

Winter 2013



Drum Point Light

Drum Point Property Owners' Association

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410-326-6148

AT THE CROSSROADS

Where do we go now? As you may be aware, restricted funding has meant that DPPOA has had to engage in deficit budgeting (see Article page 3), without a viable means to save for a rainy day, or replace our road surfaces as they wear out in the long term. Ironically, part of the problem in funding Drum Point is the fact that restrictions are placed on three of the four revenue streams; Covenant Fees, State Highway User Revenue (SHUR), and Special Tax District (STD) 4. In each of these, funds may only be spent on roads and road-related items. Only funds from voluntary dues may be spent to maintain Drum Point infrastructure such as the Beach, Boat Ramp, Office, water access easements, and the like.

This will be the issue for discussion during the December General Meeting of the Drum Point Property Owners' Association.

Your Board of Directors is planning major changes in the Associations' financial future that will eliminate the **voluntary** dues, reduce the dependency on the Special Tax District, ensure that all property owners pay their "fair share" of the Community upkeep AND give the Community a stronger voice in financial planning for the future.

As set forth in the fall Newsletter, the original 1947 Covenant fee of \$10 is not a "like amount" in twenty first century economics. How could it be? The total Covenant annual income is \$13,000 at present, clearly insufficient to maintain 15.3 miles of roads. Accordingly,

after FY 2015, the Board will phase in a higher Covenant fee adjusted by the Consumer Price Index (\$104.88 in current dollars). Accordingly, our goal is to submit a request for decreased STD funding in future years by an amount to be agreed upon by the Community.

In addition, after many hours of meetings, discussions with our Attorney and review of our Covenants, Bylaws and Articles of Incorporation, the Board has determined that for Fiscal Year 2015, beginning July 1, 2014, a mandatory assess-

Turn to Page 6, Fees



The driver had car insurance. Under other circumstances, the DPPOA would have either had to file a claim against its own insurance or fund the repair from Association Dues to which only 48% of property owners contribute.

President's Column

Amy Rispin, President

DPPOA Board of Directors



Sometimes I think that the DPPOA Board has been doing too good a job. Our roads look great! We own the office free and clear. Snow and fallen trees are cleared promptly after storms. In these respects, Drum Point compares favorably with other communities in Calvert County and in many ways, better. Our property values reflect the well-kept appearance of our Community. However, we have been able to accomplish this only by pulling in our belts for several years.

Running our Community with its 1000 homes, 15 miles of roads, a beach and boat ramp, as well as five causeways, lakes and creeks, and our legal and fiduciary obligations, necessitates maintenance of a modern IT capable office and a full time Community manager. Because of Drum Point's location between the Bay and the Patuxent River, our roads and causeways require extensive storm water control for their maintenance. More than 17 years of DPPOA records show the real cost of administering the Drum Point Community. But we have had to run the Community on deficit budgeting.

As I noted in the fall edition of the newsletter, volunteers have stepped in to the fill the breach in many cases. Small repairs to the office and grounds have been made by volunteers. This year, volunteers helped to make Drum Point Day a success, and at minimal cost to the Drum Point budget. Despite a pared back budget, volunteers have helped out by mowing grass in some of our common areas and carting away fallen tree limbs and other trash from our road sides. And of course, the all-volunteer Community Emergency Services

Center (CESC) is standing by to help out in emergencies. During the last few years, whenever storms or hurricanes have caused electrical outages, the Emergency Services Center was able to keep the office building running with full power and heat available for all Community members.

However, cutbacks and severe restrictions in STD levels obliged us to spend down funds previously built up at the County for asset replacement. Consequently, our reserves are limited and a few bad snow storms or hurricanes could wipe them out, leaving insufficient funds to repair roads and storm water drainage systems in a timely manner. We have now coated 50% of our roads with protective Rejuvenation to protect the road surfaces. However, financial limitations may not allow us to complete this job fast enough that the Rejuvenation process will extend the life of the balance of the roads. In addition, income from DPPOA dues is insufficient to administer the Drum Point Community. Consequently, we have had to budget using deficit spending at an unsustainable rate.

Much of this edition of the newsletter is devoted to the needs of Drum Point and how best to serve those needs. I encourage all of you to spend some time reading the various articles and explanations of the Board's goal of maintaining the Community, now and in the years to come.

Amy Rispin

DEFICIT BUDGETING

At its June 2013 meeting, the Drum Point Community approved a deficit budget for DPPOA! Seventeen years of Special Tax District (STD) accounting had shown that our STD expenses averaged \$175/lot. In applying for STD IV, taking into consideration financial pressures from the recession, the Drum Point Board voted to petition the County for a bare bones STD budget for two years, with a tax of \$166/lot, expecting to make up the difference from DPPOA annual dues and by tightening our belts on all expenses. The BOCC instead granted us an STD of \$150/lot and locked it in for five years.

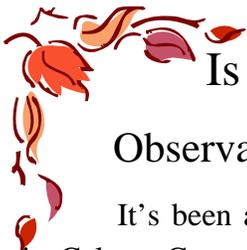
We are faced with an annual shortfall in STD income, which is now far below the cost to run the Community. At present, DPPOA dues constitute our only discretionary funding source to run and maintain infrastructure such as the Beach, Boat Ramp, office, and common areas. Faced with this, and the need to make up for Community services previously addressed by the STD, the Board recommended a *deficit budget* for the Community vote in June for disposition of dues and Covenant fees. Even so, we put off important expenses such as dredging to maintain navigability of our waterways and ponds, brush clearing from common areas and rights of way to prevent fires, maintenance of common areas, and reduced security.

Although our total voluntary dues collection in 2013 was \$37,500, we budgeted a dues expense budget for \$49,217. How can that be? The solution was to spend down our modest DPPOA bank carryover of \$32,539. For the current year, this would be a draw down of \$11,897. Spending at that rate, the DPPOA bank carryover nest egg will last only about two and a half years. After that, DPPOA will no longer be able to administer STD IV and run the Drum Point Community unless another path is taken.

Why we need to change Covenant Fees

- **Funding source restrictions** – State Highway User Revenue (SHUR) funds, Covenant fees, and Special Tax District (STD) 4 income must focus on roads and road-related expenses. Declining DPPOA dues (Admin 58%, Property Taxes 16% and road maintenance 26%) are the only discretionary spending income for management by DPPOA of the Community.
- **The original 1947 Covenant fee of \$10 is not a “like amount” in 2013** - Total annual Covenant income of \$13,000, based on the original \$10 fee, is insufficient to repair and maintain 15.3 miles of roads. If corrected for inflation (CPI), the equivalent Covenant fee amounts to \$105 in current dollars.
- **Decreased support by BOCC for funding Community needs with STD** - The previous STD decimated our road reserve balance held for Drum Point by the County. STD 4 was approved for less than our necessary annual expenses and then fixed for 5 years. STD 4 decreased support of DPPOA administrative and non-road operations expenses, including necessary Community outreach, management, facilities, insurance and taxes. With an increased road Covenant Fee, Drum Point will be less dependent on future STDs.
- **Only 48% pay their full share in dues** - Community improvement benefits everyone. Property owners should bear the burden equitably of maintaining Drum Point. A mandatory assessment of \$55 for improved lots and \$20 for undeveloped lots will ensure reliable income for management of Drum Point. Reducing the dues to zero will facilitate voting by most property owners.
- **Decline of Highway User Funds Continues** - The drastic drop in collection and distribution of MD gas taxes over the past few years is not expected to recover to previous levels for many years. (Current SHUR income is only \$6000/year.)
- **Asset replacement** - We need to institute realistic asset-replacement planning for our roads, after nearly 20 years of use. We can anticipate a potential cost of several million dollars when road renewal is necessary. DPPOA needs to start saving now!

Max Munger
Treasurer DPPOA



Is it Fall Yet?

Observations from Elkins Lane

It's been a mild prelude to autumn here in Calvert County. Not a lot of rain and very mild temperatures until the last week or so. The sun isn't rising until after 7:00, and the leaves are becoming an annoying chore.

Still, autumn really doesn't hit me until I see the first fall Sparrows. On October 22nd, I heard my first *poor Sam Peabody*, trilled by a White-throated Sparrow since May 1st. The next day a bird darted away from my bird bath at home, showing a white tail; and I knew the Juncos (Snowbirds) were here. Not too long after, I noticed the three-noted song of the Golden Crowned Kinglet. These songbirds are all migrants that breed further west and north. They spend the fall and winter here, and the Sparrows often visit feeders.

The White-throated Sparrow has a yellow eye stripe that is as recognizable as its white throat. Its striped head can be white and black or white and tan. The Junco is a grey and white bird that flashes white in the tail when it flies. The Golden Crowned Kinglet and its cousin the Ruby Crowned Kinglet are very smallish birds with brightly colored head markings and an eye ring that is also helpful in identifying this very active bird.

The migration of songbirds is in its final stages for the season. Hawk migration is in swing, and waterfowl won't be far behind. Since the Ospreys left, I have noticed an increase in Eagle sightings. In the last month I have seen Eagles in Lusby, Solomons, and Cove Point, and hear them almost daily. That caterwauling cry has replaced the Osprey piercing whistle. We also have a resident Red-shouldered Hawk, which I see a few times a week.

Next Column

Is it fall yet - from previous column

A word of caution for this time of year too. The deer are out in force. I've seen a fawn from last winter with two fawns of her own this fall. Our cameras at the Helen Creek Preserve, where I work show larger numbers than last year. Please watch out for deer crossing the road, particularly at night. A drop in the temperature will often trigger increased activity. Bright lights and slowing down often save you and your car from some major problems.

Bob Boxwell

Drum Point Radio Club News

As part of our Community preparedness, the DPPOA retains basic first aid supplies and backup emergency communication radios at the Office. DPPOA radio amateurs (members of the Drum Point Radio Club - KB3TGF) regularly test the equipment that provides backup links directly to the Calvert County Emergency Operations Center in Prince Frederick.



On October 6th our facilities were activated to participate in the American Radio Relay League's (ARRL) annual Simulated Emergency Test (SET) supporting the Maryland, D.C., and Virginia area. The emergency scenario was a full blown hurricane driving up the Chesapeake Bay and crossing over into northern Virginia, taking out electrical power lines and cell towers. Our radio team relayed situation reports (simulated) to the Prince Frederick Emergency Operations Center using the emergency generator and radios located in our Community Emergency Service Center.

Although we have experienced weather similar to this scenario in the recent past, thankfully this year has been relatively benign, at least thus far. We'll see what winter brings - as a Community we should all take a few moments to review our backup planning.

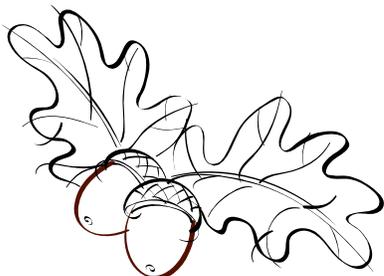
DRUM POINT COMMUNITY BEACH

As many of you may know, the Community beach gate was closed for a short time in September. The closing of the gate was temporary, as many of those who had manned the gate for a number of years found they were no longer able to do so. A call went out to the Community asking for help, and happily, many of you stepped forward to join those who were still able to devote the time.

While the closing of the beach was temporary, there were a number of people affected. As a result, the subject of the gate at the Community beach was raised for discussion during the September meeting of the General Membership. With the issue of reopening the beach solved, the discussion centered on the hours of operation. Several people voiced their opinions that the gate should be kept open for a longer period of time each day. A suggestion was made to keep it open from dawn until dusk. Another person suggest it be opened from 8:00 a.m. until 9:00 or 10:00 each night.

Input has been requested from those people who volunteer their time to open and close the gate. Those people who live near the beach will also be asked to weigh in on the subject, and all sides will be considered. The Board must also take into consideration the impact of extended hours on the Drum Point Club.

If you have questions or wish to express your opinion on the subject, please contact the Association office via e-mail at office@dppoa.org or by phone at 410-326-6148.



DRUM POINT DAY



The annual Drum Point Day was a great success. Larry Reich was the grill master, with an occasional trip into Cindy Scribner's apartment to sit and enjoy a few minutes of football talk. Fran Borsh replenished the food and kept it free of bugs. Larry picked up the Jump House that DPPOA had rented, and all of the younger kids had a ball. DPPOA Board and Committee members, Aubrey Mumford, Dennis Baker and Ralph Swartwood visited for a while. Swimming was the most popular sport. Six girls **and** a younger boy jumped off the pier for an hour at a time, came back for more food, and jumped right into the water again. Over all, everyone enjoyed the day, meeting new neighbors, and enjoying delicious cookies donated by Fran's son, Steve Borsh.

It was so great to see kids and parents enjoying the day and meeting new neighbors.

FALL YARD CLEANUP REMINDER

While we all want our yards to be free of falling leaves (a constant struggle this time of year in Drum Point), the leaves should not be blown or raked into the streets or waterways.

For those who may not have considered the consequences, leaves left in streets, especially on some of the hilly curves in our Community, can cause wheels to skid and accidents to occur. This includes the sides of the streets, especially those narrow streets where one might find oneself while passing an approaching vehicle.

Leaves and other yard debris which are raked or blown into the waterways not only cause pipes to clog, costing time and money but also pollute the waters which feed into the Bay.

Yard debris can be taken to the Appeal Landfill on Sweetwater Road.

Capital Projects

As of the publication of this edition of the Drum Point Light, the following projects have either been completed or are on the schedule to be done in the next few weeks.

The second phase of Road Rejuvenation began on September 23rd and lasted until September 26th. The rejuvenation process is a cost-effective method of extending the life of a road surface from 15 years to nearly 30 years. The work is being done in phases, with the first phase completed in September of 2012. The next phase will likely be scheduled for late spring or early summer of 2014.

The upcoming paving work, to be done by C. A. Bean Paving Company, should begin during the first two weeks of November, with the following roads scheduled:

- **Bay Drive** from the Bay Drive Causeway to Lake View Drive (approximately 1,745 LF)
- **Lakeview Drive** from Bay Drive to Bay View Drive (approximately 1,040 LF)
- **Chestnut Drive** from Huron Drive east to end (approximately 156 LF)
- **Raine Road** from Rousby Hall Road West) (approximately 135 LF)
- **Lake Terrace** – (approximately 285 LF)
- **Laurel Way** between Lake Lane & Bay View Drive (approximately 560 LF)
- **Pilot Way** adjacent to Rousby Hall Road*
- **Parking area** adjacent to Lake Charming*

In addition to the above streets, the County Department of Public Works has informed us, through Jeff MacDonald, Project Manager/Inspector for the DPPOA, that Barreda Boulevard has been scheduled for repaving. C. A. Bean Paving will be doing the work on Barreda for the County and in conjunction with the work being done for this Association.

* Added per Board approval

ment will replace the \$60/member voluntary DPPOA dues. At the present time, only some 48 percent of the Community is paying the voluntary dues, subsidizing those who pay only covenant fees. Plans are that improved lots (those with a house) will be charged \$55.00 per year and undeveloped lots \$20.00 per year. This will provide approximately \$50,000, rather than the \$37,000 income from voluntary dues.

This increase in DPPOA income is necessary to eliminate the deficit budgeting currently in place to maintain our Community and will help to shift control of more of our finances toward the Community, rather than by the County Board of Commissioners. These fees will be reflected in statements mailed in February.

What does this mean to residents?

- The burden of supporting our Community will be spread equitably among all, with those who own developed lots paying more than those who own undeveloped lots - Improved versus Unimproved. The present voluntary dues of \$60.00 per year will be eliminated, making everyone who pays their annual fees and Assessments a member in Good Standing of the DPPOA.
- Drum Point residents will have more say in the budgeting process for the Community since more of the infrastructure will be maintained by DPPOA funds than the STD.
- Drum Point will be less dependent upon the philosophy of the County Commissioners regarding Community maintenance.
- Beginning in July 2015 (FY 2016), the Board will phase in Covenant Fees utilizing the “like amount” philosophy, with reduced Special Tax District fees to be determined by the Community.

We are all neighbors and proud of our Community. In order to maintain the quality of life in Drum Point as well as the value of our homes, the Directors of the DPPOA need the support of the Community now.

DRUM POINT ENTRANCE SIGNS

On September 15th, a Drum Point resident was returning home. When he turned left into Drum Point, he was greeted with the site of the entrance sign on Barreda Boulevard nearly destroyed, with pieces of the sign scattered about on the ground.



The resident called Board member, John McCall. Upon Mr. McCall's arrival at the scene, the Sheriff's Department was contacted. Fortunately for Drum Point, Cpl. A. C. Moschetto responded to the call. Deputy Moschetto recalled having recently seen a vehicle with damage consistent with an accident of this nature. He drove to the house where he had seen the vehicle and spoke with the driver. In a short time, the driver confessed to having hit the sign.

According to the police report the vehicle, "failed to negotiate a left turn onto Barreda Boule-

vard, struck a street sign and an embankment, and continued south, where it struck the Drum Point subdivision sign."

Without the quick thinking of Deputy Moschetto, it is very unlikely the culprit would have been caught.

Insurance estimates for the restoration of the sign, as well as the landscaping, are being gathered. In the meantime, Board member Larry Reich repaired the sign temporarily. It is fortunate that the driver of the car had auto insurance. Another entrance sign, at Leason Cove Drive, was apparently hit by a vehicle sometime ago, however, the driver of that vehicle was never found. Therefore, an insurance claim cannot be filed.

With the cost of these signs ranging from \$4,000.00 to \$7,000.00, the Leason Cove sign has not been replaced. The Board continues to work for a solution for the replacement of the Leason Cove sign. An old Leason Cove sign has been found but is in need of a great deal of repair. This is one option being considered.



Posting of Signs

Recently, a variety of signs or notices have been posted on and around the Drum Point entrance signs.

Signs should not be posted on the entrance signs into the Community. This includes garage and yard sale signs. Signs which advocate for or against a particular political issue or candidate should not be posted.



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General Membership Meeting

December 7, 2013

All meetings will be conducted according to Maryland Code, Corporations and Associations, Title 5, Sub Title 2, section (§) 5-206. which states, If the number of members present at a meeting does not meet the requirements of a quorum, those present may call another meeting to meet quorum requirements. At the additional meeting, the members present in person constitute a quorum.*

*Per DPPOA Attorney - Any and all business of the Association can be discussed at the meeting.

General Membership Meeting Agenda

**Saturday, December 7, 2013 - 10:00 a.m.
Southern Community Center**

**Call to Order
President's Remarks
Approval of Minutes
Committee Reports**

Old Business

New Business

**Public Comments
Adjournment**

The December meeting will be held in accordance with the above cited Maryland Code regarding quorums.