

ATTACHMENT II

Legislative Background

Calvert County Legislation for establishment of Special Tax Districts

§ 4-101. Establishment - [Amended 1997, ch. 80]

(a)

1. In accordance with the procedures of this title, the County Commissioners may establish by ordinance special taxing districts in Calvert County to furnish and provide special privileges or benefits to persons in those districts.
2. The County Commissioners may levy and collect special taxes or assessments on property in those districts receiving special benefits to pay the cost of furnishing, providing, and maintaining:

Community roads and streets, including the maintenance and improvements of the roads and streets, appropriate drainage, and all appurtenances including:

- i. water runoff and control;
- ii. Lakes;
- iii. Canals; and
- iv. Other community-wide amenities and other special privileges or benefits as the County Commissioners may approve”

Establishment of Drum Point as a Special Tax District

On December 13, 1995, in recognition of the need to provide a steady and reliable source of funds for upgrading and maintenance of community assets including roads and other amenities, the Drum Point community voted to have the DPPOA Board of Directors petition the Calvert County Board of County Commissioners to have the community established as a special tax district. At a community-wide meeting on that date, the attendees overwhelmingly supported the proposed work plan, which became the substance of the four year STD I agreement. STD I (1997) was followed, by two additional STD agreements, STD II (2001) and STD III (2005).

Each of the three Drum Point STD agreements was signed by the presidents of Drum Point Property Owners' Association (DPPOA) and the Calvert County Board of Commissioners (BOCC). They were also countersigned by the attorney for each of the two organizations. The introductory paragraph of each STD called for the special tax to be applied to "improvements of roads and other amenities". The appendices of each STD carry the plans for work and budgeted amounts for each item. The petitions for each STD reflect this scope and content.

STD I

STD I was agreed Jan. 16, 1997 pursuant to community-wide meetings and approval by the DPPOA Board of Directors (BOD) in its Dec. 13, 1996 meeting.

It budgeted for:

1. roads 45%
 2. maintenance of community assets 9%
 3. causeways 22%
 4. staff and office 16%
 5. general administrative costs 8%
- The total cost for administration of capital improvement tasks, therefore was budgeted to be 24%
 - Road maintenance was subdivided, with only 2.4 miles of roads "targeted" for "*possible* future acceptance into the county maintenance program". No mention was made of road turnover for the balance of the 15.3 miles of DPPOA roads for which maintenance and upgrades were planned.
 - Maintenance of community assets included grass cutting in common areas, security lighting, trash removal, beach toilet pumping, mosquito control, etc.

STD II

STD II was agreed March 2001.

It budgeted for

- 1-2. Causeways and roads 61%
 3. Staff/professional services 20%
 4. Office 3%
 5. General and administrative 5%
 6. Asset maintenance 10%
 7. Community development 1%
- The total cost for administration was 28%.
 - STD II did not refer to road turnover.
 - Community development refers to purchase by the community of certain lots and to explore turning areas into green space
 - Asset maintenance includes trash removal from common areas, beach facilities including toilets and security, funds to be able to react to storm damage, grass cutting in common areas, mosquito control.

STD III

STD III was agreed January 11, 2005

- As before, administrative and capital improvements were separately budgeted.
- Administrative costs, including office and staff were 34.3% of the total budgeted amount.
- Asset maintenance and other categories included mosquito control, grass cutting in common areas, trash removal, sanitary facilities, safety boardwalks, boat ramp refurbishment

Summary

Administrative costs were never budgeted to be as low as 15%

Possible road turnover was described in STD I, and was targeted for only 2.4 miles out of a total 15.3 miles of roads in Drum Point. STD III budgeted \$150,000 for road turnover as part of a larger budget for capital maintenance.

Although the primary focus of each STD was upgrading and maintaining roads and causeways, the scope of each of the three STD agreements included amenities. This was allowed by the enabling legislation of Calvert County and identified both in the introductory paragraph of each STD agreement and explicitly budgeted in appendices.