



**DRUM POINT
PROPERTY OWNERS'
ASSOCIATION
ANNUAL REPORT
TO THE
CALVERT COUNTY
BOARD OF COMMISSIONERS
(AUGUST 10, 2010)**

Introduction

In January, 2010, a new Special Tax District Agreement (STD III as amended), was approved by the Drum Point Property Owners' Association (DPPOA) and the Calvert County Board of Commissioners after more than five months of negotiation. Under the new agreement, the STD budgets for the next three years are \$268,000; \$234,560 and \$249,200. Of these amounts, the Capital expenditures budget will increase from 58 per cent in 2010 to 67 per cent in 2012. Administrative costs charged to the STD, on the other hand, will decrease stepwise from 30 per cent in 2010 to 20 per cent in 2012. The remainder of the STD budget is for Operations and Maintenance items which involve only repairs to the existing road-related infrastructure. STD fees will be \$50 per household.

As before, all Capital expenditures must be approved by the Department of Public Works for compliance with the Commissioners' guidelines, with all funding to be approved by the County Finance Department. In addition, ongoing inspections of Capital projects will continue to be required, with inspections to be scheduled by the Department of Public Works. If any work is not inspected and approved by the Department of Public Works, the County has the option of requiring the contractor to redo all work performed since the last approval date.

The reduction of the STD from \$192 to \$50 significantly cut funding for administrative costs and effectively reduced the amount we are permitted to spend on restoring the beach and maintenance of DPPOA-owned easements to the water, as well as any non-road related maintenance.

No repairs or Capital Expenditures for amenities are specifically authorized by the STD Agreement. However, the Commissioners, after inspecting damage to the DPPOA Beach, have indicated that DPPOA may request special authorization for projects per procedures required by Title 4 of the public local laws of Calvert County, including but not limited to, convening a public hearing on the request.

During the 2009/2010 winter season with total snowfall in the area exceeding all official records, we nonetheless had enough in reserves and in contingency funds to carry Drum Point through the crisis and pay for treating and plowing the roads (\$129,000) and removal of trees felled by snow and wind storms.

Maintaining Community Support

Membership Decisions for Dues Increase and Budget

In order to immediately adjust to the changes in the Special Tax District (STD III) Agreement finally agreed upon, it was necessary to more than double our voluntary membership dues from \$25 per year to \$60. This request was presented to the membership at the March General meeting and passed by a two to one majority, with more than 60 members in attendance. With the increase in dues, the total cost of being a member in Good Standing is \$60 in membership dues, \$50 for STD Fees and the \$10 Covenant Fee. This is a total of \$120; a net reduction in total costs of \$107 from last year's cost to homeowners of \$227.

The annual budget reflects income from STD funds, dues, Covenant fees, and State Highway User Revenue, as well as any FEMA funding. SHUR funds have sharply dropped this year.. At the June meeting, the Board of Directors recommended and the membership approved the Drum Point Property Owners' Association (DPPOA) budget, reflecting the impact of the reduced STD funding for administrative costs, by a 34 - 1 vote.

Board Elections

Once the budget was agreed upon, the nominating committee sent out ballots for the election of new FY2011 Board members to the members in good standing of the DPPOA. Five seats on the Board of Directors were up for election. Although a slate of candidates was brought forward by a small minority, two incumbents were reelected. The new Board of Directors includes, Sam Bergeson-Willis, Duane Heidemann, Gary Heal, John McCall, Dan Matthias, Dale Maxwell, Max Munger, Tricia Powell and Amy Rispin. There was insufficient support for the most visible of the challengers.

Roads Ballot

The year culminated with the vote on whether or not to fund road improvements for turnover of certain roads to the County. The vote was extended beyond DPPOA membership to include all 1300 Drum Point property owners. Issues and facts were laid out in a public forum May 12, 2010 and Pro's and Con's published in the summer issue of the community newsletter. Ballots were counted by neutral judges. By a nearly 3 to 1 majority, the Community's mandate for the Board was to keep the roads under Drum Point management. The final result of the vote was 261 against investing monies necessary to upgrade roads to County standards for turnover and 96 favoring upgrade of the roads to County standards for turnover. Results were announced via email and a news release to the local media.

The vote on Road Turnover cost the DPPOA many hours of volunteer time in researching factual data, preparing position papers and in discussions within the Board of Directors and with those representing the minority viewpoint. Financially, we estimate the full Community-wide vote cost approximately \$2,500 to cover the cost of postage, stationery, administrative hours, and the salaries for impartial State employees to count ballots (as well as publicizing the vote and newsletter costs). In addition, \$14,000 was spent in a pilot engineering survey to obtain accurate cost estimates for upgrading two roads to meet County standards for possible turnover.

Mandate

We believe the results of these four ballots confirm the Board's continuing position as representing the wishes of the Drum Point Community and that the policies established over the past years fairly represent the Community's desires.

Infrastructure Improvement

Roads and Storm Water Management

The Board of Directors has prioritized road and storm water drainage needs and has identified and acted on the following essential projects:

- Funds have been spent on the completion of storm water drainage mitigation at Harbor and Marine Drives in the amount of \$49,675 for construction and nearly \$19,000 in engineering costs.
- The storm water management project at Beech Drive cost nearly \$24,000 in engineering and construction costs.
- The ongoing under-road pipe repair and replacement project for the Community will total nearly \$59,000.
- Contracts are being advertised for: a major road repair, estimated to cost between \$12,000 and \$13,000; two sets of guard rails at dead end streets, estimated to cost \$14,000; and major improvement of River View Drive, to correct the shoulder and road erosion at an estimated cost of \$25,000.

FEMA (Federal Emergency Management Agency) Grant Applications

The Board of Directors has researched, identified and applied for two FEMA Hazard Mitigation Grants:

- Restoration of the Community beach and protection of Drum Point Lake, the last tidal lake on the Western Shore of Maryland
- \$800 for the improvement of the Emergency Communications Center

FEMA Disaster Relief

As a Special Tax District, the Drum Point Community is eligible for FEMA Disaster Relief for the February Snow-mageddon. The Board's initial application has been accepted for approval, and we are awaiting contact from our FEMA/MEMA representative. We expect to receive between \$20,000 and \$30,000 in funds to at least partially cover the cost of snow removal and tree trimming and removal due to the storms. These monies will replace Special Tax District funds expended for these purposes

Emergency Preparedness

We have upgraded the DPPOA Office as an Emergency Communication Center. Most importantly, because of the many recent electrical failures, an electrical generator was installed as a backup so the office can serve as an emergency coordinating center. The office can provide backup communications (CB radio net) within the community and to the County EOC via short-wave radio.

Community Emergency Response Team (CERT) Volunteers are trained first to assure their own safety and that of their families. Then they are trained to step in as first responders if 911 professionals are not able to assist on an immediate basis. These volunteers are registered at the County Emergency Operations Center (EOC), and may be asked to volunteer to assist the County. For emergency response purposes, the DPPOA community is divided into two sections: East and West divided by Barreda Boulevard. There are two CERT Co-Coordinator assigned

Environmental Issues

Recent changes in the Critical Area and Buffer Zone Requirements as well as the latest change in Stormwater Management Requirements were instrumental in the establishment of an Environmental Committee for Drum Point. This committee, led by Dr. Amy Rispin, will be responsible for overseeing environmental issues within the community including control of invasive species, landscaping recommendations that will benefit the environment and Environmental Education for the Community. One of the first recommendations of the Drum Point Environmental Committee is to suggest that the present infrastructure be modified with Stormwater Management Public Works and Critical Area Rules being placed under common management

Completing the Transition

As part of Drum Point's plan to move away from primary reliance on the STD and toward community-based funding, we have begun a process to update our Covenants and By-laws. We will approach the Board of County Commissioners for assistance in amending the Drum Point Covenants voting procedure. We have not yet determined whether to approach this through legislative means with the State Legislature or through a challenge to the Court on the basis that the current procedure denigrates the value of the ballots actually cast, creating a disparity in the "one person, one vote" concept.

In a nutshell, our Covenants require that a majority of the property owners approve any change in the Covenants; however at present, any ballot not returned is considered a "NO" vote. This unusual approach to voting virtually assures there will be no changes to our Covenants which have been in existence since 1947 when the Community was first planned. Imagine an election for Commissioner that would require any candidate who does not receive 51 percent of the REGISTERED voters' votes not be elected to office?

When the voting clause is changed, we will be able to present to the Community an alternative to our Covenants whereby all property owners will be assessed an annual mandatory Covenant fee to support the Community. Costs would be assumed by ALL property owners, not just those who voluntarily pay the Association Dues. This approach will eliminate the present voluntary dues and allow equal sharing of the operating costs of the Association.

In compliance with the direction of the BOCC, we have reduced our Administrative Expense chargeable to the Special Tax District. For FY2010, the Budgeted amount was some \$81,000. Actual Expenses chargeable, per the County Finance Office were nearly \$7,000 below that amount. (Attachment I)

We expect that due to the fact that the Special Tax District status qualifies the Community for FEMA and SHUR funds, there will be a continuing need for a Special Tax District assessment. We have compiled a Legislative History of Drum Point Special Tax Districts and included that as Attachment II.

Let's Move Forward Together

This has been a tumultuous year for Drum Point and the Board of Directors. We worked hard to try to understand and comply with the wishes of the community and the County Commissioners.

Many of the situations that arose in FY 2010 were the result of strong advocacy of minority viewpoints. We strongly urge the Board of County Commissioners and their staff to seek more than one source of information. You can count on the Drum Point Board of Directors and its office to do everything possible to provide information and promote a free flow of information.

In the future, the Board of County Commissioners and the Drum Point Property Owners' Association Board of Directors must work together more closely. When information is not shared among parties, the probability of misunderstandings in the decision-making process expands exponentially.

A Thank You

The events of the past year served to point out the professionalism and high standard of cooperation by the administrative staff of Calvert County. We would especially commend Terry Carlson and Ron Clark of the Department of Public Works for their efforts and time spent in providing the background information on the requirements of upgrading Drum Point's roads to meet County Standards.

In addition, the Finance Department and Tim Hayden and Robin Jones provided yeoman assistance in the Budget Process required to meet the Guidelines outlined by the Board of County Commissioners.

Lastly, the efforts of Commissioners Jerry Clark and Wilson Parran who initiated the negotiation process required to reach the Amended STD Agreement that has allowed our community to move forward.