ACT FUND
AS OF COMMISSIONER MEETING MINUTES DATED
10/24/2023

Project	Department	Project Estimate	Date Approved	Amount Approved	Date Completed
Feed the Elderly Year 1	Local Management Board	112,800	08/31/21	112,800	9/30/2022
Feed the Elderly Year 2 and 3	Local Management Board	204,115	03/08/22	204,115	
Clariflocculator Replacement Project	Water & Wastewater Fund	275,000	08/31/21	275,000	6/28/2022
Clariflocculator Replacement Project Change Order #1		2,817	01/11/22	2,817	6/28/2022
Clariflocculator Replacement Project Change Order #2		90,642	01/11/22	90,642	11/23/2022
AV System	Information Technology	71,254	10/26/21	71,254	5/17/2023
IT Software	Information Technology	27,095	10/26/21	27,095	8/10/2022
Neighborhood & Infrastructure Grants	Information Technology	258,402	12/14/21	258,402	
A/V Equipment in EOC	Emergency Operation Center	14,087	02/01/22	14,087	
SCADA Pump Station Monitoring	Water & Wastewater Fund	110,065	02/08/22	110,065	
Millington/RT301 Wastewater Treatment Feasibility Study	Water & Wastewater Fund	57,500	02/08/22	57,500	
Millington/RT301 Wastewater Conveyance System Capacity Study		9,500	09/27/22	9,500	
Tolchester Wastewater-Design Services Influent Screen	Water & Wastewater Fund	52,910	02/08/22	52,910	
Tolchester Wastewater - Bid Services and Const. Management		35,735	09/27/22	35,735	
Tolchester Wastewater Influent Screen Construction		600,914	04/25/23	600,914	
Worton WWTP Influent Lagoon Engineer Design & Bid Services	Water & Wastewater Fund	33,076	03/22/22	33,076	
Worton WWTP Influent Lagoon Engineer Const. Management		43,736	03/08/23	43,736	
Worton WWTP Lagoon Sludge Removal Contract		1,400,725	12/13/22	1,400,725	
Worton WWTP Lagoon Sludge Removal Contract Change Order #1		30,000	06/13/23	30,000	
Worton WWTP Lagoon Sludge Removal Contract Change Order #2		(486,784)	08/08/23	(486,784)	
Kennedyville Pump Station #2 Relocation Design	Water & Wastewater Fund	52,338	09/27/22	52,338	
Kennedyville Pump Station #2 Relocation Const. Management		<i>Deferred</i>			
Kennedyville Pump Station #2 Construction		<i>Deferred</i>			
Worton/Kennedyville GIS Water and Sewer Facilities Mapping	Water & Wastewater Fund	75,770	09/27/22	75,770	
Worton Vehicle Storage Building & site prep/lighting/heat	Water & Wastewater Fund	40,000	10/25/22	40,000	
Worton WWTP Solids Press Replacement Design	Water & Wastewater Fund	40,000.00			
Worton WWTP Solids Press Replacement Construction Management		20,000.00			
Worton WWTP Solids Press Replacement		250,000.00			
Total Amount of Funds Committed		<u>\$ 3,421,697</u>		<u>\$ 3,111,697</u>	
Amount of ARPA Funds		3,766,777		3,766,777	
Balance of ARPA Funds Remaining		<u>\$ 345,080</u>		<u>\$ 655,080</u>	



Contingency and Use of Fund Balance Report 10/31/2023 County Commissioners Meeting

ATTACHMENTS:

Description

10-24-2023 Commissioner Report Contingency

**FY24 CONTINGENCY & USE OF FUND BALANCE
AS OF COMMISSIONERS MEETING MINUTES DATED
October 24, 2023**

[illegible]